

2021

Tatung CSR Report

make the world better



ABOUT THIS REPORT

"2021 Tatung Corporate Social Responsibility Report" has been prepared in accordance with the GRI Standards: Core option and AA1000 AS v3. We expect this report is able to present a more focused content to the needs of the stakeholders, as well as sharing the sustainable achievements done by Tatung in a systematical manner.

Scope

The scope of this report covers Tatung's operations within the Headquarter, Tayuan Plant, Taoyuan Wires and Cables Plant, Taoyuan 1st Plant, and San-Hsia Factory. Due to Tatung Consumer Products Co, Ltd (also known as TCPC or Tatung 3C) is mainly in charge of the sales of Tatung's house appliances and consumer products, part of TCPC's information (sales, services, and consumer data management) is also disclosed in this report. The disclosure boundary of some material topics may be beyond the scope above and will be specifically described in its DMA.

Reporting cycle and reporting period

Tatung Corporate Social Responsibility Report is published before the end of June annually. Unless otherwise stated, the data and activities in this report are gathered from 2020.1.1~2020.12.31.

Restatements of information

The energy usages and GHG emissions for year 2019 are restated (page 96, 98). The reasons are:

1. The factories carried out GHG emissions external verifications for year 2019 by the end of 2020.
2. The government official issued the latest electricity emission factor for year 2019.

CSR Report preparation procedures

1. Gather sustainable topics, reporting standards, verification standards, etc.
2. Identify stakeholders and material topics of the year, and submit to "Corporate Governance Committee" for approval.
3. Prepare the report in accordance to reporting standards.
4. Submit the drafted report to "Corporate Governance Committee" for approval.
5. Conduct third party verification for the report.
6. Submit the report to Chairman for issuance.

Data measurement techniques

Financial data is cited from the Annual Report and presented in New Taiwan Dollars. Social, quality and environmental performance figures are presented in metric units, and the data reported to the authorities is preferentially used. The rest of data is gathered from internal statistics of the relevant divisions of the company.

External assurance

This report has been verified by TÜV Asia Pacific Ltd. Taiwan Branch (TUV NORD) based on AA1000AS v3 (Type 2, High level assurance) and GRI Standards. The assurance statement is enclosed in Annex 6.

Previous reports

This report is our 20th non-financial report since 2002. The previous report was published in June, 2020.

Contact Point for questions regarding to the report

This report is prepared by "CSR Reporting Committee" and the contact information is shown below:

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Tatung has done the best to ensure the accuracy of this report. If there is any discrepancy, the latest information from the relevant departments of the company shall prevail.

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MAKING TATUNG THE WORLD'S TATUNG

Chairman

Looking back on 2020, affected by the global epidemic and trade wars, Tatung continues to face challenges. We continue to uphold the spirit of "Integrity, Honesty, Industry, and Frugality" and vision of "Providing high-quality products with innovative technology to achieve energy saving, environmental protection, healthy life, and fulfilling global citizen responsibilities" to pursue operating profitability and corporate sustainable development. Our efforts in sustainable management have been recognized by Wall Street Journal's "The 100 Most Sustainably Managed Companies in the World" and ranked the 75th among the top 100 companies and ranked the 1st in the "Business Model and Innovation" sub-project; Tatung changed its management level at the end of 2020. With the expectation of all sectors of society, we have recruited cross-industry experts and professions, and strengthened corporate governance, as well as, adjust the organization and operation, enhance the brand image, and create corporate value. We promise to make Tatung not only the Taiwan's Tatung, but also the World's Tatung.

Looking into future, human civilization has move toward a low-carbon emissions economy, and the internet technology has also changed the way of life. Built upon its long term foundation in power business, Tatung has turned to green energy and energy storage. As for its more than 70 years of motor business, Tatung has succeeded in the research and development of motors for electric vehicles. In terms of the information business, Tatung also has expanded into big data and cloud services. All businesses are expanding toward the global market, and Tatung is actively seeking collaboration opportunities at home and abroad to speed up its growth both vertically and horizontally. The new management team has actively planned for several business areas, hoping to create a new outlook to improve profits. While pursuing the development of the company, Tatung will actively practice environmental protection, commit to social integration and continue to deepen corporate governance in order to pursue sustainable development of the company, so that shareholders, enterprise, and employees will win together for another glorious century in the business world.

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FIGHTING CLIMATE CHANGE WITH ENERGY CREATION, CONSERVATION, AND STORAGE



President



In 2020, the global pandemic and extreme weather continued to present challenges to the sustainable development of enterprises. Tatung is a pioneer in Taiwan's power equipment, home appliance and information industry, and combines its solid R&D, design and manufacturing capabilities to enhance the practice of ESG issues.

In terms of fighting climate change, Tatung continues to provide products and services centered on energy creation, energy conservation and energy storage, and works with customers and consumers to achieve energy-saving, environmentally friendly and healthy lives. We have built 160MW of solar photovoltaic systems by the end of 2020, which is equivalent to reducing 96,000 tons of carbon dioxide emissions a year, and the goal is to reach 220MW by the end of 2021; We have successfully developed an ultra-large capacity 9,000kVA low energy consumption amorphous core transformer. Compared with the silicon steel sheet type of the same capacity, the power consumption of this transformer can be reduced by 44.8%. This product has also been recognized by the 29th Taiwan Excellence Award; In terms of home appliances, 63 models have also been awarded the Energy Label. In response to the needs of Taiwan's energy transition, grid connection of renewable energy and power system deployment, the Company uses energy storage auxiliary systems to help the nation achieve stability and quality of energy grids and power supply and explore business opportunities in new electricity businesses. It is expected that the cumulative installation in 2025 will reach 300MW, which will create a highly profitable and stable operation.

In terms of social integration, we promote the "Send Love and Light to the Tribe" project. In 2020, we built a "Stone Slab House Smart Disaster Prevention Microgrid" in one of the Paiwan Tribe in Majia Township, Pingtung to make the tribe more convenient. Tatung 3C upholds the feeling of caring for the local and caring for the elderly, and launched a one-day safety inspection activity for home appliances in "Southern Region Senior Citizens' Home, Minister of Health and Welfare", and conducts comprehensive inspections on seasonal appliances such as dehumidifiers, electric heaters, etc. Through this activity to review the safety of electrical appliances in the facility and to promote the correct way of using home appliances.

In terms of corporate governance, Tatung has "Corporate Governance Committee", with independent directors as members, responsible for reviewing the effectiveness of corporate governance-related business implementation. We appointed the Chief of Financial Officer as the chief corporate governance officer to assist with corporate governance related matters. Tatung also conducts internal evaluations based on the "Board and Functional Committee Performance Evaluation Guidelines" set by the company, and reports the evaluation results to the board of directors to continuously improve corporate governance and strengthen the implementation of sustainable operation.

In recent years, the global transformation toward low carbon emissions has driven the green economy and smart management of energy. Tatung will develop its capabilities on energy creation, storage and conservation and motors for electric vehicles based on its existing advantages and cultivate information security, cloud computing and big data services in the information industry to make its businesses more diversified. While pursuing company development, Tatung will continue to deepen corporate governance, improve ESG information disclosure, and fully communicate with stakeholders and advance towards the goal of sustainable development.

Note: The board of directors approved director Chun-Sheng Ho to take over as president on 21/06/2021.

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Economic-governance aspect	
Item	Performances
Sustainable management	Wall Street Journal's "The 100 Most Sustainably Managed Companies in the World" and ranked the 75 th among the top 100 companies and ranked the 1 st in the "Business Model and Innovation" sub-project.
Corporate governance	The performances of the company's board of directors and functional committees were both "GOOD".
Ratio between staff's basic salary and legal salary	1.26 ~ 1.51:1
Percentage of high level managers from local	100%
Disclosure on non-financial information	Published CSR Report for 19 consecutive years.

- (7)
- (1) Energy Conserving Award by Bureau of Energy / Headquarter
 (2) 2020 Public Construction Commission Golden Quality Award by Kaohsiung City Government / PV roofing project for Benjhou Sewage Treatment Plant
 (3) The 20th Public Construction Golden Quality Award – Merit award / New construction of public housing in the central-south section of Nangang District, Taipei City.
 (4) New Taipei City Enterprise Voluntary Energy Saving Award – "Electricity Saving Award" / San-Hsia Factory
 (5) IE5 ultra-premium eff. powertrain for large e-bus / The 29th Taiwan Excellence Award
 (6) High-efficiency amorphous core transformer / The 29th Taiwan Excellence Award
 (7) Intelligent Cooker / The 29th Taiwan Excellence Award

Social aspect	
Item	Performances
Percentage of local employees	94.25%
Average salary ratio between female and male employees	0.85 ~ 0.92:1
Percentage of employees who are labor union members	72.01%
Average education / training hours per employee	12.12 hours
Education / training satisfaction	92.29%
Correction percentage of "Occupational Accident Prevention Pays" Program	100%
Supplier commitment letter	New introduced suppliers 100% signed it back.
Consumer satisfaction	Maintenance: 95.9%. Shipping: 97.4%.
No. of complaints about information leaking received from the consumers	0

- Participation in social welfare
- Promoted the "Send Love and Light to the Tribe" project and built 19 "Stone Slab House Smart Disaster Prevention Micro-grid" in the Paiwan Tribe in Fawan, Majia Township, Pingtung.
 - Launched health inspection activity for home appliances in "Southern Region Senior Citizens' Home, Minister of Health and Welfare" to conduct comprehensive inspections on seasonal appliances.
 - Co-created the children's drama, "Rescuing Power Kingdom" to deliver the concepts of energy saving, healthy, and environmental protection. The drama was performed to more than 4,700 students in a four nationwide.

Environmental aspect	
Item	Performances
Electricity reduced	1.85 Million kw-hr
GHG emissions reduced	943.30 tons CO ₂ e
Waste recycling percentage	63.94%
Certified green products	<ul style="list-style-type: none"> Green Mark: 5 models Energy Label: 63 models Water Label: 12 models
Promotion on green consumption	<ul style="list-style-type: none"> 22 Tatung 3C Stores are registered as Green Store by EPA. Tatung 3C Huaxia Store won EPA'S "Green Stores of the year".
Supporting green procurement	<ul style="list-style-type: none"> Received certificate of appreciation for promoting green procurement from EPB, Taipei City Government. Received certificate of green procurement from EPA.
Solar power systems capacity on grid	161.73MWP accumulated, approximately 96,000 tons CO ₂ e reduction per year.

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IDENTIFICATION ON THE STAKEHOLDERS AND MATERIAL TOPICS

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Listening and responding to the topics which are concerned by the stakeholders is a key element for a company to achieve sustainable development and carry out corporate social responsibility. Tatung not only actively discloses information about environmental protection, social participation, and corporate governance in Annual Report, CSR Report, and the company's official website, but also finds out the blind spots and gains valuable opinions by communicating with the stakeholders via variety of channels.








1.1 Identification on the stakeholders and engagement channels

Based on AA1000 standard and GRI Standards, Tatung identifies the stakeholders by past operation experiences and based on the principle that any organizations or persons impacted by the operation of the company or any organization or persons having impacts to the company. Seven stakeholder groups such as shareholders, customers, employees, local communities and parties, authorities, suppliers and consumers have been identified.

Tatung takes great concern on stakeholders' opinions. We have direct engagement channels for all stakeholders to collect their concerned topics in order to continue improve our CSR performances.







Table 1.1-1 List of stakeholders and engagement channels

Stakeholder groups	 Shareholders	 Customers	 Employees	 Local communities and parties	 Authorities	 Suppliers	 Consumers
Meaning to Tatung	The investors who support Tatung.	The companies having business with Tatung.	The most valuable assets. With their innovated ideas and experiences, Tatung is capable to counter any challenges.	Tatung's good neighborhood. By communicating with them, Tatung is able to find out what more we can do to carry out corporate social responsibility.	Instructors of Tatung. Following the government policies and complying with regulations is the basic principle of Tatung.	Suppliers are the partners that Tatung has grown up with. With their high quality materials, products, and services, Tatung successfully expanded the business year by year.	Supporters of Tatung products. For the past 60 years, Tatung has accompanied countless households in their family time.
Communication channels and frequencies	<ul style="list-style-type: none"> - Shareholders' meeting / Once per year - Irregular shareholders' meetings, direct phone line (+886-2-25925252 ext. 3258; Agency department of Taishin International Bank Co., Ltd.: 02-2504-8125), shareholder e-mail / Irregular - Disclosure of financial information on official website and MOPS (market observation post system) / Every month 	Customer service, PM / Irregular	<ul style="list-style-type: none"> - Chairman's mailbox, HR mail box, complaint mechanism, scheduled education and training, notice board / Irregular - Biweekly HR newspaper / Once per 2 weeks - Health and Safety Committee in the headquarter and factories / Once per 3 months - Labor-management meeting / Once per 3 months 	<ul style="list-style-type: none"> - Direct phone lines / Irregular - Social charity/donation activities / Irregular 	<ul style="list-style-type: none"> - Onsite audits / Irregular - Hearings, seminars / Irregular 	<ul style="list-style-type: none"> - Supplier complaint mailbox supplier@tatung.com / Irregular - Supplier evaluation, annually re-evaluation / Once per year - Supplier assessment / Once per month 	<ul style="list-style-type: none"> - TCPC phone lines (+886-800052666), Tatung 3C Stores, official websites, etungo online shopping website / Irregular - Satisfactory survey / Upon shopping or repair service

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Table 1.1-2 Topics concerned by the stakeholders and our responses

Stakeholder groups	 Shareholders	 Customers	 Employees	 Local communities and parties	 Authorities	 Suppliers	 Consumers
Concerned topics	Governance and financial performances	Product quality and customer information management.	Labor rights, welfares	Pollutant emissions, interaction with local communities	Compliance	The quality of parts and products, the requirements regarding to hazardous substances	Product safety and labeling, personal information management
Tatung's responses	<ol style="list-style-type: none"> Tatung will develop its capabilities on energy creation, transmission, storage and conservation and motors for electric vehicles based on its existing advantages and cultivate information security, cloud computing and big data services in the information industry to make its businesses more diversified. Enforcing corporate governance and information transparency. 	<ol style="list-style-type: none"> Establishing ISO 9001, enhancing supplier quality management, products that pass related verifications. Establishing ISO 27001 to enhance information management. 	<ol style="list-style-type: none"> Complying with labor and health and safety regulations. Organizing education and training courses. Providing reasonable salary and welfares. 	<ol style="list-style-type: none"> Installing air pollutant and wastewater treatment facilities. Participating in community development and charities events through commercial activities, non-cash property endowments, volunteer service and other free professional services. 	Carrying out internal control and internal audit to ensure conformity.	Establishing ISO 9001, enhances supplier quality management, products that pass related verifications. In addition, we also request our suppliers to fulfill corporate social responsibility together by: <ol style="list-style-type: none"> Adding anti-corruption and human rights (human rights, freedom of association, child labor, and forced labor) clauses in the contracts. Signing the "Supplier Commitment Letter", which includes health and safety, environmental protection, human rights topics. Issuing "Declaration of Minerals Conflict-Free from Tatung Company" and requesting the suppliers to follow. 	<ol style="list-style-type: none"> Complying with product safety and labeling regulations, and establishing feedback and anti-recurrence mechanisms. Establishing ISO 27001 to enhance information management.
Chapters	2.2, 2.3, 3.2	4.2, 4.3	5.1, 5.2, 5.3	5.4, 6.3	3.2, 6.1	4.1, 4.2	4.2, 4.3

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1.2 Identification on the material topics

To ensure the contents of this report fully cover with economic, social and environment dimensions, Tatung has CSR Reporting Committee with the president as the leader, and the members are from administrative divisions and BUs. Based on material topics identification procedure (Table 1.2-1), Tatung concludes 27 possible sustainable topics that may have impacts to the stakeholders and to the company based on the past operation experiences, future competitive strategies, and the latest global trends on sustainability such as GRI Standards indicators and UN Sustainable Development Goals (SDGs). The topics are listed on Table 1.2-2.



Table 1.2-1 Material topics identification procedure

<p>Step1 Identification on sustainable topics</p>	<p>Tatung integrates the past operation experiences, future competitive strategies, and the followings to identify the sustainable topics that related to our operations:</p> <ol style="list-style-type: none"> 1. GRI Standards' topic-specific standards; 2. SDGs; 3. Other companies' experiences in the industries.
<p>Step2 Ranking</p>	<ol style="list-style-type: none"> 1. Invite stakeholder to complete surveys (including online survey) to collect their opinions in regarding to the sustainable topics. 2. Conduct impact assessment to the company for each sustainable topic internally. 3. Combine the results from outside and inside the company and define the topics with combination grading 12 and above as material topic candidates.
<p>Step3 Confirmation</p>	<p>Submit the prioritized topics and material topic candidates to "Corporate Governance Committee" for confirmation. The outcome will be the material topics in CSR Report of the year.</p>
<p>Step4 Reporting</p>	<p>CSR Reporting Committee discusses the contents of the report and the boundaries of the material topics; and in accordance to GRI Standards to gather and present the information.</p>

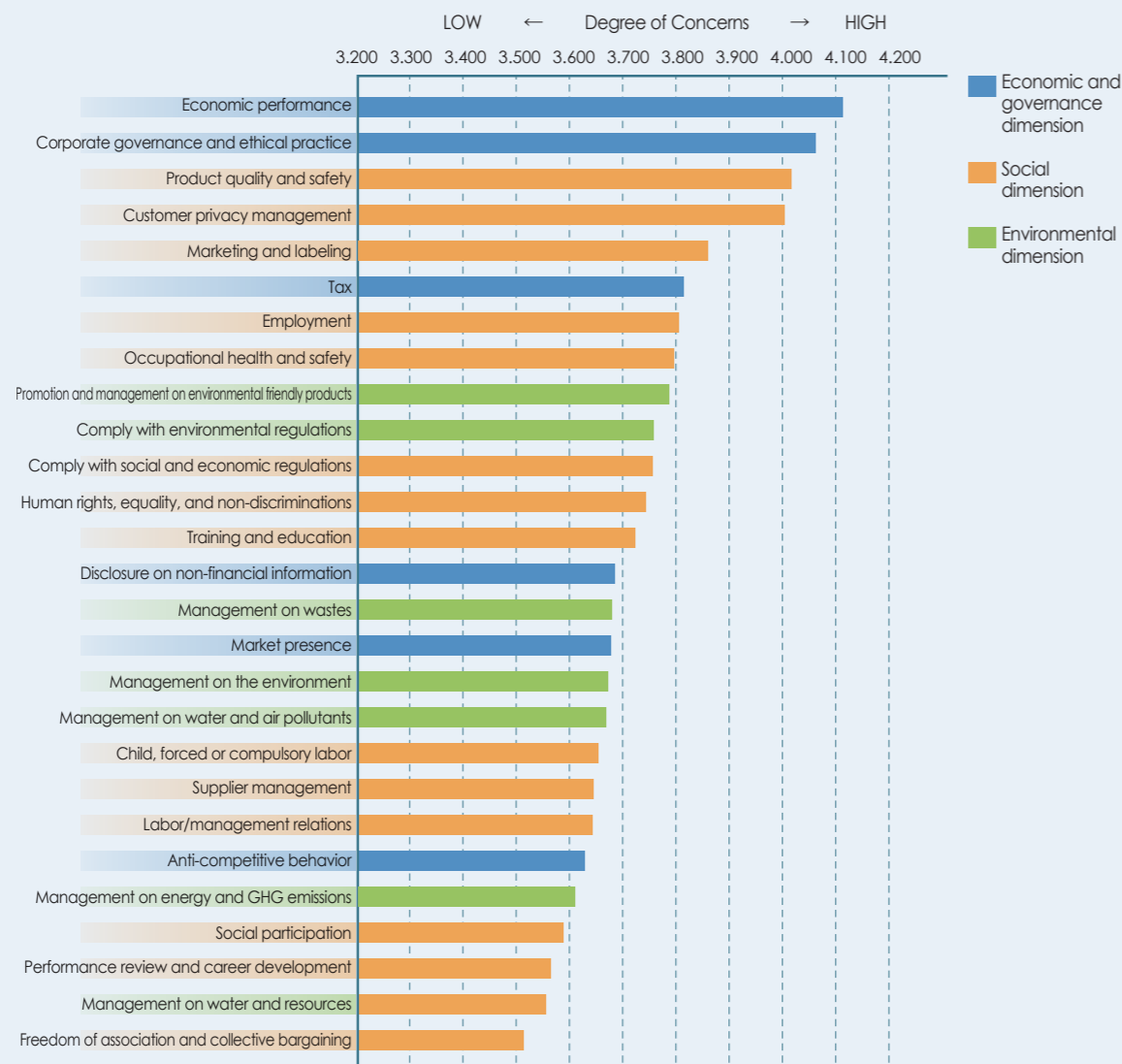
Table 1.2-2 Tatung's sustainable topics

Economic and governance dimension	Economic performance	Corporate governance and ethical practice	Anti-competitive behavior
	Market presence	Disclosure on non-financial information	Tax
Social dimension	Supplier management	Human rights, equality, and non-discriminations	Marketing and labeling
	Employment	Occupational health and safety	Customer privacy management
	Performance review and career development	Child, forced or compulsory labor	Comply with social and economic regulations
	Labor/management relations	Social participation	Freedom of association and collective bargaining
Environmental dimension	Training and education	Product quality and safety	
	Management on the environment	Management on wastes	Comply with environmental regulations
	Management on water and resources	Management on water and air pollutants	
	Management on energy and GHG emissions	Promotion and management on environmental friendly products	

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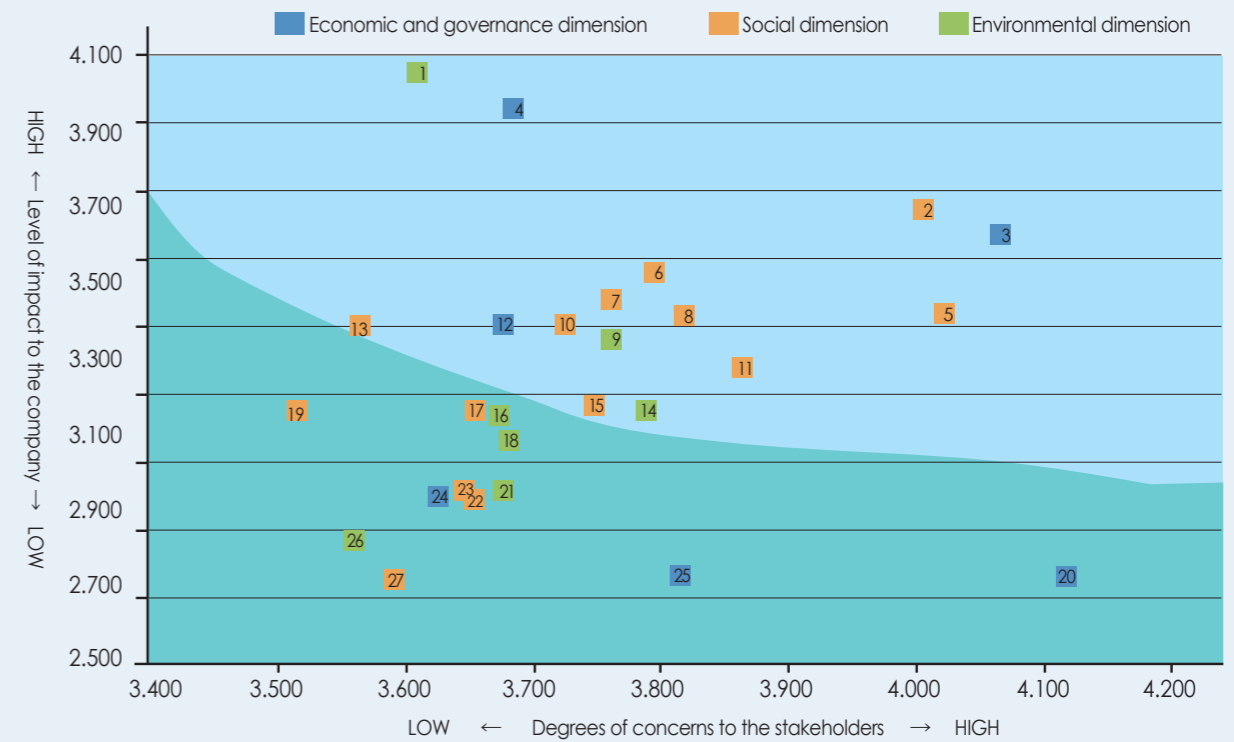
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Tatung used surveys to collect the degree of interest of stakeholders on various sustainable topics (presented by Grade 1 to Grade 5, Grade 5 is the most concerned, Grade 1 is the least concerned). The target groups of the stakeholders are from those were contacted by the members of CSR Reporting Committee and those who took online survey on the CSR Report¹ downloading page of the company's official website during 2020.12.9~2021.1.7. Totally 285 surveys were received and the most concerned topics were ranked. Please see Figure 1.2-1 for details.



▲ Figure 1.2-1 Degree of concerns on the sustainable topics by Tatung's stakeholders

In addition, the CSR Reporting Committee analyzed the possibility, severity and level of impact to the company's economic, environment and social dimensions for the above sustainable topics and gave different ratings from Grade 1 to 5 (Grade 5 is highest, Grade 1 is lowest). Then, the committee members comprehensively evaluated and discussed the degree of concerns from the stakeholders. The topics with multiplied score 12 points or more were considered as material topic candidates and reported to Corporate Governance Committee for confirmation. The confirmed material topics are located in the blue area on Figure 1.2-2.



Material Topics			
1 • Management on energy and GHG emissions	5 • Product quality and safety	9 • Comply with environmental regulations	13 • Performance review and career development
2 • Customer privacy management	6 • Occupational health and safety	10 • Training and education	14 • Promotion and management on environmental friendly products
3 • Corporate governance and ethical practice	7 • Comply with social and economic regulations	11 • Marketing and labeling	15 • Human rights, equality, and non-discriminations
4 • Disclosure on non-financial information	8 • Employment	12 • Market presence	

Other Sustainable Topics			
16 • Management on water and air pollutants	19 • Freedom of association and collective bargaining	22 • Supplier management	25 • Tax
17 • Child, forced or compulsory labor	20 • Economic performance	23 • Labor/management relations	26 • Management on water and resources
18 • Management on wastes	21 • Management on the environment	24 • Anti-competitive behavior	27 • Social participation

▲ Figure 1.2-2 Distribution of the material topics

¹: <http://www.tatung.com.tw/Content/csr-report.asp>

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In this report, we have identified 15 material topics. In terms of economic and governance dimension, the topics are Corporate governance and ethical practice, Disclosure on non-financial information, and Market Presence. In terms of social dimensions, the topics are Customer privacy management, Product quality and safety, Occupational health and safety, Comply with social and economic regulations, Employment, Training and education, Marketing and labeling, Performance review and career development, and Human rights, equality, and non-discriminations. In terms of environmental dimension, the topics are Management on energy and GHG emissions, Comply with environmental regulations, and Promotion and management on environmental friendly products. We can find from Table 1.2-3 that more employee management related topics have been identified as material topics in this report than the previous report. The reason is probably that the company has experienced the transfer of operating rights in 2020, which has caused stakeholders to be more concerned about employee management related topics. We will make detailed responses to these 15 material topics in the following chapters. The correlation of each material topic in the value chain is shown in Table 1.2-4.

Table 1.2-3 Material topics in recent 3 years

Material topics in 2019	Material topics in 2020	Material topics in 2021 and their meanings to Tatung	
Corporate governance and ethical practice	Corporate governance and ethical practice	Corporate governance and ethical practice	Good corporate governance and ethical practice helps the company to achieve sustainable development and demonstrate its social value.
Product quality and safety	Disclosure on non-financial information	Disclosure on non-financial information	Disclosing relevant and reliable ESG information can demonstrate the company's achievements towards sustainable development, as well as communicate with stakeholders.
Comply with social and economic regulations	Product quality and safety	Market presence	Tatung takes great concern on the recruitment and promotion of talents. We uphold the principle of meritocracy, selects talents according to the suitable positions, and guarantee the salaries and benefits of employees.
Customer privacy management	Customer privacy management	Customer privacy management	"Uninterrupted service, no loss of information, personal information not leaked, and enterprise sustainable operation" is our policy.
Labor/management relations	Occupational health and safety	Product quality and safety	Products with good quality and safety in use are the foundation of the company.
Marketing and labeling	Marketing and labeling	Occupational health and safety	It is our responsibility to provide a safe working environment for employees.
Occupational health and safety	Comply with social and economic regulations	Comply with social and economic regulations	Complying with the laws and regulations and become a benchmark for excellent companies in the industry, avoiding violations of the law and major penalties, and damaging the company's image.
Management on the environment	Labor/management relations	Employment	Employees are an important asset for the company's sustainable development, so Tatung actively cares about the lives and working conditions of employees, ensuring that employees work in a safe, satisfactory and healthy working environment.
Comply with environmental regulations	Comply with environmental regulations	Training and education	Talents are the foundation to a company's success. Tatung expects every employee to fully demonstrate TATUNG DNA, give full play to their strengths, and assist the company in achieving strategic goals and vision.
Management on wastes	Management on energy and GHG emissions	Marketing and labeling	This is our corporate social responsibility to ensure that "the marketing and labeling of products and services should follow the relevant laws and international standards, and should not damage the rights and interests of consumers."
Management on water and air pollutants	Management on wastes	Performance review and career development	Tatung takes great concern to the overall performance of individuals, departments and organizations. We encourage employees to continue to learn and assist them in improving and affirming the performance through performance management review and coaching mechanisms.
Management on energy and GHG emissions	Management on the environment	Human rights, equality, and non-discriminations	Tatung integrates labor and management, works together, coexists and co-prospering, so that all employees can feel at ease and satisfied with each job position.
Environmental friendly products	Promotion and management on environmental friendly products	Management on energy and GHG emissions	These two topics echo the principles of Tatung's sustainable environmental development principal: "the economic development should not create pollution to the environment but try to forge a marriage between corporative development and environmental protection," It is also one of the core values of Tatung's CSR policy.
		Comply with environmental regulations	
		Promotion and management on environmental friendly products	This topic echoes Tatung's product design concepts: "Environmental friendly, energy saving and water saving."

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Identification on the stakeholders and material topics

Table 1.2-4 Boundaries of material topics							
Dimensions	Material topics	Tatung Co.	Subsidiaries ²	Suppliers	Page No. of DMA	GRI indicators	UN SDGS
Economic and governance	Corporate governance and ethical practice	■	△	▲	31, 32	Not Applicable	Not Applicable
	Disclosure on non-financial information	■	△	-	31, 32	Not Applicable	
	Market presence	■	△	▲	69, 70	GRI 202-1, 202-2	
Social	Customer privacy management	■	△	▲	55, 56	GRI 418-1	Not Applicable
	Product quality and safety	■	△	▲	47, 48	GRI 416-1, 416-2	Not Applicable
	Occupational health and safety	■	△	▲	77 ~ 84	GRI 403-8, 403-9, 403-10	
	Comply with social and economic regulations	■	△	▲	33, 34	GRI 419-1	Not Applicable
	Employment	■	△	-	63, 64	GRI 401-1, 402-2, 403-3	
	Training and education	■	△	-	71, 72	GRI 404-1	
	Marketing and labeling	■	△	▲	47, 48, 55, 56	GRI 417-1, 417-2, 417-3	Not Applicable
	Performance review and career development	■	△	-	69, 70	GRI 404-2, 404-3	
Environment	Human rights, equality, and non-discriminations	■	△	▲	63, 64	GRI 405-1, 405-2, 406-1, 412-1	
	Management on energy and GHG emissions	■	△	-	95, 96	GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-5	 
	Comply with environmental regulations	■	△	▲	91, 92	GRI 307-1	Not Applicable
	Promotion and management on environmental friendly products	■	■	-	107, 108	GRI 302-5	

Note: ■ represents that the information is disclosed in this report;
 △ represents that the relevant management measures are applied to the subsidiaries but the related information is unable to retrieve and not disclosed in this report;
 ▲ represents that the relevant management measures are applied to the suppliers, the detailed information is disclosed in Chapter 4.1.

²: Part of subsidiaries with larger scale such as Elite Groups and Forward Electronics, their CSR information is disclosed in their CSR reports and /or on their official websites.

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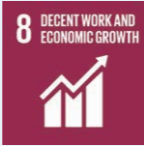



Identification on the stakeholders and material topics

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1.3 Tatung and Sustainable Development Goals

UN announced Sustainable Development Goals (SDGs) in 2015 to be a roadmap to sustainable development for the next 15 years. Corporations are playing important roles to the success of SDGs. As a local company who has been deeply plowed for a century, Tatung supports SDGs and integrates the goals of "Clean water and sanitation", "Affordable and clean energy", "Decent work and economic growth", "Reduced inequalities", "Responsible consumption and production", and "Climate action" into our sustainable strategies. Among the material topics identified this year, most of these are also correspond to SDGs' goal 6, 7, 8, 10, 12, and 13. The measures taken for SDGs are listed on Table 1.3-1.

Table 1.3-1 Measures taken for responding SDGs

SDGs	Description	Measures
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Ensure access to water and sanitation for all.</p> <ul style="list-style-type: none"> By 2030, improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally. 	<ul style="list-style-type: none"> Maintain well function of the waste water treatment facilities in the factories to ensure the quality of the effluents are complied with the standards.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy for all.</p> <ul style="list-style-type: none"> By 2030, increase substantially the share of renewable energy in the global energy mix. By 2030, double the global rate of improvement in energy efficiency. 	<ul style="list-style-type: none"> Expanding solar power systems and having installed 161.73MWp capacity accumulatively at the end of 2020. Raising energy efficiency on the products and continually applying for Energy Label, Green Mark, and Water Label. Strengthen the ability in the field on smart energy management and dispatching by combining with energy storage, smart meters and micro-grids.
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>Promote inclusive and sustainable economic growth, employment and decent work for all.</p> <ul style="list-style-type: none"> By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value. Protect labor rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment. 	<ul style="list-style-type: none"> Ensuring the salary paid to the employees is complied with the regulations or better. Conducting "Working condition monitoring". Establishing ISO 45001 Health and Safety Management System in the factories.
 <p>10 REDUCED INEQUALITIES</p>	<p>Reduce inequality within and among countries.</p> <ul style="list-style-type: none"> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status. Ensure equal opportunity and reduce inequalities of outcome, including by eliminating discriminatory laws, policies and practices and promoting appropriate legislation, policies and action in this regard. 	<ul style="list-style-type: none"> Complying with human rights regulations, supporting gender equality, and banning discrimination of any form are set in the clauses of "Tatung Corporate Social Responsibility Best-Practice Principles". Recruiting only on capability. The starting salary ratio for male and female employees is 1:1.
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>Ensure sustainable consumption and production patterns.</p> <ul style="list-style-type: none"> By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimize their adverse impacts on human health and the environment. By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse. Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle. 	<ul style="list-style-type: none"> Complying with RoHS and REACH regulations to ensure a green supply chain. Implementing waste recycling in the factories. Paying "Recycling and Cleaning Fee" to the government agency (Recycling Fund Management Board) to carry out countrywide waste recycling affairs. Recycling wasted large home appliances, batteries, and CDs in Tatung 3C Stores. Publishing Tatung CSR Report in June every year to disclose company's sustainable information.
 <p>13 CLIMATE ACTION</p>	<p>Take urgent action to combat climate change and its impacts.</p> <ul style="list-style-type: none"> Integrate climate change measures into national policies, strategies and planning. Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 	<ul style="list-style-type: none"> Carrying out green house gases inventory every year based on ISO 14064-1. Announcing 2nd stage energy saving target – the products' energy intensity will be 6% lower in 2023 when comparing to 2018. Having environmental education courses opened to the employees, and GHG management course to the specialties.

CH2

PROFILE OF TATUNG COMPANY

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2.1 Company profile

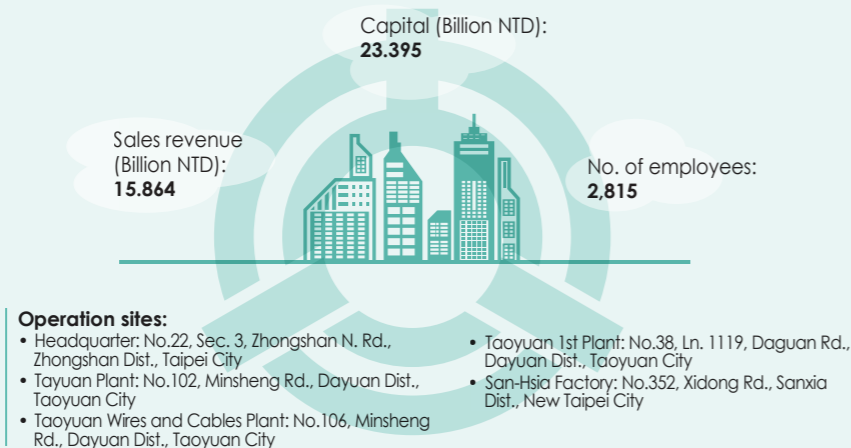
Established in 1918 and headquartered in Taipei, Tatung has evolved into a conglomerate from its substantial heritage. From its inception, Tatung has abided by its founding values of "Integrity, Honesty, Industry, and Frugality". Tatung is listed on the Taiwan Stock Exchange (TSE) under the trading code of 2371.

Tatung is a pioneer in Taiwan's power equipment, home appliance and information industry, and has solid R&D, design and manufacturing capabilities. The business is comprised with Heavy Electrical Equipment BU, Cable BU, Motor BU, Advanced Electronics BU, Appliance BU, Smart Meters BU, System Integration BU, Solar Energy BU, and Smart Energy BU. In recent years, the global transformation toward low carbon emissions has driven the green economy and smart management of energy, and the network technology has promoted information and data security to be the focus of network economy. Tatung will develop its capabilities on energy creation, transmission, storage and conservation and motors for electric vehicles based on its existing advantages and cultivate information security, cloud computing and big data services in the information industry to make its businesses more diversified.

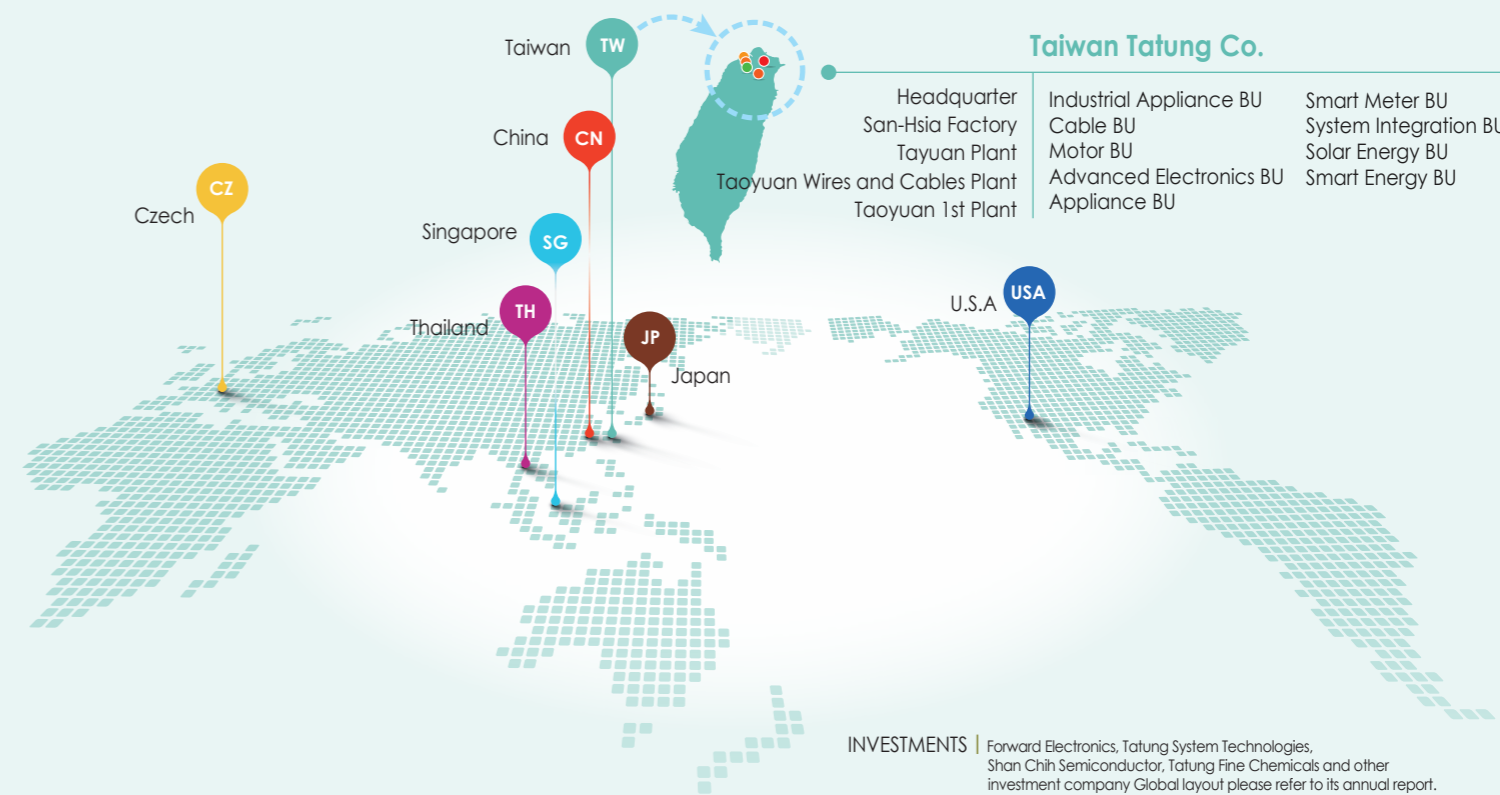
Tatung is equipped with core technologies to manufacture important products in the system integration solutions while working with strategic business partners to target the world market. For more information about us, please visit "TATUNG Official Channel"¹.

As a conglomerate, Tatung's investees involve in some major industries such as optoelectronics, energy, system integration, industrial system, branding retail channel, and asset development. Those that are public listed on the Taiwan Stock Exchange include Tatung System Technologies (8099), Elitegroup Computer Systems (2331), Forward Electronics (8085), and Tatung Fine Chemicals (4738: Emerging stock market). Please refer to Annex 1 for the list of consolidated entities.

Tatung received many awards and certifications on operations and products in 2020 (Please refer to 2020 CSR Highlight). Tatung also endorses initiatives in regarding care disadvantaged groups and employee's health (Table 2.1-3). All these acknowledgements from all sides are certainly the drive behind the growth of Tatung.



▲ Figure 2.1-1 Information of Tatung Co.



▲ Figure 2.1-2 Tatung Co. global network

¹: <https://www.youtube.com/user/TATUNGTW/featured>

CH2 Profile of Tatung Company

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Table 2.1-1 Membership status in the associations or organizations

Association/organization	Member	Managing role ²	Association/organization	Member	Managing role ²
The Third Wednesday Club	■		Chinese Institute of Engineers	■	
Chinese International Economic Cooperation Association	■		Electric-Electronic & Environmental Technology Development Association of R.O.C.	■	■
Chinese National Association of Industry and Commerce, Taiwan	■	■	SINOCON Industrial Standards Foundation	■	■
CNS Certification Mark Association, R.O.C.	■	■	Importers and Exporters Association of Taipei	■	
Information Service Industry Association of R.O.C.	■		Taiwan Electrical Contractors Association	■	
ROC-USA Business Council	■		Taiwan Electric Wire & Cable Industries Association	■	■
Industrial Association of Taipei City	■	■	Taiwan Association of Machinery Industry	■	
Taipei Electrical Commercial Association	■		Taiwan Water Pipe Engineering Industries Association	■	
Taiwan Telematics Industry Association	■		Taiwan Metal Industry Association	■	
Taiwan Wind Energy Association	■		BELLWETHER International Group	■	
Taiwan Electrical and Electronic Manufacturers' Association	■	■	European Chamber of Commerce Taiwan	■	
Taiwan Refrigeration and Air-Conditioning Engineering Association R.O.C.	■		The American Chamber of Commerce in Taipei	■	
Monte Jade Science & Technology Association of Taiwan	■		Taiwan Electric Power Association	■	
Taiwan Motor Industry Association	■	■	Taiwan Association of Energy Service Companies	■	
Taiwan Environmental Engineering Association	■		Taiwan Association of Information and Communication Standards	■ ³	
Industrial Safety and Health Association of the R.O.C.	■		Taiwan Smart Grid Industry Association	■	■
Taiwan Digital Television Committee	■		Taiwan Power and Energy Engineering Association	■	■

Table 2.1-2 The main domestic subsidiaries

Optoelectronics	Chunghwa Picture Tubes, Ltd.	Retail Channel Business	Tatung Consumer Products (Taiwan) Co., Ltd.
	Forward Electronics Co., Ltd.*	Electronics & Information Business	Tatung System Technologies Inc.*
Energy Solutions Business	Shan Chih Semiconductor Co., Ltd.		
	Tatung Forever Energy Co., Ltd.	Industrial Appliance Business and System	Toes Opto-Mechatronics Co. Ltd.
	Tung Yang Energy Co., Ltd.	Chemical Engineering Business	Tatung Fine Chemicals Co., Ltd.*
	Shang Shin Energy Co., Ltd.	Asset Development Business	Shan Chih Asset Development Co., Ltd.
	Yau Yang Energy Co., Ltd.	Others	Chunghwa Electronics Development Co., Ltd.
	Ting Shin Energy Co., Ltd.		Shan Chih Investment Co., Ltd.
	Zhi Shin Energy Co., Ltd.		Tatung Medical & Healthcare Technologies Co., Ltd.
Tung Shin Energy Co., Ltd.	Tatung Die Casting Co., Ltd.		
Tung Kuang Energy Co., Ltd.	Chih Sheng Investment Co., Ltd.		
Chuang Shih Neng Co., Ltd.			

註：*As of 2020/12/31 Listed/OTC and Emerging companies.

Table 2.1-3 Initiatives endorsed by Tatung

Organization	Item
Chinese Blood Donation Association	Corporate blood donation
Health Promotion Administration	Smoke-free/Healthy work place

²: Managing role such as director and supervisor.
³: Chairman of TC3. Device Networking Committee.

CH2 Profile of Tatung Company

2.2 Financial performances

In 2020, Tatung's standalone revenue declined compared with that of 2019, mainly due to that the motor and power equipment departments were affected by the overall economy and the end to production and sales of low-margin products. The pandemic drove the demand for consumer products, which was reflected in the revenue, and the overall revenue shrank 11% from the last year. In terms of profitability, the gross margin for home appliance and power equipment businesses fell due to market competition, and the one-off loss from the elimination of low-profit products and the related equipment in the power department resulted in losses. However, the resources have been transferred to other prospective businesses with potential growth and profit, such as motors for electric vehicles, energy, energy storage and smart management systems.

In terms of the important reinvestment businesses, Shan Chih Asset Development Co., Ltd. Phase 1 of Tatung Manor has 490 units of households, and a total of 382 units has been sold as of the end of 2020, bringing in N\$7.3 billion in revenue, and the remaining 108 units will be sold this year to contribute to the income. The 177 units in Phase 2 have been pre-sold and sold out in Q3 of 2020, with a total sales of about NT\$2.5 billion. As of March 2021, 20% of Phase 2 has been completed, and it is expected to contribute to the revenue and profit of the parent company once it is completed in Q2 of 2023. Tatung has obtained the investment right to first phase of LG07 station of the Wanda-Zhonghe-Shulin line in the Zhonghe MRT joint development project, and signed an investment contract with Taipei City Government. The plan is undergoing some changes to create best interests to Tatung. As for Tatung System Technologies Inc., it has been profitable for 20 consecutive years and has steadily distributed dividends. In recent years, it has focused on using digital technology to help the government and enterprises in digital transformation to improve operational efficiency and decision-making analysis, including smart solutions, consulting, cloud computing, communication system integration, data security and uninterrupted services. As for Chunghwa Picture Tubes, Ltd., currently, the operation is suspended and there is a pending court ruling of bankruptcy. However, Tatung still needs to recognize its investment losses based on the shareholding percentage, which mainly include equipment depreciation, loan interest and penalties. Before the court rules that it is bankrupt, Tatung will continue to help in the disposal of assets through legal channels to reduce losses.

For 2020, the after-tax loss was NT\$1.076 billion. If the investment loss of NT\$2.59 billion in Chunghwa Picture Tubes, Ltd. is excluded, and the investment gain in Tatung Manor from the reinvestment company Shan Chih Asset Development Co., Ltd. is included, Tatung should be profitable. Tatung operates normally on a daily basis and accepts no financial support from the government. For more detailed financial performances, please refer to "Tatung 2020 Annual Report" which can be downloaded at: <http://www.tatung.com/Content-EN/annual-report.asp>



Table 2.2-1 Financial income and expenses of Tatung

	Item	2016	2017	2018	2019	2020
	Operating revenue	17,259,632	17,482,835	19,138,488	17,825,749	15,863,678
	Realized gross profit	2,404,376	2,164,903	2,064,017	1,789,027	1,129,220
	Personnel expenses	2,403,307	2,379,086	2,329,118	2,269,620	2,323,250
	Income from operations	(51,462)	(177,326)	(391,692)	(863,857)	(1,809,817)
Unit: NT\$ Thousand () represents negative values	Non-operating income and expenses	(2,363,313)	280,968	(10,313,757)	3,466,194	792,008
	Income tax benefit	(70,830)	(36,675)	(62,543)	(273,542)	58,528
	Net loss attribute to equity attributable to owners of parents	(2,343,945)	140,317	(10,642,906)	2,875,879	(1,076,337)
	Earnings per share (NT\$)	(1.03)	0.06	(4.75)	1.24	(0.46)
	Dividends per share (NT\$)	0	0	0	0	0

2.3 Services and products

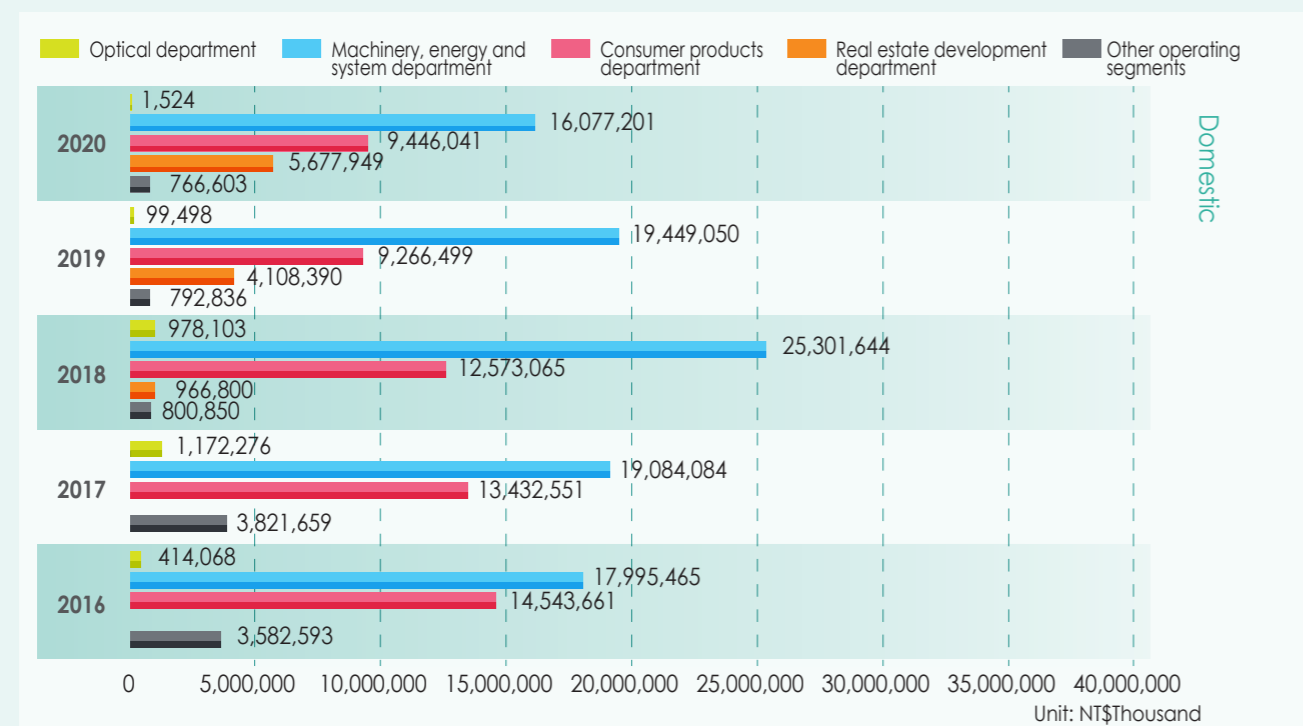
Tatung's operations include power, information and consumer businesses. To sustain strong and long-term growth, Tatung focuses particularly on the development of advanced technologies and global network of operation. With its overseas branches, Tatung is in a solid position to deliver products more efficiently and render customer services more effectively.

Climate change caused by global warming poses risks to businesses and also creates opportunities. With the world trending toward energy conservation and carbon emissions reduction, we will focus on solar energy, energy storage and motors for electric vehicles and shift toward smart, energy-saving, power inverter and high efficiency design and manufacturing, and invest in data security, cloud computing and big data fields in terms of the information system. The focus of operations in 2021 is as follows:

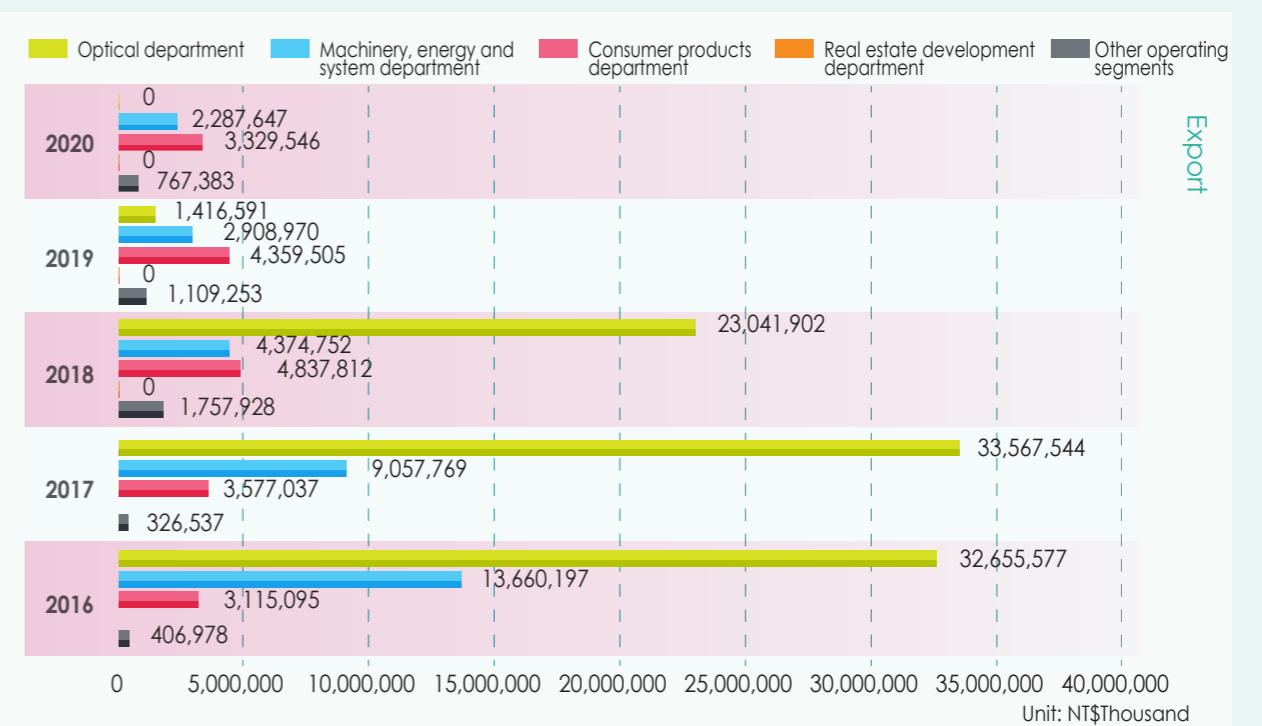
The focus of operations in 2021

Consumer business	System business	Electric power industry
<p>Tatung rice cookers remain the No. 1 rice cooker brand in Taiwan. Tatung at the same time actively explores overseas markets and continues to extend into kitchen appliances. The main sales include commercial and home air-conditioners that are equipped with inverters to offer power-saving and smart management. The technology of the IoT also provides consumers with power management, remote scheduling and personalization options. The business opportunities from installation of air-conditioners at junior high and elementary schools also increase sales. In terms of the design and quality, Tatung has won numerous awards over the years, and the awards include the iF Design Award, Red Dot, Good Design of Japan and Taiwan Excellence. In recent years, Tatung has successfully entered the markets of digital entertainment and smart home peripheral products and incorporated advanced technology and smart functions to provide design and manufacturing services for world's well-known brands.</p>	<p>More than 160MW of solar photovoltaic systems have been built as of the end of 2020. The rooftop solar SPV company Sheng-Yang Energy and solar fish farm from EnergyTrend in Qigu District of Tainan have been sold to contribute profits to Tatung. The smart meter system, the most comprehensive type in the domestic market, developed by Tatung, has gained market share in Japan, Thailand and Malaysia, and Tatung is actively developing the ASEAN market. With its excellent power-related experience and system integration capabilities, Tatung has become the nation's first in winning the energy storage project of automatic frequency control (AFC) of Taiwan Power Company, demonstrating its long-term accumulated technological capabilities. A 5MW large-scale energy storage system would be completed by June 2021 to participate in the first frequency modulation auxiliary service market in the history of Taiwan's electric power industry development. The system would obtain the first UL9540 energy system safety on-site certification in Taiwan to ensure the safety and stability of system operation. Tatung is also actively planning for a 25MW large-scale energy storage system which is expected to become online and operational in Q1 2022.</p>	<p>In response to the market demand, Tatung will continue to modify the product line, invest in manufacturing equipment for ultra-high voltage (UHV) products and collaborate with foreign power distribution brands to develop smart, environmentally friendly and lower power consumption products. Tatung will become the first equipment supplier in the nation to offer transformers, inductors, distribution boards, GIS and four-way switches, enabling it to compete for the business opportunities in the addition of power plants and construction of wind, solar and other renewable energy projects of Taiwan Power Company. Tatung will also invest in manufacturing equipment for high-end network cables to increase the production capacity and maintain its market share to meet the future demand for 5G high volume transmission. In terms of motors, Tatung has accumulated more than 70 years of technology and experience and followed the industry development trends to provide motors and the relevant services in various fields, such as ROT motors, high-voltage maintenance motors, IE4 premium efficiency motors, explosion-proof motors, shaft motors, EV power systems and others.</p>

The sales values for the recent 5 years are shown on Figure 2.3-1 and Figure 2.3-2.



▲ Figure 2.3-1 Tatung's domestic sales values (The above data are subject before consolidation)



▲ Figure 2.3-2 Tatung's export sales values (The above data are subject before consolidation)

CH3

ORGANIZATION STRUCTURE AND GOVERNANCE

- Top Management Statement
- Contents
- 2020 CSR Highlights
- Identification on the stakeholders and material topics
- Profile of Tatung Company
- Organization structure and governance**
- Responsible supply chain, product safety, and customer service
- Happy workplace and social participation
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Governance

Short-term targets

1. Appointing chief corporate governance officer to be responsible for corporate governance related matters, implement corporate governance, and improve the effectiveness of the board of directors.
2. Conducting the performance evaluation for the board of directors and the functional committees.
3. Revising the relevant principles of corporate governance at any time in accordance with the latest published version from the authority.
4. Enhancing corporate information disclosure in English (e.g. English official website).
5. Achieving 6%~20% of Corporate Governance Evaluation.

Performances in 2020

1. The board of directors appointed Chief Financial Officer as Chief Corporate Governance Officer.
2. Corporate Governance Committee had 4 meetings to discuss corporate governance related issues.
3. Completed the performance evaluations for the board of directors and the functional committees. The results were all "Good".

Long-term targets

1. Continue to strengthen corporate governance and improve information transparency. The company's managers and all employees abide by the ethical corporate management to avoid illegal incidents and ensure the company's sustainable operation and performance, and continue to care for the environment, consider social and culture factors, and strengthen corporate governance to fulfill corporate social responsibility.
2. Achieving top 5% of Corporate Governance Evaluation.

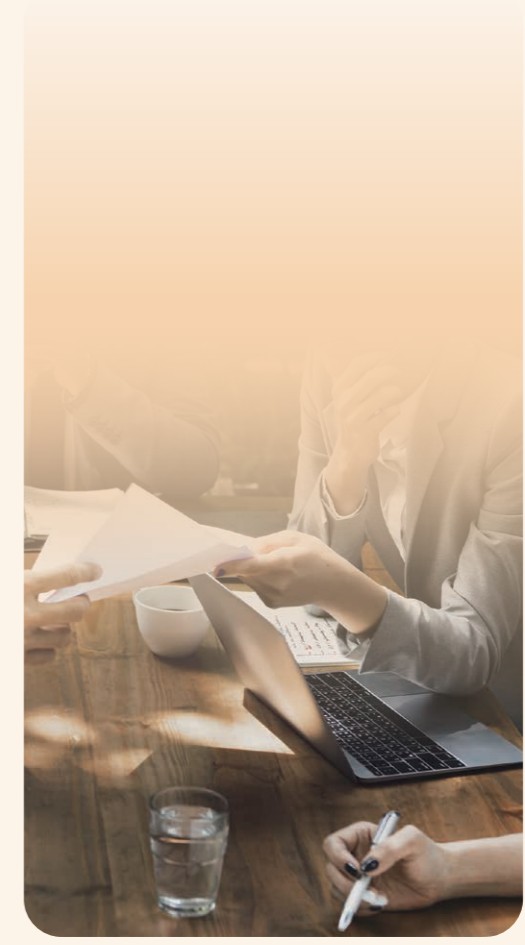
Disclosure on non-financial information

Targets

1. Publish CSR report every year in accordance to the regulation.
2. Disclosing and update CSR information on the company's official website regularly.

Performances in 2020

1. Published "2020 Tatung Corporate Social Responsibility Report" in June. The report has been uploaded to Tatung's official website and MOPS.
2. Optimized the "Responsibility" section of the company's official website to disclose ESG information more comprehensively.



CH3 Organization structure and governance

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3.1 Organization structure

The top management level is Shareholders' Meeting, followed by Board of Directors, Chairman, and President. There are three functional committees under Board of Directors, such as Audit Committee, Remuneration Committee, and Corporate Governance Committee, to assist directors. The Chairman is Ming-Kuang Lu. Apart from the administrative divisions, Tatung is also consisted with Heavy Electrical Equipment BU¹, Cable BU², Motor BU³, Advanced Electronics BU, Appliance BU⁴, Smart Meter BU⁵, System Integration BU, Solar Energy BU, and Smart Energy BU. The governance structure of Tatung is shown on Figure 3.1-1.

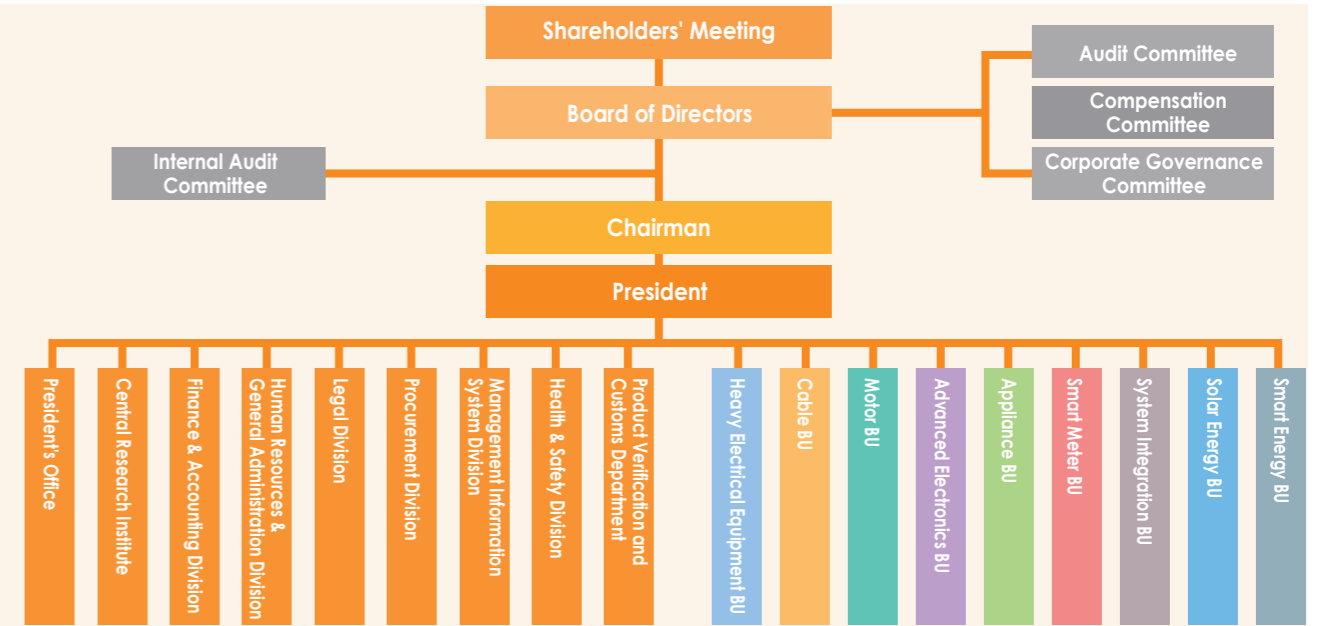
Shareholders' Meeting

The shareholders' meeting is composed of all shareholders. Tatung follows the Company Act, Securities and Exchange Act and other relevant laws to hold a regular shareholders' meeting every year, and accepts the proposals of shareholders holding more than 1% of the total issued shares of Tatung to the shareholders' meeting, and in accordance with the rules of procedure to implement the matters that must be resolved by the shareholders' meeting and fully communicate with shareholders. The director nomination system adopts the candidate nomination system and the term of office is three years. The independence of the candidates for independent directors also complies with the provisions of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies", and accepts the list of candidates proposed by shareholders who hold more than 1% of the total issued shares of Tatung in accordance with the law.

Tatung has appointed the stock agency department of Taishin International Bank⁶ to handle the affairs of the shareholders meeting, and set up the "Shareholder Service and Announcement Section" to receive suggestions or questions from shareholders. Tatung also has "Investors" section⁷ on the company's official website to disclose financial and corporate governance related information, and also immediately announces the information that need to be disclosed at "Market Observation Post System" for shareholders to acquire information at any time. On the other hand, Tatung maintains a good relationship with investment institutions and has established a system of spokespersons and deputy spokespersons as a window for dialogue and connection between the two parties. In addition, Tatung participates in the domestic legal person briefing every year to provide the latest operation information.

Board of directors

The members of the Board of directors were re-elected on the 1st extraordinary shareholders' meeting on 21 October 2020. The total 9 seats of board directors were elected (including 3 independent directors). The Board of directors guides company strategy, supervises management, and responsible to the company and its shareholders. All the directors have professional qualifications in many fields and continuously to take trainings to enhance their ability to run a company. In order to take into account the company's operational and development need, we have stipulated diversity in the composition of the board of directors in Tatung Corporate Governance Best Practice Principles. Basic requirements and values, professional background, knowledge and skills of nominators are taken into account. As outcome, the specialties that the board of directors range from leadership, business management, crisis management, law, finance, and practical experience in the industry. The proportion of the directors who are also employees of the company is 11.1%; independent directors, 33.3%. Please refer to Table 3.1-1 for our directors' information. Tatung works at strengthening the independence and monitoring of the board of directors with the aim of having the board of directors with increase female directors and independent directors as the majority in order to elevate the quality and monitoring mechanism of the board of directors. The hope of monitoring the board of directors and bringing a fresh and independent perspective on the discussion in the board.



▲ Figure 3.1-1 Tatung operation structure

Note: As of 2021.3.31. *

Table 3.1-1 The policy to diversify the membership of the Board

Name / Title	Basic requirements and values		Professional background	Professional knowledge and skills								
	Gender	Nationality		Educational background	Ability to make operational judgments	Ability to perform accounting and financial analysis	Ability to conduct management administration	Ability to conduct crisis management	Knowledge of the industry	An international market perspective	Ability to lead	Ability to make policy decisions
Ming-Kuang Lu Chairman	Male	R.O.C.	Honorary Doctor of Engineering of National Chiao Tung University	●	●	●	●	●	●	●	●	●
I-Wen Chung Director	Male	R.O.C.	BA of Economics, Iowa State University, USA	●	●	●	●	●	●	●	●	●
Wkang-Hsiang Wang Director	Male	R.O.C.	Master of Agricultural Economics National Taiwan University	●	●	●	●	●	●	●	●	●
Ching-Hsiang Lin Director	Male	R.O.C.	Master of Science in Computer Engineering, University of Southern California Bachelor of Science in Control Engineering, National Chiao Tung University	●	●	●	●	●	●	●	●	●
Chi-Yen Liang Director	Male	R.O.C.	Bachelor of Department of Chemical Engineering of National Tsing Hua University Master, National Chengchi University	●	●	●	●	●	●	●	●	●
Chun-Sheng Ho Director	Male	R.O.C.	Bachelor of Electrical Engineering, Tatung University	●	●	●	●	●	●	●	●	●
Chin-Lai Wang Independent Director	Male	R.O.C.	(DBA) Doctor of Business Administration, National Chengchi University Master of Accounting, National Chengchi University Bachelor of Accounting, National Cheng Kung University	●	●	●	●	●	●	●	●	●
Sheng-Isheng Lee Independent Director	Male	R.O.C.	Master of Mainland China Studies, National Sun Yat-Sen University	●	●	●	●	●	●	●	●	●
Chung-Zung Kung Independent Director	Male	R.O.C.	Master of Business Administration, University of Massachusetts, USA	●	●	●	●	●	●	●	●	●

¹: Owns Taoyuan Plant at Dayuan Industrial Park in Taoyuan City.
²: Owns Taoyuan Wires and Cables Plant at Dayuan Industrial Park in Taoyuan City.
³: Owns San-Hsia Factory in Sanxia district, New Taipei City.
⁴: Owns Taoyuan 1st Plant in Dayuan district, Taoyuan City.

⁵: Owns Meter Factory in Taoyuan Wires and Cables Plant.
⁶: The Financial Supervisory Commission ordered Tatung not to handle the administrative sanctions of stock affairs on its own, and Tatung's stock affairs have been entrusted to Taishin Bank since 2020.9.15.
⁷: <http://www.tatung.com>

CH3 Organization structure and governance

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The board of directors had held 14 meetings in 2020. When there is event of conflicts of interest during board of directors' meeting, Tatung follows related regulations to resolve it. The cases of directors' withdrawing from motion due to conflict of interest in 2020 were: The discussion on the Company's Lending Funds to its subsidiary Shan Chih Semiconductor Co., Ltd. (2020.02.13), in accordance with Article 206 of the Company Law, Director Wen-Yen K. Lin, Lung-Ta Lee, and Peng-Fei Su were evaded and participated in voting; The discussion on the nomination of the Company's directors (including independent directors) (2020.05.20), Director Tzong-Der Liou, Wen-Yen K. Lin, Wen-Chieh Peng, Peng-Fei Su, Shou-Huang Chen, Sheng-Wen Tsai and I-Hua Chang respectively avoided their interests and did not participate in the review of their nomination; The discussion on The proposal submitted by the shareholder of the Company's 2020 Annual General Shareholder's Meeting (2020.05.20), Director Wen-Yen K. Lin discussed the proposal of the shareholder Xin Ta Tong Investment Consulting Co. Ltd., she withdrew in accordance with the law and did not participate in the review; The discussion on The Company's 4th Salary and Compensation Committee passed the draft of the company's chairman and managers' salary and compensation at the first interim committee meeting of this year (2020.12.01), Director Wen-Yuan Lin did not participate in the review of the chairman's salary and remuneration case in accordance with the law.

Internal Audit Committee

Tatung has Internal Audit Committee (which is responsible to Board of Directors) to assist the board of directors and managers to check and review the lack of internal control systems and to provide timely recommendations for improvements to ensure the continuous and effective implementation of internal control systems.

Audit Committee

The Audit Committee assists the board in fulfilling its responsibility and duty for oversight of the Company Act, Securities and Exchange Act, and other related laws and regulations. The focus of the work of the Audit Committee in 2020 was to review the quarterly report, semi-annual report, annual financial report and loss compensation case; revise the internal control system and related policies and procedures; material asset or derivatives transactions; offering or issuance of any equity-type securities; material lending funds, endorsements or guarantees; hiring or dismissal of an attesting CPA, or the compensation given thereto; significant investment evaluation and management; and corporate risk management, etc. Table 3.1-2 shows the member attendance status.

Compensation Committee

In view of the fact that the compensation system is an important part of corporate governance and risk management, in order to strengthen corporate governance and improve the compensation system for the directors (including independent directors) and managerial officers of the company, Compensation Committee is established under the board of directors according to law, which is responsible for prescribing and periodically reviewing the performance and the compensation policy, system, standards, and structure for directors and managerial officers, as well as periodically evaluating and prescribing the compensation of directors and managerial officers on the first quarter of each year. Table 3.1-3 shows the attendance status of Compensation Committee in 2020.

The Board of Directors is authorized to determine the transportation allowance and remuneration to directors of the Company based on their contribution to the Company's operation and by taking into consideration the local and foreign standards as applied in the same industry. Presidents and vice presidents manage the Company's business on the order of the Board of Directors. The appointment, dismissal and remuneration of presidents and vice presidents shall be subject to the Company Law. Furthermore, remuneration will also be allocated from the Company's earnings, if any, in accordance with Article 24 of the Company Regulations.

Table 3.1-2 Status for the attendance of Audit Committee members

Title / Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Notes
Chair Sheng-Tsheng Lee	5	0	100	Elected on October 21, 2020
Member Chin-Lai Wang	5	0	100	Elected on October 21, 2020
Member Chung-Zung Kung	5	0	100	Elected on October 21, 2020
Chair Peng-Fei Su	5	0	100	Terminated on June 30, 2020
Member Tzong-Der Liou	7	0	100	Elected on June 30, 2020 Terminated on October 21, 2020
Member Chi-Ming Wu	4	0	100	Resigned on June 19, 2020
Member In-Sheng Hsieh	2	0	100	Elected on June 30, 2020 Terminated on October 21, 2020
Chair Ching-Chuan Lo	1	1	50	Elected on June 30, 2020 Resigned on August 12, 2020

Table 3.1-3 Status for the attendance of Compensation Committees

Title / Name	Attendance in person	Attendance by proxy	Attendance rate (%)	Notes
Chair Chung-Zung Kung	1	0	100	Elected on Nov. 13, 2020
Member Chin-Lai Wang	1	0	100	Elected on Nov. 13, 2020
Member Sheng-Tsheng Lee	1	0	100	Elected on Nov. 13, 2020
Chair Tzong-Der Liou	2	0	100	Re-elected on Aug 13, 2020, Terminated on October 21 2020.
Member In-Sheng Hsieh	0	0	0	Re-elected on Aug 13, 2020, Terminated on October 21 2020.
Member Chien-Ho Chao	0	0	0	Re-elected on Aug 13, 2020, Terminated on October 21 2020.
Member Peng-Fei Su	2	0	100	Terminated on June 30, 2020.
Chair Chi-Ming Wu	2	0	100	Resigned on June 19, 2020.

Table 3.1-4 Remuneration to directors in 2020

Unit: NTD\$ Thousand

Job title	Name	Remuneration to directors							
		Remuneration (A)		Retirement pension (B)		Remuneration allocated from earnings (C)		Business execution expenses (D)	
		The Company	All companies included in Financial statements	The Company	All companies included in Financial statements	The Company	All companies included in Financial statements	The Company	All companies included in Financial statements
Chairman	Ming-Kuang Lu	-	-	-	-	-	-	30	30
Director	I-Wen Chung	-	-	-	-	-	-	30	30
Director	Wkang-Hsiang Wang	-	-	-	-	-	-	60	110
Director	Ching-Hsiang Lin	-	-	-	-	-	-	-	-
Director	Hung-Hsin Lin	10	10	-	-	-	-	60	60
Director	Wen-Yen K. Lin	-	1,890	-	-	-	35	120	600
Independent Director	Chin-Lai Wang	405	405	-	-	-	-	-	-
Independent Director	Sheng-Tsheng Lee	453	453	-	-	-	-	-	-
Independent Director	Chung-Zung Kung	403	403	-	-	-	-	-	-
Director	Lung-Ta Lee	-	360	-	-	-	-	60	120
Director	Shou-Huang Chen	1,260	1,260	-	-	-	-	60	60
Director	Sheng-Wen Tsai	1,595	1,595	-	-	-	-	97	97
(Independent) Director	Peng-Fei Su	3,349	3,457	-	-	-	-	37	37
Independent Director	Tzong-Der Liou	4,254	4,254	-	-	-	-	-	-
Independent Director	Chi-Ming Wu	2,656	2,656	-	-	-	-	-	-
Director	I-Hua Chang	37	37	-	-	-	-	97	97
Independent Director	Ching-Chuan Lo	287	287	-	-	-	-	-	-
Independent Director	In-Sheng Hsieh	1,173	1,173	-	-	-	-	-	-
Director	Wen-Chieh Peng	-	80	-	-	-	-	37	137
Director	Wen-Yuan Lin	1,020	1,020	-	-	-	-	30	30
Director	Ten-Huei Guo	7	7	-	-	-	-	30	30
Director	Xia-Zhen Yeh	-	-	-	-	-	-	60	85

Note: This Table is cited from 2020 Tatung Annual Report. Please refer to page 21 and page 22 for more information.

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Corporate Governance Committee

In order to have sound corporate governance, Tatung has established a Corporate Governance Committee with its organizational charter in accordance with the resolutions made by the board of directors in 2018. The board of directors elected 3 independent directors to be members of the committee and responsible for corporate governance related matters. In 2020, Chief Financial Officer was appointed as Chief Corporate Governance Officer. The Corporate Governance Committee meetings are held at least once every quarter and the duties are:

1. To give considerations to experience, expertise and independence to formulate selection criteria for members of Corporate Governance Committee and submit to the board of directors for resolution.
2. Responsible for the research and analysis, implementation, planning proposals and regulations of the corporate governance system, regulations and procedures for corporate governance, and submit to the resolution of the board of directors.
3. Tracking and suggesting the implementation situation of the relevant information disclosure.
4. Review the governance relationship between the Company and its subsidiaries and other related companies; put forward suggestions for improvement and report to the board of directors.
5. Review the effectiveness of the implementation of the corporate governance system.
6. Other duties in accordance with the board resolutions.



Internal evaluation of the performance of the board and functional committees

In order to strengthen corporate governance and enhance the functions of the board of directors and various functional committees of Tatung, the Board of Directors passed the "Board and Functional Committee Performance Evaluation Guidelines". The Board of Directors and functional committees of Tatung shall perform at least one internal performance evaluation each year. The performance evaluation of the Board of Directors shall be carried out at least once every 3 years by an external professional independent organization, a team of external experts and scholars or other appropriate methods. The results shall be completed before the Board of Directors held within three months after the start of the second year and submitted to the Board of Directors. The realm of the Board and Functional Committee Performance Evaluation of Tatung shall include the performance evaluation of the overall Board of Directors, individual board members and functional committees and individual committee members. The procedures for the establishment of directors' remuneration of Tatung, in addition to the provisions of the Articles of Association, are based on the above criteria and the relevant measures of the functional committees. The relevant performance appraisal and remuneration rationality are reviewed by the functional committees and the board of directors. At any time, the directors' remuneration system will be reviewed in a timely manner depending on the actual operating conditions and relevant laws and regulations.

The results of internal performance evaluation of 2020 were submitted to the Board of Directors on 2021.03.25. The results were both "GOOD" for the performances of the Board of Directors and the functional committees.

Table 3.1-5 Evaluation content of the performance of the board and functional committees

Criteria for evaluating the performance of the board of directors	Criteria for evaluating the performance of the board members (on themselves)	Criteria for evaluating the performance of functional committees
1 Participation in the operation of the company.	1 Alignment of the goals and missions of the company.	1 Participation in the operation of the company.
2 Improvement of the quality of the board of directors' decision making.	2 Awareness of the duties of a director.	2 Improvement of quality of decisions made by the functional committee.
3 Composition and structure of the board of directors.	3 Participation in the operation of the company.	3 Composition and structure of functional committees.
4 Election and continuing education of the directors.	4 Management of internal relationship and communication.	4 The committee's election and continuing education.
5 Internal control.	5 The director's professionalism and continuing education.	5 Internal control.
6 Participation in sustainable operations (ESG).	6 Internal control.	

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3.2 Corporate Governance

DMA:

Corporate governance and ethical practice

An explanation of why the topic is material	Purpose of the management approach	Commitments	Responsibilities	Mechanisms for evaluating the effectiveness of the management approach
Corporate governance is a mechanism to guide and manage a company. It is important to implement the responsibilities of business operators, and protect the legitimate rights and interests of shareholders and take into account the interests of other stakeholders.	Good corporate governance should be achieved by the Board of Directors and management in a manner that is in the best interests of the company and all shareholders, assists in the operation of the company, and provides an effective monitoring mechanism to incentivize the company to make good use of resources, improve efficiency, and thus enhance competitiveness and promote social welfare for the society.	Integrity is Tatung's basic commitment to shareholders, customers, suppliers and society. By formulating relevant regulations to prevent dishonest behavior, building consensus through education and training, promoting to all employees, shaping the corporate culture of "Integrity, Honesty, Industry, and Frugality", and moving forward to sustainable operation.	In accordance with "Corporate Governance Best Practices Principles for TWSE/GTSM Listed companies", Tatung has adopted and made public its corporate governance best practices principles and amended on 2021.01.20.	Tatung has "Board and Functional Committee Performance Evaluation Guidelines" and performs internal evaluation of the performance of the board and functional committees each year.
Boundary for the material topic	Policies	Goals and targets	Resources	Results of the evaluation of the management approach
Tatung and its subsidiaries.	Tatung takes "Integrity, Honesty, Industry and Frugality" as the core value of its management. Based on the values, Tatung formulates relevant policies based on integrity such as "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", "Regulations for Handling Whistleblowing Illegal Cases, and Unethical or Dishonest Conduct Cases", and "Management Procedures for the Prevention of Insider Trading in Tatung Company", as well as management regulations such as employee rewards and punishments, and appeals.	Short-term target: <ol style="list-style-type: none"> 1. Appointing chief corporate governance officer to be responsible for corporate governance related matters, implement corporate governance, and improve the effectiveness of the board of directors. 2. Conducting the performance evaluation for the board of directors and the functional committees. 3. Revising the relevant principles of corporate governance at any time in accordance with the latest published version from the authority. 4. Enhancing corporate information disclosure in English (e.g. English official website). 5. Achieving 6%~20% of Corporate Governance Evaluation. Long-term target: <ol style="list-style-type: none"> 1. Continue to strengthen corporate governance and improve information transparency. The company's managers and all employees abide by the ethical corporate management to avoid illegal incidents and ensure the company's sustainable operation and performance, and continue to care for the environment, consider social and culture factors, and strengthen corporate governance to fulfill corporate social responsibility. 2. Achieving top 5% of Corporate Governance Evaluation. 	The Chief Financial Officer of the company has been appointed as chief corporate governance officer, and relevant corporate governance education and training have been conducted. More than 600 employees have implemented it, and the results of corporate governance education and training have been disclosed in the investor section of the company's official website.	<ol style="list-style-type: none"> 1. The board of directors appointed Chief Financial Officer as Chief Corporate Governance Officer. 2. Corporate Governance Committee had 4 meetings to discuss corporate governance related issues. 3. Completed the performance evaluations for the board of directors and the functional committees. The results were all "Good".
Specific limitation regarding the topic boundary			Grievance mechanisms	Related adjustments to the management approach
Performance disclosure is limited to Tatung Co.			Tatung establishes the "Regulations for Handling Whistleblowing Illegal Cases, and Unethical or Dishonest Conduct Cases" and a dedicated unit of processing employees' complaints for employees' feedback, found violations of lawlessness, and reported unethical conducts.	Tatung follows the check items of "Corporate Governance Evaluation" implemented by TWSE to review and improve the practice of each aspect of the company and fully improve the quality of corporate governance.

Disclosure on non-financial information

An explanation of why the topic is material	Specific limitation regarding the topic boundary	Commitments	Resources	Specific actions	Results of the evaluation of the management approach
The transparency of a company's non-financial information is an important tool for measuring its sustainable development and corporate value. Investment institutions, government agencies and other stakeholders all attach great importance to this topic.	Performance disclosure is limited to Tatung Co. and certain subsidiaries.	Tatung commits that the company should fully disclose relevant and reliable corporate social responsibility related information to enhance information transparency.	Tatung has organized CSR Reporting Committee to be responsible to prepare CSR Report.	Prepare CSR report in accordance with GRI Standards and "Taiwan Stock Exchange Corporate Rules Governing the Preparation and Filing of Corporate Social Responsibility Reports by TWSE Listed Companies".	<ol style="list-style-type: none"> 1. "2020 Tatung Corporate Social Responsibility Report" was published in June, 2020. The reports can be downloaded: http://www.tatung.com/Content-EN/csr-report.asp 2. Optimized the "Responsibility" section of the company's official website to disclose ESG information more comprehensively.
Boundary for the material topic	Purpose of the management approach	Goals and targets	Grievance mechanisms	Mechanisms for evaluating the effectiveness of the management approach	Related adjustments to the management approach
Tatung and its subsidiaries.	By proactively disclosing the company's ESG information and achievements, and focusing on meeting the expectations of stakeholders to systematically demonstrates the company's efforts towards sustainable development.	<ol style="list-style-type: none"> 1. Publishing Tatung Corporate Social Responsibility Report by the end of June every year. 2. Updating and disclosing ESG information on the company's official website regularly. 	Tatung CSR Report feedback e-mail: csreport@tatung.com	Submit the drafted CSR Report to "Corporate Governance Committee" for approval and submit the report to Chairman for issuance.	NIL.

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DMA:

Comply with social and economic regulations

An explanation of why the topic is material		Purpose of the management approach	Commitments	Resources	Results of the evaluation of the management approach
Complying with the policy and legal requirements of the competent authority to ensure that the company and the employees comply with regulations and industry associations to avoid or reduce the legal risks and illegal losses in the enterprise. Also disclosing the adjudication of social and economic laws and regulations honestly.		Tatung complies with social and economic laws and regulations and becomes a benchmark for excellent companies and industries in the society.	Tatung commits to pay close attention to and abide by the domestic and foreign policies, laws, and trends that have a significant impact on the company's business and finances. It also formulates a code of ethical conduct for compliance.	The Board of Directors has set up the "Internal Audit Committee", "Audit Committee" and "Corporate Governance Committee" to check and review the lack of internal control systems and measure the effectiveness and efficiency of operations, as well as the legal compliance operations of corporate governance, and provide timely recommendations for improvement.	In 2020, Tatung did not have any major violations against social and economic laws and regulations.
Boundary for the material topic	Specific limitation regarding the topic boundary	Policies	Goals and targets	Mechanisms for evaluating the effectiveness of the management approach	Related adjustments to the management approach
Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co.	Tatung's ethics and regulatory compliance system is based on "integrity". Through the identification and formulation, implementation, self-assessment and review of regulations, the management level will lead by example and practice from top to bottom.	<p>Short-term target: Tatung continues to follow the latest related social and economic laws and regulations.</p> <p>Long-term target: Tatung will continue to operate sustainably and fulfill its role as a corporate citizen.</p>	Tatung conducts regular/unscheduled internal control, internal audit and checked by external accountants.	NIL.

Good corporate governance and ethical management are the keystones for a corporate to achieve sustainable development and demonstrates its social value. Since 1918, we have taken "Integrity, Honesty, Industry, Frugality" as our corporate values and stipulated "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", "Ethical Conduct Principles", and "Corporate Social Responsibility Best Practice Principles". We keep abreast of global trends and adjust with the times to follow our various businesses. On the other hand, through the implementation of the internal control system, the company's policies and regulations are ensured. In addition to playing the role of a product and service provider, we also combine environmental sustainability with the management of the company. It is expected to not only achieve sustainable business, but also fulfill our responsibility for environmental sustainability and corporate social responsibility.

Corporate Governance Best Practice Principles

In order to establish sound corporate governance system, Tatung adopted the principles of Taiwan Stock Exchange Corporation (TWSE) and the GreTai Securities Market (GTSM) and published "Corporate Governance Best Practice Principles". The principles are agreed by board of directors and aiming to achieve the followings:

- ▶ Protect the rights and interests of shareholders.
- ▶ Fulfill the function of supervisors.
- ▶ Enhance information transparency.
- ▶ Strengthen the powers of the board of directors.
- ▶ Respect the rights and interests of stakeholders.

Ethical Corporate Management Best Practice Principles

In order to establish an ethical and sound management of corporate culture development to build up a good business mode of operation, risk control mechanism and sustainable business environment, Tatung published "Ethical Corporate Management Best Practice Principles". The principles prohibit directors, supervisors, managers, employees, and mandataries or persons having substantial control shall not conduct unethical behavior. Ethical training and education are conducted among the mentioned personnel regularly. Persons and companies who have business with Tatung are invited to attend the education to fully understand the commitment made by Tatung.

Ethical Conduct Principles

In order to guide the directors and managers of ethical conduct, for example, prevent conflicts of interest, to avoid the chance of personal interests and fulfill the duty of confidentiality, fair dealing, protection and proper use of company assets, to follow the laws and regulations, to encourage the reporting of any violations of law or ethical behavior and conduct of disciplinary measures, Tatung has formulated "Ethical Conduct Principles" and which has been approved by the Board of Directors.

Employees' code of ethics

Tatung upholds the principles of "Integrity, Honesty, Industry, Frugality" and prohibits any improper behavior and financial dealings. Each new employee will sign a self-regulation convention when they report to the company. The convention states that employees must not doing fraud or receiving gifts from others in duties, and shall not disclose the company's technologies and business contents. Tatung has established relevant control measures for this, such as Company Rules, "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" to prohibit every member in the company from doing non-ethic behaviors. Tatung also established internal control measures such as internal control system, scheduled and unscheduled audits of Internal Audit Committee. The contracts signed with the suppliers are added the requirements such as shall not bribe or provide improper benefits to Tatung employees. Work rotations for procurement, finance and human resources departments are also practiced to reduce the risk of corruption. We also announce the "Corporate Ethics Statement for the Group" on the company's internal website from time to time. In addition, we have relevant systems for reporting illegal cases, and unethical or dishonest conduct cases. If there is any corruption case, Tatung will pursue its legal responsibility to put an end to the corruption.

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Internal control system and internal control committee

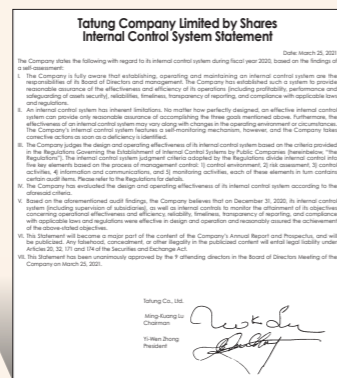
In order to promote the effective operation and ethical management of the company, Tatung established "Internal Control System". The mission is to:

1. Ensure the enforcement of company policies and rules.
2. Avoid the waste, lost and non-efficient use of assets.
3. Ensure the accuracy of accounting and operating information.
4. Evaluate the performances for each division.

Internal control system covers all operations of Tatung, including accounting, finance, planning, organization, control and management, and information about sales, production, purchasing, materials, engineering, personnel and research and development. In addition, internal control should prepare, distribute, report and analyze data to the management level, so that the highest management level can keep track on the execution and control of Tatung's various work and business. Tatung follows "Regulations Governing Establishment of Internal Control Systems by Public Companies" proclaimed by Financial Supervisory Commission, dividing the business operations to Sale and receipt cycle, Purchase and payment cycle, Production cycle (environment, health and safety issue included), Labor and wage cycle, Finance cycle, Fixed asset cycle, Investment cycle, and Research and development cycle, as well as setting out the management controls for data access and other activities. Tatung monitors and controls the system and operation procedures continuously by carrying out the internal auditing and review meetings of Internal Control Committee⁸. Such practice can enhance the internal control system and optimize the efficiency of corporate governance. Figure 3.2-1 shows Tatung's internal control system statement.

Internal control system is not only applied in Tatung but also applied to Tatung's subsidiaries. The subsidiaries are graded into different levels according to their scales. Different levels of subsidiaries have different internal control frequencies to effectively optimize the corporate governance of subsidiaries.

In addition to internal control system, Tatung has introduced and maintained various of management systems in the factories for specific topics, such as ISO14001 (environment), ISO 45001 (health and safety), ISO9001 (quality), ISO 27001 (information safety), TTQS (training and education) and others. The factories follow the procedures of the management systems to review and update the related laws and regulations. At the same time, the factories conduct internal audit and management review to ensure the operations can comply with the laws and regulations. The administrative in headquarter also announce the latest and related regulations to the employees by publishing on the internal website and/or through e-mails. In this way, the employees will gain the knowledge of regulations and avoid breaching them at work.



▲ Figure 3.2-1 The internal control statement of Tatung in 2020

Risk management

When facing on rapid changing business environment and climate change, Tatung has assigned responsible departments (Table 3.2-1) to process risk assessment on significant topics. Table 3.2-2 shows Tatung's risks and counter measures.

Risk management	Bodies in charge	Responsibilities
Strategy and operation risk	1. Board of Directors 2. High-level management (Chairman, president) 3. Management of each plant and division (General manager, director, and center manager)	1. Stipulation & implementation of management policies 2. Assessment & analysis of operation performance
Market risk	Sales unit of each plant and division	Business & sales promotion as well as market research and evaluation
Financial and liquidity risk	Finance & Accounting Division	Final accounting of cost, funds allocation and control, and hedging of interest and exchange rates
Legal risk	Legal Division	Process of litigation and non-litigation cases

Category	Risk type	Counter measures
Governance	Change in management	Xin Tong and Xin Ta Tong Investment Consultant Co. Ltd, the corporate shareholders of Tatung, were jointly granted the right by the Ministry of Economic Affairs to convene Tatung's 2020 1st extraordinary shareholders' meeting taking place on 21 October 2020 for the purpose of a full re-election of board directors. The total 9 seats of board directors elected included Mr. Wkang-Hsiang Wang, the legal person representative of Gindon Investment Co., Mr. Wen-Yuan Lin, the legal person representative of Gindon Investment Co., Mr. Hung-Hsin Lin, the legal person representative of Xin Tong Investment Consultant Co., Ms. Xia-Zhen Yeh, the legal person representative of Gindon Investment Co., Mr. Ten-Huei Guo, the legal person representative of Gindon Investment Co., and Ms. Wen-Yen K. Lin, the legal person representative of Tatung High School, while Mr. Chin-Lai Wang, Mr. Sheng-Tsheng Lee, and Mr. Chung-Zung Kung were elected as the independent directors. The change in management rights has no negative impact or risk on the company's operations.
Operation	Non-ethical behavior	<ul style="list-style-type: none"> Tatung has issued "Corporate Ethics Statement for Group Employees" and formulated "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct" and announced to all the employees. At the same time, through rigorous and effective accounting systems and internal control systems to prevent bribery and illegal political donations and so on happened. Tatung has established effective accounting and internal control systems for ensuring the implementation of policies, and the internal auditors formulate annual audit plans based on the results of the risk assessment and report to the Board its audit report. Tatung has a mechanism of processing employees' complaints for employees' unethical conducts. The company maintains secrecy and inspects the reported contents as well as protects informants' rights and interest.
	Changes in technologies on the financial position and operation of the Company	<ul style="list-style-type: none"> Tatung has developed deep technical foundation, kept putting efforts on research & development, and expanded the business of key products as well as system aggressively in smart grid to ensure its technology and market leading position in domestic electricity generation, power transmission & distribution and energy management. Tatung marches into oversea market and aims at the energy technology industry leader. With the trend of energy efficiency and carbon reduction, Tatung has strived to carry on fine tradition, and reinforced to develop high-quality green home appliances with health, environment protection, energy-saving and high efficiency concepts to increase the sales performance and profit.

⁸: In view of the fact that the inspection deficiencies have been greatly reduced, the President verified that the operation of internal control committee would cease to function since April 2021, and the Internal Audit Committee will continue to maintain the effectiveness of the internal control system.

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Table 3.2-2 Tatung's risks and counter measures		
Category	Risk type	Counter measures
	Information security	<ul style="list-style-type: none"> In response to personal information protection and information security needs, Tatung established the Information Security and the Personal Information Protection Committee as early as 2014, passed the ISO27001 information security management system verification, and ensured the security of the company's personnel, data, information systems, equipment and network in accordance with the requirements of the BS10012 personal data protection standard. To ensure the safety of the company's personnel, data, information systems, equipment and network, establishing an information security policy as the highest guiding principle of the company's information security management system, achieving the goal of "uninterrupted service, no loss of information, personal information not leaked, and enterprise sustainable operation". Committee conducts risk assessments on a regular basis or in the event of major changes in the information technology environment. As a basis for the operation of the information security management system, the information security risk level related to various service operations of Tatung is defined. The Assessment Procedures regulates risk management plans and subsequent improvement measures to reduce the risk to an acceptable level. Through the discussion of the monthly meeting of the Information Security Monthly Meeting and the emergency response, the review of the new internal and external security issues will be carried out to the annual plan. In the activities of the planning, the annual budget and security management review meeting hosted by President will be held in October each year, and the results of this year's implementation and the budget plan for the next year will be reported. The annual activities include semi-annual external auditor's audits, two outsourcing consultants' external counseling every year, and an annual internal audit of the audit committee to determine the implementation status of the information security management system and whether to achieve the information security objectives of confidentiality, integrity, availability and compliance of each service.
Finance	Interest rate	<ul style="list-style-type: none"> Derivatives can be used as a hedge against interest rate fluctuations for Tatung's long-term debts. When considering mid to long-term bond issues, Tatung carefully sets its target interest rate to lower its interest rate risks as much as possible. For example, Tatung's offshore exchangeable corporate bond issue offers a fixed interest rate, while its domestic secured convertible bond offers a zero coupon rate.
	Exchange rate	Tatung has a natural hedge against currency fluctuation as its business involves imports and exports. It also utilizes derivatives to hedge the remainder of its foreign exchange position that is exposed to currency exchange risks. The management of risks involving such derivatives are set forth in Tatung's "Operational Procedures for Derivatives Trading." Tatung also has an internal control system to supervise the loss limit of foreign currency transactions.
	Inflation	The constant inflation rate in recent years has no significant impact on Tatung's operations and profits. Tatung will continue to prudently evaluate the price trends of raw materials and work out the best procurement and sales strategies in line with operational needs.
Legal	Changes in policies and laws	<ul style="list-style-type: none"> Tatung carefully monitors any changes in local and foreign policies and makes appropriate adjustments in Tatung's internal control system and operations when necessary. Tatung's R&D units and financial department continues to avail of and seek various investment incentives, such as tax credit, granted by the Ministry of Economic Affairs and other government agencies.

Table 3.2-2 Tatung's risks and counter measures		
Category	Risk type	Counter measures
Environmental protection, health and safety	Environment	<ul style="list-style-type: none"> Continue to run environmental management system to elevate environmental performance. Conduct "Pollution Prevention Pays" program and internal control system to prevent the violations of regulation.
	Health and safety	<ul style="list-style-type: none"> Continue to run occupational health and safety management system to elevate health and safety performance. Conduct "Disaster Prevention Pays" program and internal control system to prevent the violations of regulation. Conduct monitoring on operation site, job safety analysis and establish safety S.O.P.
Climate change	Carbon emission cap or tax	<ul style="list-style-type: none"> Continue to run energy management system to elevate energy performance. Continue to promote energy saving projects.
	Carbon emission disclosure	<ul style="list-style-type: none"> Conduct GHG emission inventory. Promote product carbon footprint.
	Water resource	Promote water saving projects.

In addition, with respect to the controversies between Tatung and shareholders, such as exercise of disgorgement, 2017 shareholders' meeting resolution effectiveness, exercise of shareholders voting right, appointment of inspector, injunctive relief, application for convening a special meeting of shareholders by minority shareholders etc., except for the case of the exercise of shareholders voting right, which is currently under trial in the Taipei District Court of Taiwan, the rest of the cases have been withdrawn or terminated, so there is no litigation. Tatung's operations, finance and business were not affected by the above personal cases and will continue as usual. The cases arising from the election of directors at Tatung's regular shareholders' meeting on June 30, 2020 included: (1) The Securities and Futures Investors Protection Center dismissed Wen-Yen Lin Kuo as a director of Tatung. On December 17, 2020, the Taipei District Court ruled that director Wen-Yen Lin Kuo should be dismissed as a director of Tatung. Director Wen-Yen Lin Kuo has filed an appeal; (2) The Financial Supervisory Commission ordered Tatung not to handle the administrative sanctions of stock affairs on its own, and Tatung's stock affairs have been entrusted to Taishin Bank to handle it.

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Corporate social responsibility

Policy and management

Established in 1918, Tatung, formerly known as Xie Chih Business Enterprise, has evolved and grown over the decades into one of Taiwan's leading conglomerates. The foundation of Tatung is built on four fundamental values—Integrity, Honesty, Industry, and Frugality. Developed by Tatung's founder and former chairman, Mr. Shan-chih Lin, they represent the essence of the Company's commitments to our customers, shareholders, and employees. Mr. T. S. Lin, Chairman Emeritus of Tatung, further extended the precepts behind these core values to serve as the guidelines for the Company's continued success and prosperity. These are: Industry-education cooperation, Shareholder responsibility, Employee harmony, and Customer satisfaction.

To be able to fulfill corporate social responsibility and contribute to the progress of economy, environment and the community, Tatung stipulated "Tatung Corporate Social Responsibility Best Practice Principles" to manage the economy, environment and social risks and impacts in 2014 (amended on 2021.01.20). The principles act as guidance for implementing corporate governance, sustainable development and the environment, the maintenance of social welfare, strengthening CSR disclosure. The results and performances will be reported to Board of Directors every year (Table 3.2-3).

In 2020, Tatung has outstanding performance in terms of corporate social responsibility and sustainable development. In the Wall Street Journal's "The 100 Most Sustainably Managed Companies in the World"⁹, Tatung was ranked the 75th among the top 100 companies and ranked the 1st in the "Business Model and Innovation" sub-project.

Table 3.2-3 Tatung CSR responsible units

Topic	Responsible unit	Duty	Report to the Board of Directors
Corporate social responsibility	Legal Division	In charge of bringing forward and carrying out the policies, systems, management, and implementation programs for corporate social responsibility.	The implementation of corporate social responsibility and environmental management results in year 2020 were reported to the Board of Directors on 2021.03.25.
Environmental management	Health & Safety Division	In charge of environmental management including drafting, promoting, and maintaining relevant environment management systems and concrete action plans, and held environment education courses for their managerial officers and other employees on a periodic basis.	The implementation of ethical corporate management results in year 2020 were reported to the Board of Directors on 2020.12.23.
Ethical corporate management	Human Resources & General Administration Division	In charge of the ethical management policy, the "Ethical Corporate Management Best Practice Principles," as well as the prevention programs against unethical conduct, the "Regulations for Handling Whistleblowing Illegal Cases, and Unethical or Dishonest Conduct Cases."	The implementation of ethical corporate management results in year 2020 were reported to the Board of Directors on 2020.12.23.
	Legal Division	In charge of the revision, implementation, interpretation, consulting service, and notification of the contents of the "Procedures for Ethical Management and Guidelines for Conduct."	



Industry-education cooperation

To cultivate young engineering talent and to lend efforts to research and development through cooperation between the company and Tatung High School as well as Tatung University. Realizing the importance of education in a society with a knowledge-based economy, Tatung sponsors the schools' major projects while also contributing industrial experience to the teaching. As a responsible corporate citizen, Tatung regards its dedication to education as a manifestation of long-term commitment to social well being.

Shareholder responsibility

To pursue maximum returns for our shareholders and to maintain a stable dividend policy.

Employee harmony

To encourage self-motivation and cooperation amongst employees through the organization of profit centers to ensure fair compensation, incentives, welfare benefits, as well as to provide on-the-job training.

Customer satisfaction

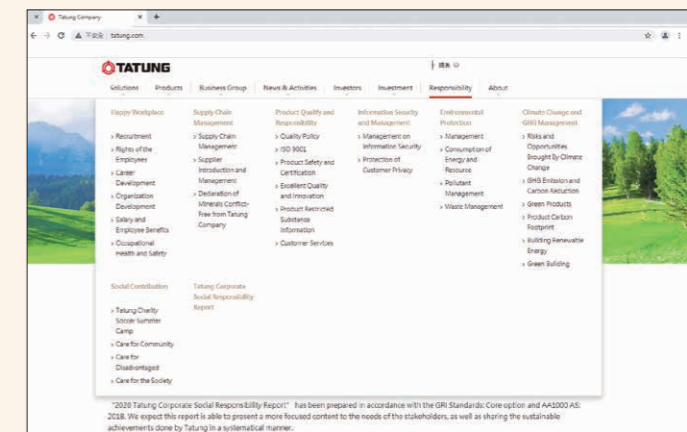
To re-invest profits in pursuit of better product quality so as to create value for our customers.



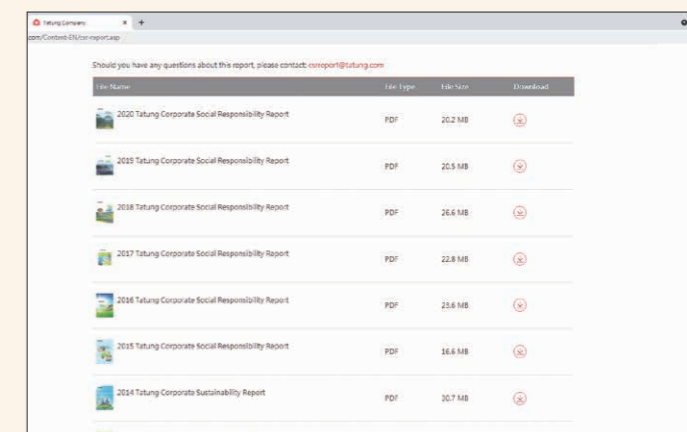
Disclosure on non-financial information

In order to proactively and effectively disclose Tatung's non-financial information and show our achievements in sustainable development, and as a tool to communicate with stakeholders, we have set up a "Corporate Social Responsibility" section on the company's official website in both Chinese and English¹⁰ to disclose Tatung's economic, social and environmental management measures and performances; on the other hand, we publish annual publication "Tatung Corporate Social Responsibility Report" in accordance with GRI Standards and introduce external verification agency to verify the format and content of the report to improve the reliability of disclosed information reliability.

We promise to continue to publish corporate social responsibility report in June every year and disclose Tatung's ESG information on the official website to communicate with stakeholders.



Responsibility section on Tatung's official website



CSR reports issued over the years

⁹: https://www.wsj.com/articles/wsj-most-sustainably-managed-companies-finds-tatung-and-kering-topping-innovation-list-11602514813?mod=ig_sustainablymanagedcompanies2020

¹⁰: <http://www.tatung.com>

CH4

RESPONSIBLE SUPPLY CHAIN, PRODUCT SAFETY, AND CUSTOMER SERVICE

- Top Management Statement
- Contents
- 2020 CSR Highlights
- Identification on the stakeholders and material topics
- Profile of Tatung Company
- Organization structure and governance
- Responsible supply chain, product safety, and customer service
- Happy workplace and social participation
- Sustainable environment
- Annex



CH4 Responsible supply chain, product safety, and customer service

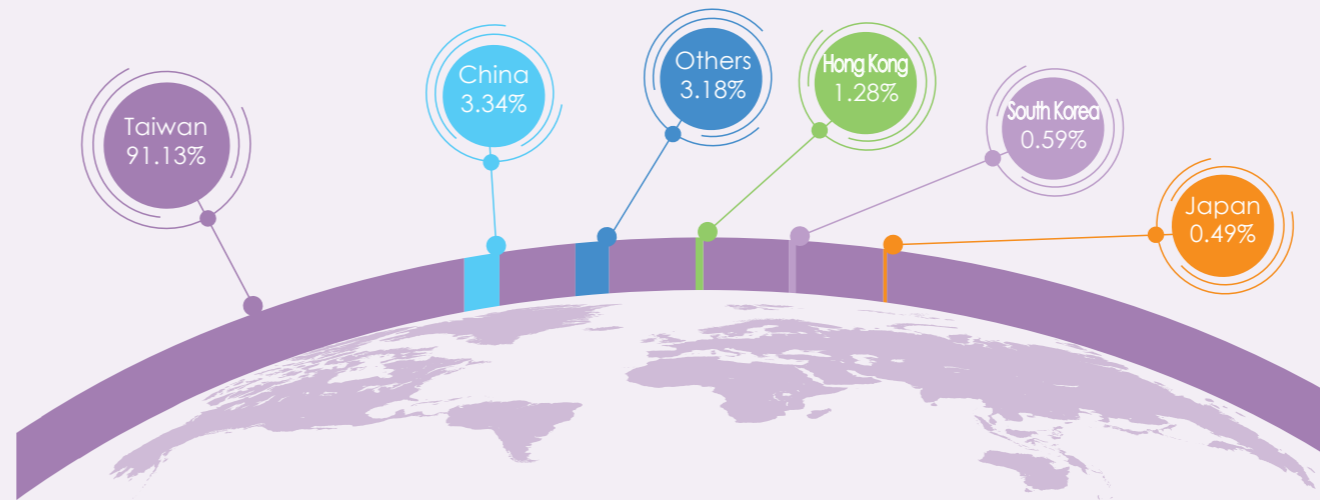
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4.1 Responsible supply chain

Tatung believes that with good relationship with decent suppliers can make sure getting high quality parts/products to raise productivity to share the benefits to the customers around the world. Hence, Tatung conducts internal control and related management procedures to manage and introduce suppliers. Regular supplier auditing is conducted in BUs and subsidiaries.

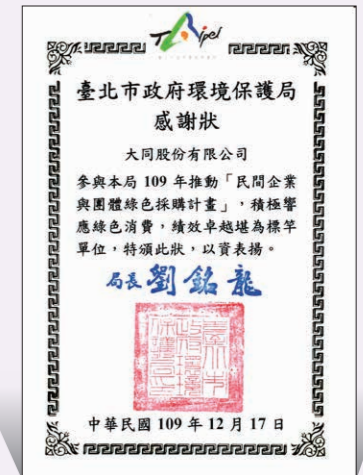
Good quality, competitive price, on time delivery, and after sale service are the first 4 considerations when Tatung purchases raw materials, parts and products. Tatung also prefers purchase from local suppliers in Taiwan in order to support local business and fulfill social responsibility. The main suppliers are from Taiwan, followed by China. The details are list in Figure 4.1-1. Meanwhile, in order to maintain excellent product quality, Tatung requests suppliers to use brand new materials in providing main materials, parts, and products. Tatung supports the concept of green consumption, within the company, we encourage our BUs to take environmental friendly products into considerations when purchasing materials, parts, or products. Our efforts in 2020 were recognized by EPB, Taipei City Government (Received certificate of appreciation for promoting green procurement) and EPA (Received certificate of green procurement).

On the other hand, Tatung requests suppliers to fulfill corporate social responsibility together by adding confidential, anti-corruption and human rights (human rights, freedom of association, child labor, and forced labor) clauses in the contract. Also from 2015, we started to request suppliers to sign the "Supplier Commitment Letter", which includes health and safety, environmental protection, and human rights topics. The commitment letter is a must have document to become Tatung's supplier. In response to the attention to conflict minerals internationally, Tatung has issued "Declaration of Minerals Conflict-Free from Tatung Company" and passed to the suppliers to follow in 2019.

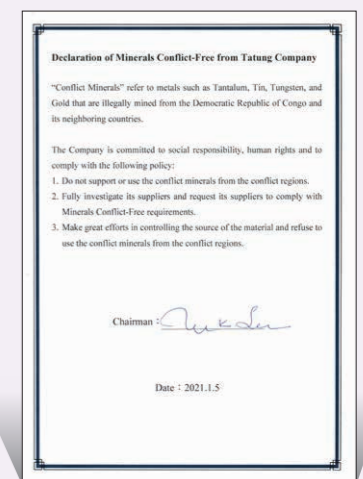


▲ Figure 4.1-1 Suppliers' geographic distribution in 2020 (by numbers)

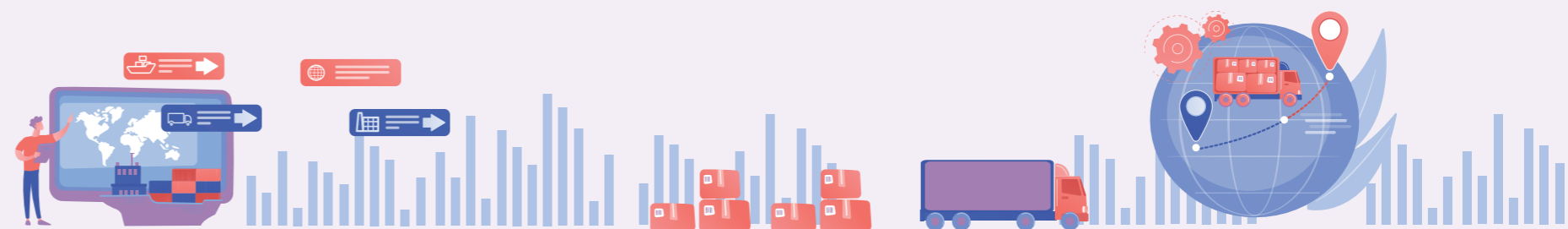
Table 4.1-1 CSR contents in the Supplier Commitment Letter	
Category	Commitment
Non-corruption	Refuse to offer or accept any improper advantages.
Human rights and labor conditions	Comply with national and international regulations, policies, or guidance in regarding to human rights.
Environmental protection	Comply with environmental protection regulations.
Anti-conflict minerals	Comply with Tatung anti-conflict mineral policy.
Corporate social responsibility	Comply with Tatung's and the suppliers' ethical and CSR policies.



▲ Figure 4.1-2 Certificate of appreciation for promoting green procurement from EPB, Taipei City Government



Declaration of Minerals Conflict-Free from Tatung Company



CH4 Responsible supply chain, product safety, and customer service

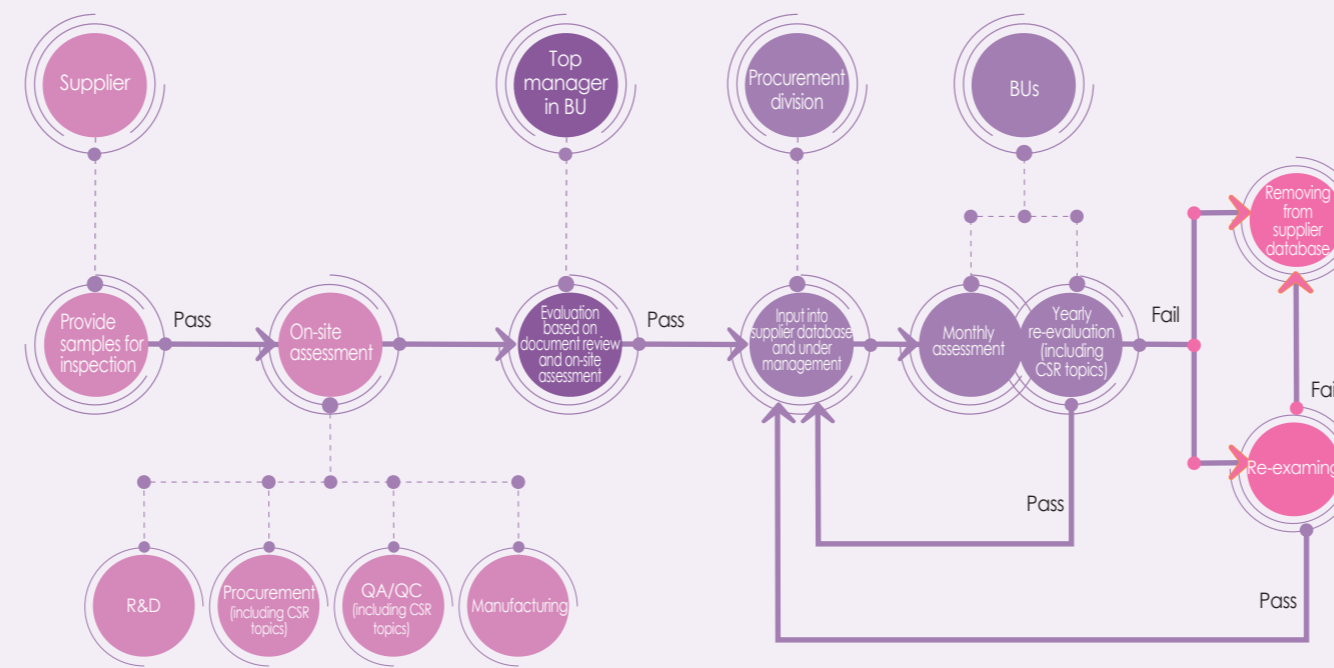
Contents

Introduction and management on suppliers

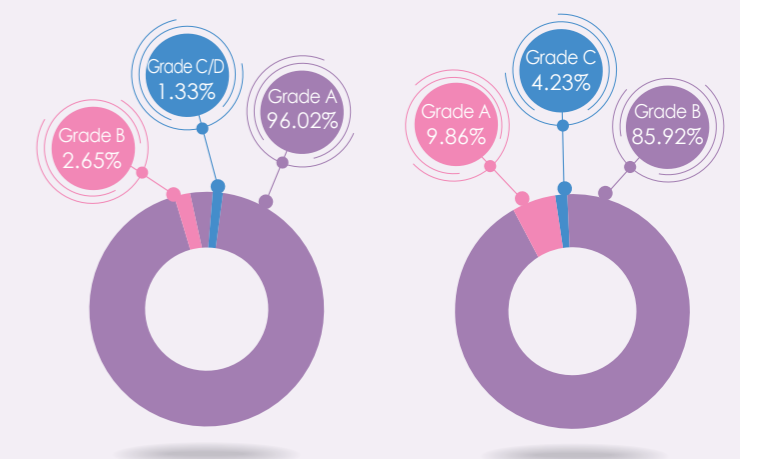
Tatung groups its suppliers into four categories; each category has its own introducing procedures and management standards. The introduction of the new supplier in Category I requires on site assessment by evaluation team. The assessment content mainly includes design, technical capabilities, quality management, manufacturing capabilities and management capacity. The introduction of the new supplier in Category II requires only document review. For construction category, the introduction of the new supplier requires on site assessment. Starting from Feb, 2018, CSR related contents were incorporated into on site assessment for all BUs. In addition, Tatung also evaluates the management of hazardous substances (RoHS and REACH), conducting safety measures for hazardous job, and implementation of environmental management system as an extra evaluation for introduction of a new supplier. The detailed management measures are shown on Table 4.1-2 and Figure 4.1-2 (Category I as an example). The supplier with assessment result above B grade can then be introduced. All suppliers are requested to sign procurement contract and commitment letter.

For suppliers (construction category not included) who already cooperate with Tatung are implemented monthly assessment in aspect of quality, delivery, price, and service (Figure 4.1-4). Any non-conformities found will be requested to correct. An annual re-evaluation is periodically implemented for main components suppliers, listed component suppliers, and outsourcing suppliers (Figure 4.1-5). The annual re-evaluation is focusing on suppliers' operation policy, CSR policy, quality management, R&D capability, manufacturing management, servicing ability. Tatung wishes the suppliers who collaborate with us can grow strong together. As for the safety of the service-providing suppliers (construction, waste disposal, repairing) who operate in the factories and subsidiaries, Tatung stipulated "Tatung Health and Safety Management Method for Contract Suppliers" to make sure all this type of suppliers can follow it to reduce the risk from accidents.

Category	Category I	Category II	Construction	Others
Classification criteria	<ol style="list-style-type: none"> 1. Important materials (parts, components, half-ready products, and products). 2. ODM/OEM 3. Outsourcing (including full case, manufacture only, product only). 4. Significant to product quality that need intensive management and tutoring. 	<ol style="list-style-type: none"> 1. Suppliers, who provide raw materials, ready to sale products, imported components, with less quality risks. 2. Suppliers who are world famous company with top capability in product and QA/QC. 	Suppliers who build factory, apartment, office building, system installation, or repair project.	<ol style="list-style-type: none"> 1. Suppliers who provide office appliances, hard wares, software, waste disposal, verification, etc. 2. Suppliers who provide instruments or equipment. 3. Technical maintenance service.
Introducing procedure	<ul style="list-style-type: none"> • On-site assessment • Sign procurement contract • Sign commitment letter 	<ul style="list-style-type: none"> • Document review • Sign procurement contract • Sign commitment letter 	<ul style="list-style-type: none"> • On-site assessment or document review for existed cases • Sign procurement contract • Sign commitment letter 	<ul style="list-style-type: none"> • Sign procurement contract • Sign commitment letter
Management	<ol style="list-style-type: none"> 1. Monthly assessment¹ 2. Annual re-evaluation² 	Monthly assessment	Evaluation after the case is completed	Monthly assessment



▲ Figure 4.1-3 Supplier introducing and managing procedures (Category I)



Note: Grade A and B are qualified suppliers; Grade C/D is failed from monthly assessment and required to be improved within limited time.

Note: Grade A and B are qualified suppliers; Grade C is failed from monthly re-evaluation. If BU managers require them to be reexamined, the failed suppliers have to be improved within limited time and to be re-examined again. The percentage for Grade C was 4.23%. The main reason is that the quality of the supplier was abnormal, and it had not been improved after the counseling, so the supplier was delisted and frozen, and the new source was found.

▲ Figure 4.1-4 Result of suppliers' monthly assessment in 2020

▲ Figure 4.1-5 Result of suppliers' annual reevaluation in 2020

¹: Increasing or decreasing procurement amount based on the result of monthly assessment.
²: Maintaining business or searching for second source based on the result of re-evaluation.

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4.2 Product responsibility

DMA:

Product quality and safety

An explanation of why the topic is material Product quality and safety are the most basic responsibilities of a company. If customer suffered property losses and physical harm due to product problems, it is not only violating laws and regulations, but also seriously affecting the reputation of the company and causing customers to distrust the brand of the company.	Purpose of the management approach Through implementing internal control system and ISO 9001 in the company, we can grasp the issues or problems generated in each factory and outside and the requirements of stakeholders, so that quality and safety management resources can be effectively used, and the policies and goals can be achieved. Departments, which affect quality and safety, well plan and operate to achieve quality enhancement, industrial waste reduction, and good quality and safety management benefits.	Policies Through Customer First, Total Participation, and The Six Fundamental Powers, as well as the implementation of the product safety management system to achieve the goals of excellent product performance, reliable quality, punctual delivery, rapid and satisfactory services, close relationships with customers, and income exceeding expenditure.	Goals and targets Short-term targets: <ol style="list-style-type: none"> All the products are complied with product inspection and safety regulations as well as customer requirements. Strive for product awards or certification. Maintain ISO 9001 certification and TAF certified laboratories in the factories; establish Tatung Meter Laboratory and pass TAF certificate. Meet annual quality KPI. 	Grievance mechanisms <ol style="list-style-type: none"> Tatung products: Customer service section on the official website (http://www.tatung.com.tw/Content/service.asp) Tatung home appliances: 0800-052-666 	Results of the evaluation of the management approach Performances in 2020: <ol style="list-style-type: none"> All factories' ISO 9001 and TAF certified laboratories pass annual audit. No. of products violated product inspection and labeling regulations: 0. PV roofing project for Benjhou Sewage Treatment Plant won 2020 Public Construction Commission Golden Quality Award by Kaohsiung City Government. IE5 ultra-premium eff. powertrain for large e-bus, Intelligent Cooker, and High-efficiency amorphous core transformer were won the 29th Taiwan Excellence Award.
Boundary for the material topic Tatung and its subsidiaries.	Commitments Tatung guarantees product safety and provides quality services.		Mid-long term targets: Treat zero defects as the only standard for management and operations.	Mechanisms for evaluating the effectiveness of the management approach <ol style="list-style-type: none"> The person in charge of each factory reports the quality status to the president in the monthly business meeting. Audits the quality management status regularly of each factory by internal control. Enhances Key Performance Indicators (KPI) management methods to set quarterly quality goals every year. Proposes specific methods for achieving the goals for projects that failed to meeting the goals. 	Related adjustments to the management approach NIL
Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co.	Responsibilities <ol style="list-style-type: none"> Comply with national and international standards. Products that meet customer requirements. All home appliances of Tatung are covered by product liability insurance. 				

Marketing and labeling (labeling)

An explanation of why the topic is material Incorrect product labeling is a major violation. It is not only causing consumers to misunderstand the product, but also violates relevant laws and regulations.	Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co.	Commitments The content of the product is clearly labeled and never deceives the public.	Goals and targets Product labeling is complied with regulations.	Grievance mechanisms <ol style="list-style-type: none"> BSMI/Bureau of Energy International Safety Certification Agency. 	Results of the evaluation of the management approach No. of products violated product labeling regulations in 2020: 0.
Boundary for the material topic Tatung and its subsidiaries.	Purpose of the management approach To ensure the consumers having accurate and sufficient amount of product information and instructing consumers to use the products safely and correctly.	Responsibilities <ol style="list-style-type: none"> Comply with national and international standards. Products that meet customer requirements. 		Mechanisms for evaluating the effectiveness of the management approach <ol style="list-style-type: none"> Relevant design and management personnel have accepted the training for the "Commodity Labeling Act" and "Labeling Criteria for Electrical Appliances". All products are labeled according to relevant standards and regulations and checked regularly. Cooperate with the BSMI to conduct regular/irregular product check on the market. 	Related adjustments to the management approach NIL

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Responsible supply chain, product safety, and customer service

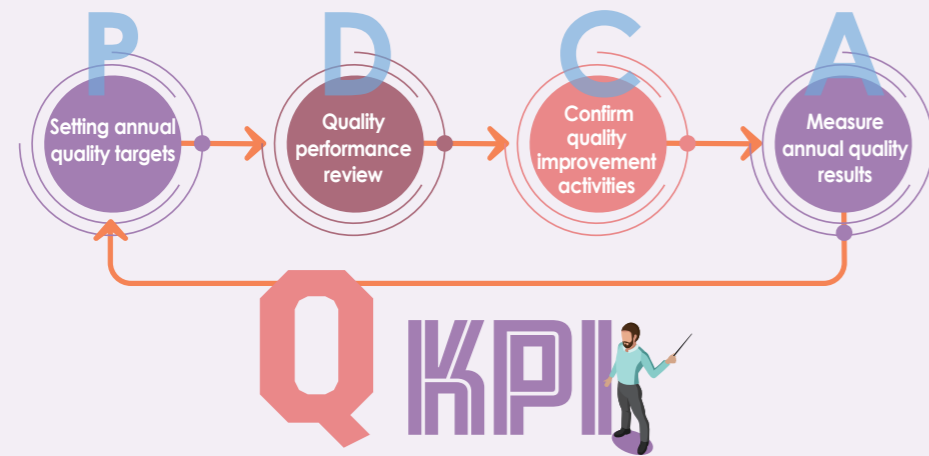
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Quality management

Product quality and safety is the keystone of sustainable operation for a company. By providing high quality and safe products can build the brand image, enhance competitiveness and create high-profit, low-risk business model, and achieve a win-win situation for consumers and company. Based on this philosophy, Tatung has established ISO 9001 and passed the certification (as shown in Table 4.2-1) in the factories and strictly follow and implement the management mechanism of this system to ensure the production of stable quality products, enhance brand image, strengthen customer confidence, expand market and achieve the goal of sustainable business.

Tatung is constantly improving product quality by using quality key performance indicator (KPI) and setting quality targets as the target of quality achievement every year. The factories regularly audit the quality control projects every month, and continuously strive for perfection in all aspects of quality according to the P-D-C-A management cycle, in order to continuously improve product quality and achieve quality goals at all stages. The detailed process of management and implementation is shown in Figure 4.2-2.

As to ensure the quality of the products and management of hazardous substances, Tatung has its own Calibration Lab in headquarter to provide accurate measuring and calibration testing services. In the factories, Tatung has Transformer Testing Lab, Switchgear Testing Lab, Air Condition Facility Testing Lab, Motor Testing Lab, Generator Set Testing Lab, Wire and Cable Testing Lab, and Tatung Meter Lab³ in the factories (as shown in Table 4.2-2) to provide the assurance of excellent quality. For the management of hazardous substances, in addition to sending the samples to third parties for testing (RoHS, REACH, etc.), Tatung has Tatung Environmental Research Center in headquarter which specializes in hazardous substances testing for electrical, electronic components, and finished products. Tatung also monitors internally to ensure the safety and health of our customers.



▲ Figure 4.2-1 Quality KPI management flowchart

Table 4.2-1 Tatung products that acquired ISO 9001:2015

Factories/Bus	Registered products
Taoyuan 1 st Plant	Design, development and servicing of the following products: Window Type air conditioners, separated type air conditioners, Package Type air conditioners, box Water Chiller Unit, Dehumidifier, Electric cookers and electric fans.
San-Hsia Factory	Generators (less than 10,560KVA), electrical motors.
Tayuan Plant	The design, development, production and servicing of Oil-immersed transformers (below and including 245KV), Oil-immersed reactors (below and including 345KV), Oil-immersed potential & current transformers (below and including 69KV), Dry type transformers (below and including 36KV), Dry type reactors (below and including 36KV), Cast resin dry type transformers (below and including 36KV), Cast resin dry type potential & current transformers (below and including 36KV), High voltage & low voltage metal-enclosed switchgear & control gear (below and including 72.5KV), Metal-clad switchgear (below and including 36KV), Motor control center (below and including 15KV), Metal-enclosed low voltage power circuit breaker switchgear (below and including 600V), Distribution board (panel) (below and including 600V), Rectifier (below and including 600V), Amorphous metal transformers (below and including 36KV), Gas insulated switchgear, Capacitors.
Taoyuan Wires and Cables Plant	Power wires and cables (including cross-linked polyethylene insulated shielded power cable rated 161 KV and below), bus-way, electronic wires, telecommunication wires and cables, optical fiber cables, enameled copper wire, bare copper wire, tinned single solid copper wire.
Meter Factory	Design, manufacturing and sales of Electricity Meters.

Table 4.2-2 Tatung's TAF certified laboratories

Name and certified No.	Testing items	Register date	
Calibration Lab	L0003-181129	Measuring and calibrating of products	1990.06.01
Tatung Environmental Research Center	L1697-191016	Water quantities and quality, hazardous substances of electric and electrical products.	2007.10.24
Tatung Transformer Testing Lab	L2306-191212	Transformer testing	2010.12.27
Air Condition Facility Testing Lab	L2270-200608	Cooling Electrical Power Consumption Rate, Capacity and EER of Package Type Air-Conditioners and Water Chiller Unit.	2011.01.20
Tatung Switchgear Testing Lab	L2308-200427	Switchgear testing	2011.03.23
Tatung Generator Set Testing Lab	L2442-200306	Generator testing	2011.10.12
Tatung Motor Testing Lab	L2613-190712	Motor testing	2012.07.01
Tatung Taoyuan Wire and Cable Testing Lab	L2964-181121	Wires, cables, and busway testing.	2015.04.29
Tatung Meter Laboratory	L3773-210120	Meter Testing	2021.01.20



ISO 9001 certificates



Certificates of TAF certified laboratories

³: Acquired certification in Jan, 2021.

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Product safety

Most of the countries make the laws and regulations in regarding to product's quality and safety in order to protect their citizens. Brand owners must pass all the tests and acquire certifications then can put their products into markets. In order to comply with related regulations among the world, Tatung designs and manufactures the products (including ODM/OEM products and accessories) to meet the requirements of the regulations. At first, the samples must pass the tests and managed by SAP management system. After all test results have met the requirements, bulk production and sales then can be arranged. Table 4.2-3 lists the relevant regulation requirements, standards and verification internationally adopted by Tatung.

In addition, for the defected products that have been sold, Tatung makes recall on BSMI official website and TCPC website to prevent the consumers getting harmed from further using of such products. For the problem occurred, Tatung will strengthen overall quality control in supply chain, also conduct Design/Process Failure Modes and Effects Analysis (DFMEA/PFMEA) and incorporated into Design Guideline Check List measures to prevent recurrence. Tatung will do the best for providing consumer healthy, energy-efficiency, and safe products.

In response to some defected dehumidifiers, BSMI announces recall messages every year. Some models of Tatung's dehumidifiers are on the recalled list (Models: TWD-500B, TWD-510B, TWD-511B, TWD-711B, TWD-710B, TWD-660B, TDH-200HB, TWD-1400B, and TWD-1400BL). Consumer who has these particular models can make a phone call to Tatung or TCPC and the specialist will visit your place for service free of charge. Tatung 3C also launched the dehumidifier replacement campaign in 2020 to provide preferential repurchase programs for the abovementioned models to attract consumers to review the models of dehumidifiers in order to increase the number of recalls.

Business Unit	Standards, certifications, and verifications
Cable BU	CNS Standards, Underwriter Laboratories Inc, ETL Verification, Product Safety of Electrical Appliance & Material, TÜV SÜD, etc.
Motor BU	CNS Standards, China Compulsory Certification, Canadian Standards, Underwriter Laboratories Inc, IECEx Certification, ATEX Certification, ETL Verification, EU Network System Verification, Japan PSE Verification, etc.
Smart Meter BU	ANSI International Certification, IEC International Certification, Underwriter Laboratories Inc etc.
Appliance BU	CNS Standards, China Compulsory Certification, American Safety Standards, U.S. Federal Communications Commission for Telecommunication, Taiwan BSMI certification, Japan PSE (Product Safety of Electrical Appliance & Material), Australia C-Tick, BSI Certification, Singapore PSB, Malaysia CT, Philippines ICC & etc.
Advanced Electronics BU	US FCC certification, EU CE certification, Canadian IC certification, Underwriter Laboratories Inc, Australian C-TICK certification, Japan VCCI certification, Korean KCC certification, Russian EAC certification, China GB standard, China Compulsory Certification, Taiwan BSMI certification, etc.
Heavy Electrical Equipment BU and Smart Energy BU	Apply according to customer's product requirements.

Note: Solar System BU: Focuses on case development, system planning and construction, and maintenance. System Integration BU: Provides products or information integration services, mainly based on colleagues' personal technical certificates.



▲ Figure 4.2-3 Tatung 3C dehumidifier replacement campaign in 2020



▲ Figure 4.2-2 Dehumidifiers that need to be recalled

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4.3 Sales and customer information management

DMA:

Marketing and labeling (marketing)

An explanation of why the topic is material Comply with regulations.	Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co. and TCPC (including Tatung 3C Stores and etungo).	Policies TCPC Marketing and Advertising Policy.	Goals and targets The advertising content is complied with regulations.	Responsibilities Marketing department.	Specific actions Tatung's advertisement and promotion are handled in compliance with the Fair Trade Act, Personal Data Protection Act, and the requirements of the National Communications Commission and other government laws and agencies. For the content of the advertisement, our Legal Division will review and confirm it. The advertisements will only be released after meeting the requirements.	Results of the evaluation of the management approach No. of advertisements or promotions violated related regulations in 2020: 0.
Boundary for the material topic Tatung and its subsidiaries.	Purpose of the management approach Ensure that the advertising content is correct, legal and fair.	Commitments The advertising content is correct, legal and fair.		Grievance mechanisms Tatung Customer No.: 0800-052-666.		Related adjustments to the management approach NIL.

Customer privacy management

An explanation of why the topic is material Comply with regulations (especially Personal Data Protection Act). Tatung takes great concern on it.	Purpose of the management approach Enhance the security of personal data maintenance and management to prevent personal data from being stolen, altered, damaged, lost and leaked.	Goals and targets Ensure the confidentiality, integrity, availability and compliance of each service.	Grievance mechanisms Tatung Customer No.: 0800-052-666.	Mechanisms for evaluating the effectiveness of the management approach 1. Established Tatung Information Security and the Personal Information Protection Committee and hold monthly meeting. 2. Conducts information security and personal information protection education and testing regularly. 3. Conducts internal audit regularly. 4. Introduces outsourcing consultants to counsel and improve. 5. Conducts management review meeting every year.
Boundary for the material topic Tatung and its subsidiaries.	Policies Formulated personal data protection policies, and the collection, processing and use of customer data are in compliance with the "Personal Data Protection Act" and related laws and regulations.	Responsibilities Related business departments.	Specific actions 1. New employees need to sign a confidentiality and non-competition agreement. 2. Customer service personnel who contact the customer's personal information will be under strictly access control and forbidden to contact customers privately without the authorization of the supervisor to avoid the loss of important personal information. 3. Strengthen the security control management of website information: Import appropriate protection mechanisms and monitoring software, conduct regular penetration testing and source code detection to prevent improper access and protect customer personal data. 4. Strengthen information safety awareness: Regularly hold personal information and information security training courses and implement tests after class to ensure the employees fully understand the importance of personal information. 5. When customers join membership, they will be notified in accordance with Articles 8 and 9 of the "Personal Data Protection Act". 6. Set up a contact window to provide the parties with the right to exercise their personal data or file related complaints and consultations.	
Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co. and TCPC (including Tatung 3C Stores and etungo).	Commitments Uninterrupted service, no loss of information, personal information not leaked, and enterprise sustainable operation.	Resources In accordance to ISO 27001:2013 / BS 10012:2017 / Personal Data Protection Act / GDPR		Results of the evaluation of the management approach 1. No. of incidents in regarding to violating customer privacy in 2020: 0. 2. No. of complaints in regarding to violating customer privacy in 2020: 0.
				Related adjustments to the management approach NIL.

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Fair trade and anti-trust behavior

Mutual competition among enterprises helps to improve the quality of products and provide consumers with variety of products, improve operational capabilities and reduce cost waste to create profits. Anti-competitive behavior will weaken the efficiency and fairness of the market and make consumers with less choice and fail to obtain reasonable services, and eventually hurt the core value of the company. Therefore, Tatung manages the retailers through the control of the contract and ensures the retailers not maliciously cut prices or intent to damage the image of Tatung in order to achieve the goal of fair trade. For the production, promotion and other activities of advertising, Tatung complies with relevant laws and regulations. There is no violation in regarding to fair trade related regulations in 2020.

Wide-spread service locations and convenient shopping experiences

Tatung upholds "customer first", "having only one phone call, the service is to" and aims to provide fast and excellent services to customers. Tatung lists the service channels on the official website for all the business, including TCPC, information (OA), commercial air conditioners, power equipment, smart grid business, system solution business, and etungo online shopping, etc. Tatung entrusts her subsidiary company "TCPC" to provide a comfortable shopping environment (Tatung 3C Store) as well as excellent after-sale services to consumers. TCPC currently has 155⁵ 3C Stores (including 4 Appliance Branding Stores) spreading from cities to countries, providing professional recommendations on purchasing house appliances and repairing services. In addition, TCPC launched "etungo" online shopping website⁶ and Tatung Fans App to provide wide variety of product in 3C, house appliances, and living products. Besides, Tatung runs Tatung Fans site⁷ and Tatung Rice Cooker Fans site⁸ on Facebook to provide instant news and living tips.



etungo online shopping website



FB for Tatung fans



FB for Tatung Rice Cooker fans



Figure 4.3-1 Product online service form



Figure 4.3-2 Inquiry page for repairing progress



Figure 4.3-3 Online feedback form

In order to provide a more convenient customer service, TCPC has online service that the consumers can access to official website making service request⁹ (Figure 4.3-1). The system will assign the service request to the accordance service station and provide rapid and high quality services. The consumers can also check the repairing progress¹⁰ by assessing online webpage (Figure 4.3-2). At the end of each case, customers are able to provide any positive or negative feedbacks by filling the online survey which will be used for future improvement. To extend the channels for listening to the customers, Tatung also provides a service phone-line¹¹ and an online feedback service¹² which customers can ask questions, express their opinions and give positive feedbacks to us (Figure 4.3-3).

Tatung takes great concern on customer satisfaction. When a customer makes purchase or approaches Tatung 3C Stores to repair products, Tatung will make his/her information to phone interview list and interview about shipping or repairing experience. If the feedback is unsatisfied, Tatung will conduct a second service and make improvement. We set consumer satisfaction targets for shipping service to be not lower than 97%, repairing service to be not lower than 94%. The results (Figure 4.3-4) in 2020 are 97.4% satisfied for shipping service and 95.9% satisfied for repairing service. The set targets were achieved. Tatung will continue to listen to the voices of consumers, respect and serve customers.

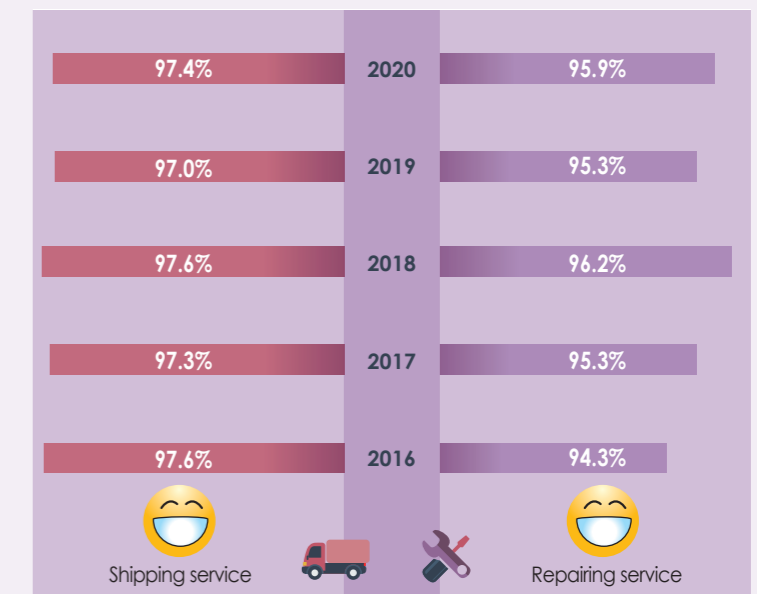


Figure 4.3-4 Results of consumer satisfaction

⁵: As of 2021/3/5.
⁶: <https://www.etungo.com.tw>
⁷: <https://www.facebook.com/tatung.tw>
⁸: <https://www.facebook.com/ricecooker50>

⁹: http://tcpcvm01.tatung.com.tw/tatungcp/agent/cust_100.asp
¹⁰: http://tcpcvm01.tatung.com.tw/tatungcp/agent/cust_200.asp
¹¹: Free service phone line: 0800-052-666. For mobile phone, please dial: 02-2591-5068.
¹²: <http://www.tatung.com.tw/home/suggestion>

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Responsible supply chain, product safety, and customer service

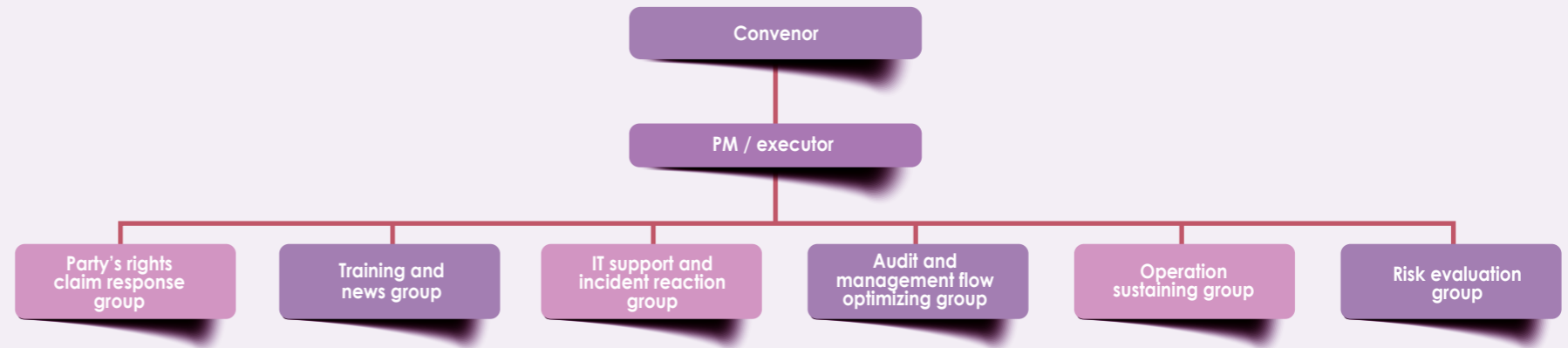
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Information security management

In response to personal information protection and information security needs, Tatung established the Information Security and the Personal Information Protection Committee as early as 2014, passed the ISO 27001 information security management system verification, and ensured the security of the company's personnel, data, information systems, equipment and network in accordance with the requirements of the BS 10012 personal data protection standard. To ensure the safety of the company's personnel, data, information systems, equipment and network, establishing an information security policy as the highest guiding principle of the company's information security management system, achieving the goal of "uninterrupted service, no loss of information, personal information not leaked, and enterprise sustainable operation".

The actual implementation method is based on the pre-emptive and risk reduction pre-existing issues. Through the discussion of the monthly meeting of the Information Security Monthly Meeting and the emergency response, the review of the new internal and external security issues will be carried out to the annual plan. In the activities of the planning, the security management review meeting hosted by President will be held in October each year, and the results of this year's implementation and the budget plan for the next year will be reported. The annual activities include semiannual external audits, two outsourcing consultants' external counseling every year, and an annual internal audit of the audit committee to determine the implementation status of the information security management system and whether to achieve the information security objectives of confidentiality, integrity, availability and compliance of each service.

In response to changes in the social environment, laws and regulations, and technological advancement, Tatung has formulated a privacy protection statement. The collection, processing and use of customer data are in compliance with the "Personal Data Protection Law" and related laws and regulations and properly protect the personal data of customers. The summary of key control measures is shown in Table 4.3-1. In 2020, there was no complaint related to infringement of customer privacy or loss of customer information. In addition, in recent years, there have been cases of fake official community accounts for fraudulent use. When we were informed of such news, we immediately went to the company's official website and our social group to announce warning messages to prevent consumers from being victimized.



▲ Figure 4.3-5 Structure of Tatung Information Security and the Personal Information Protection Committee

Table 4.3-1 Key personal data protection management and control measures

Management systems	Tatung has passed ISO 27001 certification and complies with the BS 10012 personal data protection standard.
Management and control measures	<ol style="list-style-type: none"> 1. Customer service personnel who contact the customer's personal information will be under strictly access control and forbidden to contact customers privately without the authorization of the supervisor to avoid the loss of important personal information. 2. Strengthen information safety awareness: Regularly hold personal information and information security training courses and implement tests after class to ensure the employees fully understand the importance of personal information. 3. Strengthen the security control management of website information: Import appropriate protection mechanisms and monitoring software, conduct regular penetration testing and source code detection to prevent improper access and protect customer personal data.

CH5

HAPPY WORKPLACE AND SOCIAL PARTICIPATION

- Top Management Statement
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- 2020 CSR Highlights
- Identification on the stakeholders and material topics
- Profile of Tatung Company
- Organization structure and governance
- Responsible supply chain, product safety, and customer service
- Happy workplace and social participation**
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Employment

Targets

Short-term targets:
More than 10% of new-hired employees. No major employment dispute.

Mid-term targets:
Actively encouraging employees to set up more diversified activity clubs, allowing employees to freely assemble and participate in associations, communicate with each other, and promoting the efficiency of cross-departmental communication.

Long-term targets:
Follow labor-related laws and regulations, continue to work hard to create a happy working environment, and care all employees equally.

Performances in 2020

The new-hired employee rate was 13.14%, reaching the set target, and there were no major labor disputes.

Human rights, equality, and non-discriminations

Targets

Short-term targets:
Tatung against employment discrimination, and provides equal job opportunities for all job seekers and disadvantaged groups.

Mid-term targets:
Tatung continue to work hard to create a happy working environment, and care all employees equally.

Long-term targets:
Tatung regards all employees as an important asset for the company's sustainable development, and follows labor and other related laws and regulations regarding labor rights and human rights.

Performances in 2020

1 violation against Act of Gender Equality in Employment and fined NTD\$10,000.

Market presence

Targets

Short-term targets:
Continue to ensure the basic salary is better or equal to legal salary.

Mid-long term targets:
Designs a reasonable organizational structure and deploy talents of all levels according to the company's strategic development direction.

Performances in 2020

The ratio of basic salary and legal salary for migrant workers and technicians are 1:1 and 1:1.05; for staffs is from 1.26~1.51:1 based on different job types, speciality and qualifications.

Employee performance management

Targets

Short-term targets:
Through performance review to ensure that employees pay attention to correct performance projects and review the daily work performance to link with company strategies.

Mid-term targets:
Giving rewards for outstanding personnel; coaching personnel with poor performance for improvement.

Long-term targets:
Using long-term performance review system to identify potential talents, and link with promotion or salary adjustment.

Performances in 2020

92.3% of employees was conducted with performance review (employees in probation period, leave of absence, and short-term contract were not included).

Education and training

Targets

Short-term targets:
Make the employees to understand the company's core values, business philosophy and learn all the necessary work abilities through training courses. We have set our targets as total education and training time more than 34,000 hours and training satisfaction higher than 90%.

Mid-term targets:
Each supervisor or manager personally implements the key behaviors required by various functions in the work, enhances the inheritance of knowledge, technology and experience in the workplace, and continues to strengthen courses related to business development to create sustainable competitive advantages and increase in talent assets.

Long-term targets:
Through changes in employees' behavior, abilities and attitudes, they can give full play to their strengths at work, drive organizational performance improvement, and assist the company's strategic goals and vision implementation.

Performances in 2020

- Total education and training time was 34,114 hours.
- Education and training satisfaction was 92.29%.

Health and safety

- Maintain occupational health and safety management systems in the factories.

Targets

Short-term targets: Implement ISO 45001 in all the factories and pass the certification by the end of 2021.

Mid-long term targets: Continue to run occupational health and safety management systems in the factories.

Performances in 2020

Tayuan Plant and Taoyuan Wires and Cables Plant passed ISO 45001 certification. Taoyuan 1st Plant has also pass ISO 45001 certification in December 2020 and received the certificate in January 2021.1.

- At least 95% correction rate for non-conformities found in Accident, Prevention, Pays Program.

Performances in 2020

The correction rate for non-conformities was 100%.

- FR and SR are reduced by 10% each year.

Performances in 2020

Compare with year 2019, SR was reduced by more than 10% for all the employees. FR was increased in male employees.

CH5 Happy workplace and social participation

5.1 Building a friendly working place

DMA:

Employment

An explanation of why the topic is material Employees are an important asset for the company's sustainable development, so Tatung actively cares about the lives and working conditions of employees, ensuring that employees work in a safe, satisfactory and healthy working environment.	Purpose of the management approach 1. Tatung recruits diverse and outstanding employees, adheres to the principle of meritocracy, injects new blood into the organization, brings new vitality and new thinking, and continues to pass on professional skills and experience in various positions. 2. In order to promote the harmony between labor and management, Tatung makes employees work in a safe and stable working environment and establishes a harmonious, mutual trust, mutual love, and mutual respect of labor-employment relations.	Commitments Keep up with the latest trend and revise Company Rules, welfares, salaries, allowances, vacations, compensation for occupational accidents, etc. to give equal care among employees.	Goals and targets Short-term targets: More than 10% of new-hired employees. No major employment dispute. Mid-term targets: Actively encouraging employees to set up more diversified activity clubs, allowing employees to freely assemble and participate in associations, communicate with each other, and promoting the efficiency of cross-departmental communication. Long-term targets: Follow labor-related laws and regulations, continue to work hard to create a happy working environment, and care all employees equally.	Resources 1. Approval of Company Rules to the competent authority in accordance with the law, and disclose within the company. 2. Establish the personnel rules in the Company Rules and relevant methods.	Mechanisms for evaluating the effectiveness of the management approach The number of labor inspections and the amount of fines from the competent authorities.
Boundary for the material topic Tatung and its subsidiaries.	Policies Tatung complies with the Labor Standards Act, the Act of Gender Equality in Employment, the Occupational Safety and Health Act and other related laws and regulations to achieve harmony in labor and employment, and coexist and prosper together.		Responsibilities 1. Establish and implement the protection of complainants and the prevention of illegal infringements in the performance of their duties. 2. Establish a workplace environment that values human rights.	Grievance mechanisms Tatung has set up "Regulations of Processing Employees' Complaints" to quickly and satisfactorily handle disputes caused by the employees during their work.	Results of the evaluation of the management approach 1. The new-hired employee rate was 13.14%, reaching the set target. 2. There were no major labor disputes.
Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co.				Specific actions 1. Broaden recruitment channels. 2. Optimize the salary and remuneration system. 3. Expand employee welfare measures.	Related adjustments to the management approach NIL

Human rights, equality, and non-discriminations

An explanation of why the topic is material Tatung pays great concern to human rights. All employees, applicants and suppliers should be treated fairly and with dignity.	Purpose of the management approach Ensure that all employees, applicants and suppliers of Tatung can be treated with dignity and fairness regardless of race, ideology, religion, party affiliation, place of birth, gender, sexual orientation, marriage, appearance, disability, or union membership.	Commitments Tatung commits that the company's labor management measures must comply with labor-related laws and other requirements, and provide equal job opportunities to all job seekers.	Responsibilities 1. Establish and implement the protection of complainants and the prevention of illegal infringements in the performance of their duties. 2. Establish a workplace environment that values human rights.	Grievance mechanisms 1. Sexual harassment prevention, control, appeals, and disciplinary measures. 2. Regulations of Processing Employees' Complaints.	Mechanisms for evaluating the effectiveness of the management approach The number of violations of employment discrimination and the amount of fines.
Boundary for the material topic Tatung and its subsidiaries.	Policies "Respect labor, protect labor rights, and fulfill social responsibilities" is one of Tatung's labor policies.	Goals and targets Short-term targets: Tatung against employment discrimination, and provides equal job opportunities for all job seekers and disadvantaged groups. Mid-term targets: Tatung continue to work hard to create a happy working environment, and care all employees equally. Long-term targets: Tatung regards all employees as an important asset for the company's sustainable development, and follows labor and other related laws and regulations regarding labor rights and human rights.	Resources 1. Approval of Company Rules to the competent authority in accordance with the law, and disclose within the company. 2. Establish the personnel rules in the Company Rules and relevant methods.	Specific actions 1. Tatung publishes the message "Our company welcomes people with disabilities and aboriginal friends to apply" at recruitment channels to declare that our company treats all job applicants equally and is committed to anti-discrimination in employment. 2. Tatung hires one handicapped worker per every 100 workers when recruiting new employees, and provides equal job opportunities for disadvantaged groups. 3. Tatung promotes respect for human dignity, human rights and other related content in various general education and management functions trainings, so that all employees can understand and practice the true meaning of human rights.	Results of the evaluation of the management approach 1. In 2020, Tatung has over-recruited employees with disabilities, accounting for 1.71% of the total number of employees. 2. In 2020, 1 violation against Act of Gender Equality in Employment and fined NTD\$10,000.
Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co.					Related adjustments to the management approach NIL

CH5 Happy workplace and social participation

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An equaled working environment

Tatung takes great concern on human rights. All the employees, applicants and suppliers are treated with dignity, fairness and respect regardless of their race, religion, party affiliation, place of birth, genders, marriage status, disables, appearance, disability, or union membership, etc. Commitments of respect and ensure the benefits of labors, fulfill social responsibility and comply with regulation are clearly stated in our Labor Policy. Tatung hires one handicapped worker per every 100 workers and provides equal opportunities for minority groups. Tatung also stipulated "Sexual harassment prevention, control, appeals, and disciplinary measures" and published on the internal website. Sexual harassment in any forms is strictly prohibited in any working places in Tatung. There was no discrimination and anti-human right incident in 2020, however there was 1 violation against Act of Gender Equality in Employment and fined NTD\$10,000. The violation has been corrected.

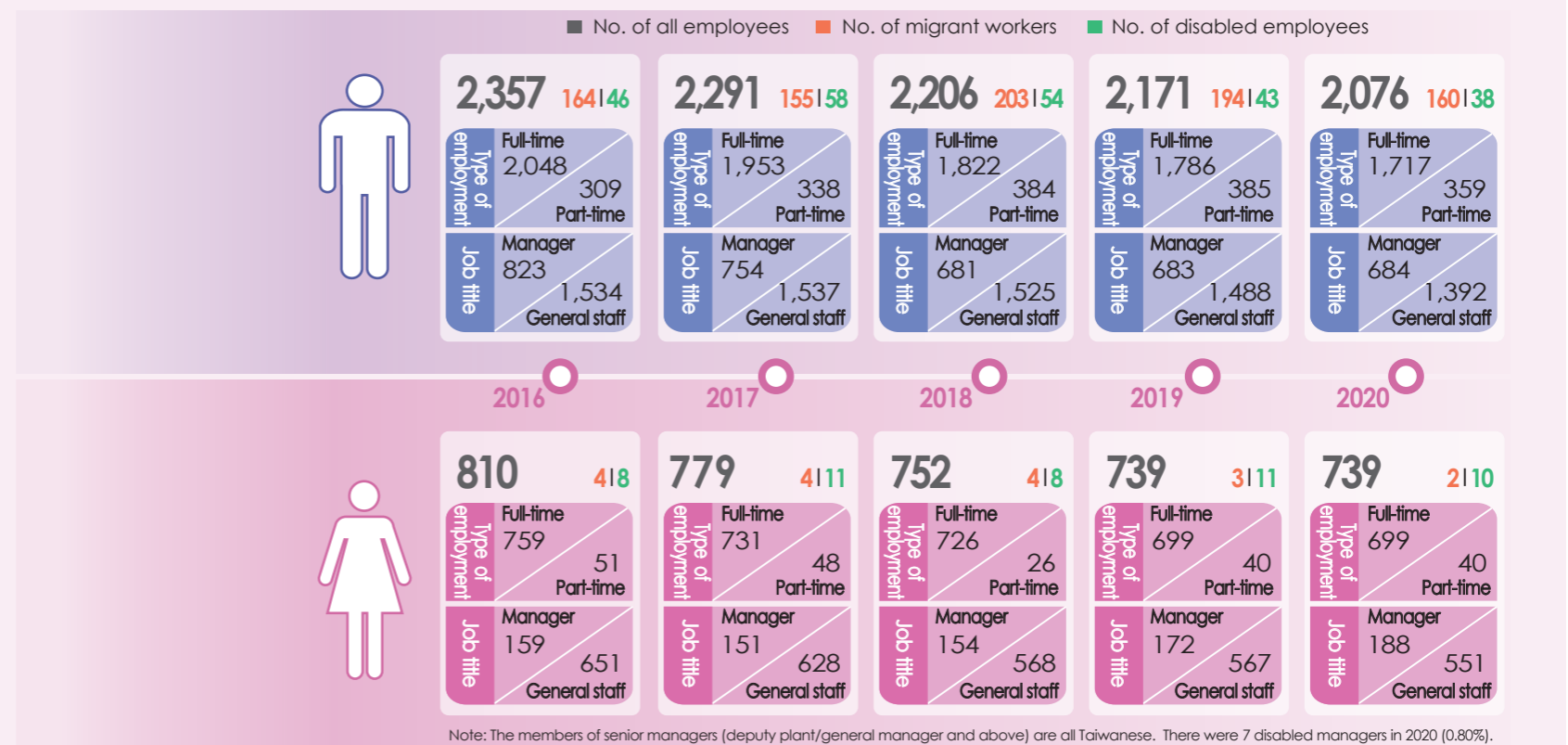
Employee diversity

The recruitment policy of Tatung is based on the principle of meritocracy. It does not discriminate against any age, gender or race but only take applicants' talents into account. The recruitment process follows the relevant regulations and selects the right applicants in a fair and equitable manner. Table 5.1-1, Figure 5.1-1, and Figure 5.1-2 demonstrate the employee compositions of Tatung. Tatung has more than 94% of local employees and 1.71% of disable employees which is more than the requirement by the regulation.



▲ Figure 5.1-1 Percentages of local employee and migrant worker

		Younger than 30 years old						30~50 years old						Over 50 years old						Percentage of new recruits (%)
		Male		Female		Male		Female		Male		Female		Male		Female				
No. of employees	2016	226	118	1,280	497	641	183	4.61	2.21	3.98	1.20	1.11	0.09							
	2017	279	112	1,342	460	670	207	5.80	1.27	4.92	1.30	0.94	0.16							
	2018	273	105	1,289	439	644	208	5.38	1.12	5.85	1.25	1.39	0.14							
	2019	240	86	1,274	436	657	217	2.58	0.62	5.12	1.65	1.48	0.34							
	2020	209	78	1,218	436	649	225	3.91	2.45	2.95	1.88	1.49	0.46							
Percentage of employee leaving (%)	2016	15	3	555	124	253	32	4.45	1.74	7.51	1.52	2.81	0.41							
	2017	14	5	493	106	247	40	4.72	0.85	6.25	1.50	2.54	0.75							
	2018	8	6	448	105	225	43	3.52	0.88	6.52	1.96	3.99	0.88							
	2019	4	7	438	119	241	46	2.58	0.69	5.81	2.41	3.26	0.69							
	2020	4	7	438	130	242	51	3.98	2.42	4.80	2.13	3.77	0.96							



Note: The members of senior managers (deputy plant/general manager and above) are all Taiwanese. There were 7 disabled managers in 2020 (0.80%).

▲ Figure 5.1-2 Employee compositions (by genders)

CH5

Happy workplace and social participation

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Human rights training

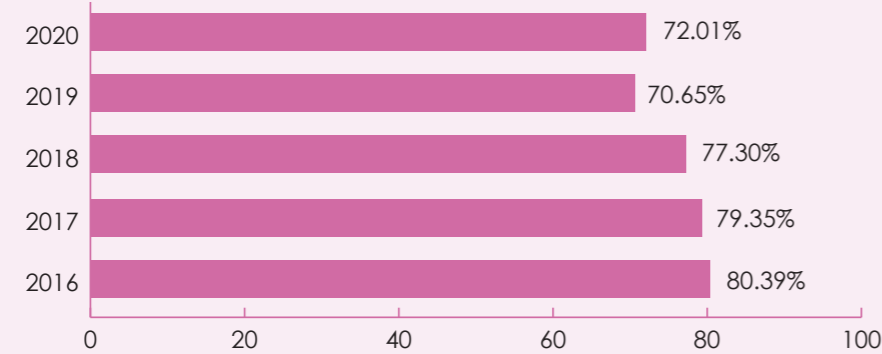
The vision of Tatung is to fulfill the social responsibility. Tatung actively involves in social welfare activities, respects and cares for life. In addition, Tatung helps employees to clarify the values and concepts, as well as respect for dignity and human rights through common educational courses. For example, in general staff training courses we emphasize on ethics, team work, and respect. The manager-level training emphasizes equal rights for men and women, respects individual differences such as race, color, gender, language, and religion, avoids prejudice and discrimination, abides by the principles of fairness and justice, and shows empathy and affinity, so that all employees of the company can understand and practice human rights. As for security personnel, education in regarding to respect the employees' emotion and wills is given before carrying out their duties. This is not only ensuring the employees' human rights but also making security duties go smooth.

Freedom of association and collective bargaining

Tatung Labor Union was founded in 1959 for the purposes of taking care of labors' rights, improving labors' living standard, conducting collective bargaining, etc. Each employee has freedom choice to be the member of the union. Currently Tatung has totally 5 labor unions distributed in the HQ and factories. Tatung does not interfere with the wills of the employees to join labor unions. In 2020, 72.01% of employees are the members of labor unions (Figure 5.1-3).

Child labor and forced labor

Tatung's recruiting policy is in line with the regulations. Hiring child labor is not allowed by Tatung. In "Company Rules" we defined the working hours for a day and for a week. If there is necessary to adjust or prolong the working hours, the practice only can be implemented after getting the agreement from the labor union or the employee. There was no force labor situation in 2020.



▲ Figure 5.1-3 Percentage of employees who are labor union member



Parental leave

Tatung takes great concern on employees' family life and care for next generation. Tatung not only provides cash gifts for giving birth but also offers all employees maternity and parental leave in accordance to regulations. The statistics on parental leave is shown in Table 5.1-2.

Welfare

Tatung Welfare Committee handles a broad range of employee welfare issues including: daily activities, financial assistance for education, funeral assistance, and interest free installment loans. Table 5.1-3 shows employees' welfare implemented in Tatung Company. In addition, Tatung provides staff dormitories with convenient transportation and beautiful environment, so that employees are not only financially trouble-free, but also enjoy Safe and convenient living environment. Besides, in order to provide female employees a more comfortable and more convenient way to nurture the next generation without having to sacrifice their own work, or to increase their physical or psychological unnecessary burden, Tatung set up a nursery room for postnatal breast-feeding employees. It is also the company's most intimate birth gift for female employees. Although the company is affected by the global Covid-19 pandemic in 2020, Tatung has not reduced its welfare measures for this reason, and continues to work hard to create a happy workplace and handle diversified welfare measures.

Table 5.1-2 Tatung employees parental leave statistics

		Male	Female
Application and return to work from parental leave	No. of employees that took parental leave in 2020.	4	13
	No. of employees that shall end parental leave in 2020.	3	9
	No. of employees who returned to work after parental leave ended in 2020.	1	5
	Return to work rate	33%	56%
Retention rate	No. of employees that applied and returned to work in 2019.	6	12
	No. of employees who returned to work after parental leave ended who were still employed 12 months after their return to work in 2019.	2	8
	Percentage of employees who returned to work after parental leave ended who were still employed 12 months after their return to work in 2019.	33%	67%

Note: The reason for not returning to work is they changed jobs due to personal career planning.

Table 5.1-3 Employees' welfare

Employees' welfare	Implementations
Stock ownership	Tatung subsidized employees to buy corporate stocks since 1992 as part of their savings.
Subsidies	Education subsidies for employees' children in senior high school and college/university; funeral subsidies for colleagues or their spouses and immediate relatives; financial gifts for death of colleagues; subsidies for employees' birthday, travel, and retirement; cash gifts for weddings of employees or their children as well as for birth of employees' children.
Benefits	Employees can purchase company products via zero-interest installments and price discounts on groceries in corporate stores. Free movie shows and special trains in Chinese New Year.
Club activities	Education, recreation, physical education, languages, hiking/mountain climbing and photography.
Health and safety plan	Labor insurance, health insurance, group insurance, retirement pension, free annual health checkup.

CH5 Happy workplace and social participation

5.2 Good working conditions and career development

DMA:

Market presence

An explanation of why the topic is material	Purpose of the management approach	Commitments	Responsibilities	Specific actions	Results of the evaluation of the management approach
Tatung attaches great importance to the recruitment and promotion of talents and adheres to the principle of meritocracy. Tatung does not discriminate against any age, gender, race, and selects talents based on performance, and provide reasonable salary and benefits for employees.	Tatung regards employees as an important asset for the company's sustainable development. Due to the deterioration of the employment environment, the starting salary for freshmen is generally low in recent years. Tatung, as a deep plowing corporation for a century in Taiwan, well protects the salaries and benefits for its employees.	Tatung upholds the spirit of gender equality, and does not have different starting salaries due to gender factors, and the starting salaries for all types of jobs are superior to laws and regulations.	Building an equal workplace environment for equal pay for genders.	<ol style="list-style-type: none"> Optimizing the salary system to provide the best and most reasonable salary for the employees. Reviewing and revising the development of the company's business strategy, and recruiting suitable senior executives who meet the manpower needs. 	<p>Performances in 2020:</p> <ol style="list-style-type: none"> The ratio of basic salary for female and male is 1:1; the ratio of basic salary and legal salary for migrant workers and technicians are 1:1 and 1:1.05; for staffs is from 1.26~1.51:1 based on different job types, speciality and qualifications. There are 76 senior managers (deputy plant/general manager and above) of the company are 100% Taiwanese.
Boundary for the material topic		Goals and targets	Resources	Mechanisms for evaluating the effectiveness of the management approach	Related adjustments to the management approach
Tatung Co. and its subsidiaries.		<p>Short-term targets: Continue to ensure that the basic salary meets or exceeds the regulations.</p> <p>Mid-long term targets: According to the strategic development direction, design a reasonable organizational structure and deploy talents of all levels.</p>	Tatung announces the appointment method of technicians and staffs with clearly statement of the initial salary standard internally.	<ol style="list-style-type: none"> The basic salary ratio of female employees to male employees. The ratio of each position to the legal salary. The proportion of senior managers who are hired from local. 	NIL
Specific limitation regarding the topic boundary	Policies		Grievance mechanisms		
Performance disclosure is limited to Tatung Co.	<ol style="list-style-type: none"> Respect labor, protect labor rights, and fulfill social responsibilities. Tatung's labor management system must comply with labor-related laws and regulations and other requirements. 		Tatung has set up "Regulations of Processing Employees' Complaints" to quickly and satisfactorily handle disputes caused by the employees during their work.		

Performance review and career development

An explanation of why the topic is material	Purpose of the management approach	Commitments	Responsibilities	Specific actions	Mechanisms for evaluating the effectiveness of the management approach
Tatung takes great concern to the overall performance of individuals, departments and organizations, and encourages employees to perform better. Through the performance review counseling mechanism and career development, it helps to enhance and affirm the performance of employees.	Identify talents with high performance potential and poor performance who need to be coached, so that employees can get substantial feedback for their efforts, and at the same time, work performance can also be used as an important basis for employee promotion and career development.	Cooperate with the company's business strategy to break through the transformation. Create value-added talent assets. Improve business performance and move towards sustainable operation.	Formulate a performance evaluation system and set up the annual performance indicator structure of the business department to ensure the rationality and effectiveness of performance management and career development.	<ol style="list-style-type: none"> Improve the performance system: Report the key performance indicators and the weight of each business unit for the next year to the President at the end of each year and plan the performance system in accordance with the company's strategy. Implementation of the performance review plan: The form will be opened every quarter for the employees to fill in and discuss target setting with the supervisor. Start the performance form at the end of each quarter to provide employee self-assessment and supervisor performance interviews. Through the performance calibration of the top management, reasonably allocate performance rankings and issue department performance bonuses. Coaching poor performers fill in the improvement record form. File record and management. 	<p>The company conducts internal control and internal audit checks on a regular or irregular basis.</p>
Boundary for the material topic	Policies	Goals and targets	Resources	Results of the evaluation of the management approach	Related adjustments to the management approach
Tatung Co. and its subsidiaries.	<p>Values: Integrity, Honesty, Industry, Frugality.</p> <p>Business Philosophy: Shareholder Responsibility, Customer satisfaction, Employee Harmony, and Industry-Education Cooperation.</p>	<p>Short-term targets: Complete the annual performance review and review daily work performance to link departments, organizations and company strategies.</p> <p>Mid-long term targets: Use long-term performance results to find potential talents and link them with talent cultivation, promotion and salary adjustment.</p>	Formulate "Performance Management Measures" as the basis for performance review. Establish the "Operational Performance Bonus Management Measures" as a standard for linking performance and rewards.	<p>Performances in 2020:</p> <p>92.3% of the employees have completed performance review (employees who were in probation period, leave of absence, and short-term contract were not included).</p>	NIL
Specific limitation regarding the topic boundary			Grievance mechanisms		
Performance disclosure is limited to Tatung Co.			For those with unsatisfactory review results, their supervisor will conduct a performance counseling improvement interview, and the two parties will jointly formulate an improvement plan, which includes plan drafting, cognition revision, and feedback communication.		

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DMA:

Training and education

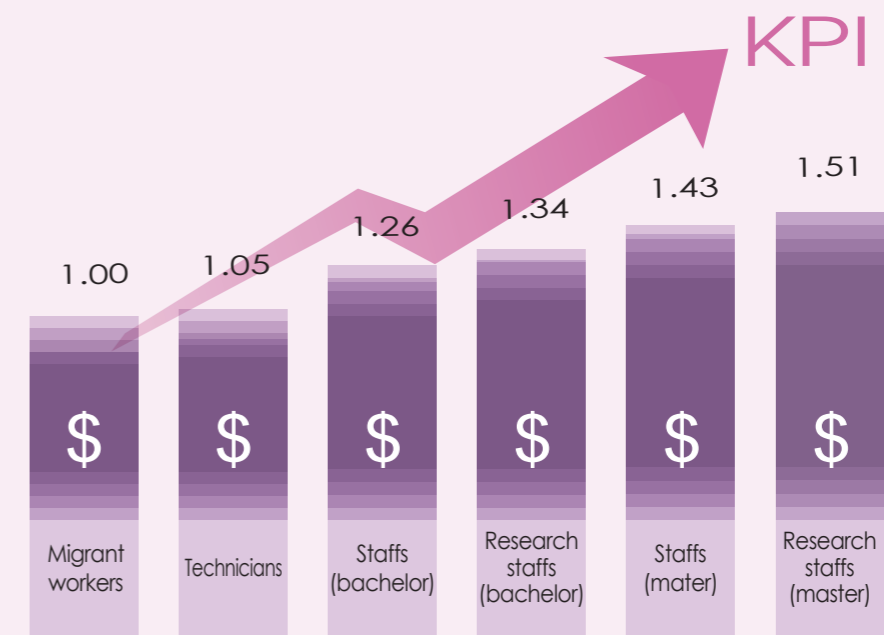
An explanation of why the topic is material	Purpose of the management approach	Commitments	Responsibilities	Grievance mechanisms	Specific actions	Results of the evaluation of the management approach
Business' success is relied on talented employees. Tatung believes that only each employee fully shows "TATUNG DNA" (Vision and Philosophy) in their work can help the company to achieve goals and vision.	Short-term: Implement manpower inheritance. Long-term: Cooperate with the company's operations and business development, continue to cultivate or recruit the necessary management and professional talents.	Cooperate with the company's business strategy to break through the transformation. Create value-added talent assets. Improve business performance and move towards sustainable operation.	Formulate education and training policies and the education and training responsibilities of each function/management class to ensure the effective operation and implementation of the education and training system.	1. "Tatung Company Education and Training Manual" is published on the company's internal webpage for employees to know; the qualifications for the selection of trainees for each course are specified. 2. Class tutors are arranged for each course. In addition to assisting the course administration, students can make complaints during the class; after class, various satisfaction surveys are conducted, and the training unit will give the results back to the students and related supervisors after the training.	1. Establish an education and training system. 2. Draft education and training plans. 3. Education and training planning and design. 4. Implementation of education and training. 5. Education and training check and abnormal handling.	Performances in 2020: There were 34,113.5 training hours and each employee was given 12.12 hours in average with the average satisfaction 92.29%.
Boundary for the material topic	Policies	Goals and targets	Resources	Mechanisms for evaluating the effectiveness of the management approach		Related adjustments to the management approach
Tatung and its subsidiaries.	Values: Integrity, Honesty, Industry, Frugality. Business Philosophy: Shareholder Responsibility, Customer satisfaction, Employee Harmony, and Industry-Education Cooperation.	Short-term targets: Conducting 34,000 total training hours per year; the training satisfaction reaches an average of 90%. Mid-term targets: Enhancing the inheritance of knowledge, technology and experience. Continue to strengthen courses related to business development to create sustainable competitive advantages and increase in talent assets. Long-term targets: Through changes in employees' behavior, abilities and attitudes, they can give full play in their jobs, drive organizational performance improvement, and assist the company's strategic targets and vision implementation.	Tatung has formulated the "Tatung Company Education and Training Manual" as a norm for education and training, including: education and training management manuals, procedures, specifications, various forms, etc., and manage it with Plan, Design, Do, Review, and Outcome mechanisms.	1. Education and training check: (1) Evaluation and analysis: Perform integrated analysis, review and evaluation during the course or after the course to properly monitor the implementation of training and improve the quality of training. (2) Abnormal handling: Establish corrective procedures for abnormal conditions to maintain the quality and effectiveness of training. 2. Education and training effectiveness evaluation: Perform pre- and after-class effectiveness evaluation tasks, and report related results and improvements, including trainee response evaluation (L1), knowledge learning evaluation (L2), applied behavior evaluation (L3), performance results Show (L4).		NIL
Specific limitation regarding the topic boundary						
Performance disclosure is limited to Tatung Co.						

Salary and performance management

Due to the deterioration of the employment environment, the starting salary for freshmen is generally low in recent years. Tatung, as a deep plowing corporation for a century in Taiwan, well protects the salaries and benefits for her employees. Tatung enacts its rules and internal control to ensure the minimum salary is complied with regulation. Tatung discloses the structure of the salary and methods of payment on "Company Rules", so that all the employees understand their rights and interests.

Based on the concept of gender equality, the basic salary between female employees and male employees is 1:1. For different employment types, the ratio of basic salary and legal salary for migrant workers and technicians are 1:1 and 1:1.05; for staffs is from 1.26~1.51:1 (Figure 5.2-1) based on different job types, specialty and qualifications. In average salary, the female employee to male employee is 0.85~0.92:1 in 2020 (Figure 5.2-2); the average annual salary is NT\$676,401 and the median annual salary is NT\$596,301 for non-management employees¹ (2,701 employees in total). Please refer to Figure 5.2-3 for details.

Tatung takes great concern to the overall performance of individuals, departments and organizations, and encourages employees to perform better. Through the performance review counseling mechanism and career development, it helps to enhance and affirm the performance of employees. Employees are assessed according to the "Performance Management Method" regardless of gender. The purpose of the assessment is to identify talents with high performance potential and poor performance and effectively links the performance with bonuses, rewards or promotions. The employee ratio for performance review in 2020 is 92.3%².

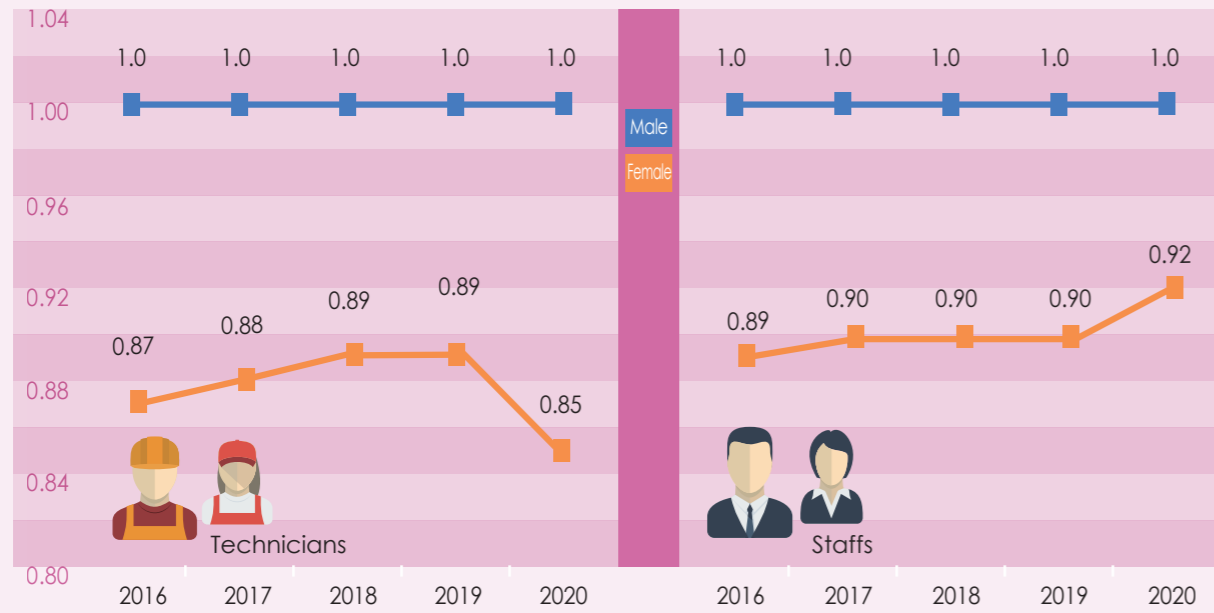


▲ Figure 5.2-1 Ratio between basic salary and legal salary for different employment types

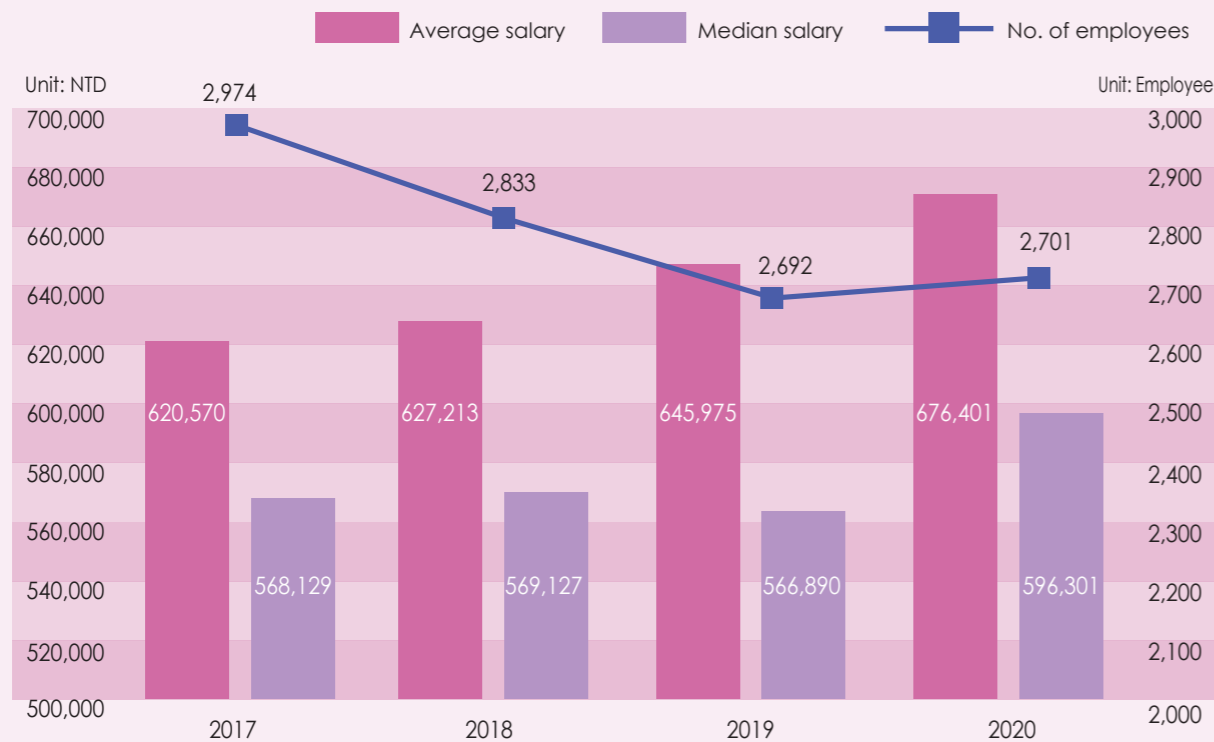
¹: Directors and top level managers are not included.
²: Employees who were in probation period, leave of absence, and short-term contract were not included.

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▲ Figure 5.2-2 Salary ratio between female and male employees (by employment type)



▲ Figure 5.2-3 Number of non-management employees, average salary, and median salary

Post-employment benefits

Tatung adopts "Defined contribution plan" and "Defined benefits plan" as its post-employment benefits. For "Defined contribution plan", Tatung makes monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts in accordance with the Labor Pension Act. Expenses under the defined contribution plan for 2020 were NTD 71,869 thousands.

For "Defined benefits plan", Tatung contributes an amount equivalent to 4% of the employees' total salaries and wages on a monthly basis in accordance to Labor Standard Act to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, Tatung assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, Tatung will make up the difference in one appropriation before the end of March the following year. Tatung expects to contribute NTD62,400 thousand to its defined benefit plan during the 12 months beginning after December 31, 2020. For detailed post-employment benefits, please refer to Tatung 2020 Annual Report page 424-426.

Labor-management relations

In order to provide employees with a working environment that complies with laws and regulations and continues to strive towards employee harmony. Tatung has "Regulations of Processing Employees' Complaints" and other practices in place for the employees to complain about any disputes or sexual harassments and provides a channel to deal with. Tatung uses various methods such as gatherings, e-mails, electronic newsletters, or internal documents to deliver information in regarding to strengthen anti-discrimination, sexual harassment related prevention measures and appeal channels to the employees. The employees can not only propose questions in labor-management meetings or to labor unions, but also can directly mail the questions to Chairman's Box or HR e-mail. There was no major labor-management dispute in 2020.

Tatung sets the minimum notice periods (Table 5.2-1) regarding to operational changes in "Company Rules". When there is any major change in operation and may affect employees, Tatung shall notify the employees according to it and give severance pay.

Types of employees	Shortest notice period
Worked for 3 months~1 year	10 days
Worked for 1~3 years	20 days
Worked for more than 3 years	30 days

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Education and career development

Business' success is relied on talented employees. Tatung believes that only each employee fully shows "TATUNG DNA" in their work can help the company to achieve goals and vision. Therefore, Tatung takes "TATUNG DNA" as basic to develop an education and training system which provides skill/profession oriented training courses to the employees to help the company to cultivate the talents that fit into business and achieve sustainable development.

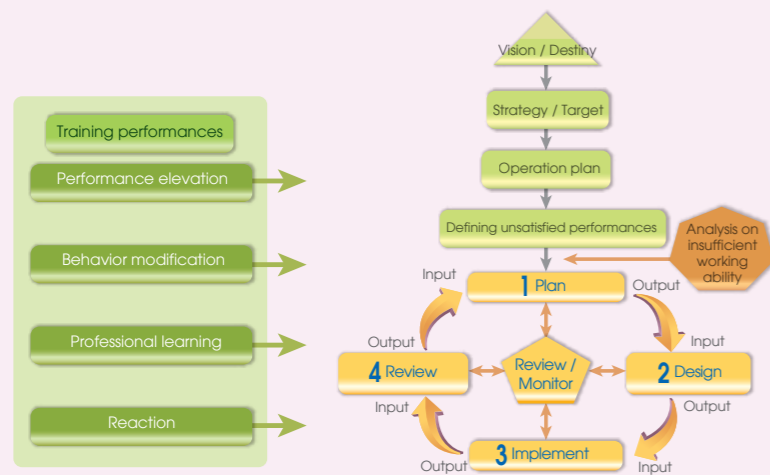
Tatung plans training courses by taking company's human resource policy into account and identifies the annual capacity gap of organizational functions. In December each year, a survey of the training needs of senior managers and all employees is collected. Based on the survey results and the company's annual business strategy, the next annual training course is planned. The training target is to capacity building of employee management, professional skills, and performance improvement. Figure 5.2-4 shows the structure of Tatung HR development. Tatung has formulated the "Tatung Company Education and Training Manual" as a norm for education and training, including: education and training management manuals, procedures, specifications, various forms, etc., and managed through various operations such as Plan, Design, Do, Review, and Outcome. The manual is published on

internal website to let employees retrieve freely. We arrange class tutors for each course to be assistance and students with any questions can respond to them. After the class, we conduct satisfaction survey and the results and responses will be feedback to the students and relevant managers to improve the quality of education and training in the future.

In 2020, we have organized 29 general courses which covered from new recruits training, environmental protection, occupational health and safety, information safety, intellectual property and trademarks etc. For advanced courses we have organized 18 specialized courses in each field, 17 courses for managers, various lectures. In total there were 34,113.5 training hours and each employee was given 12.12 hours in average with the average satisfaction 92.29%. However, it can be seen from Figure 5.2-5 that the per capita education hours of female employees in 2020 decreased compared to 2019, while the number of male employees increased slightly. It is because that some of the physical courses for female employees have been suspended due to pandemic, so training hours have been reduced. As for male employees, it was less affected due to the on-line teaching were provided for technical grading courses.



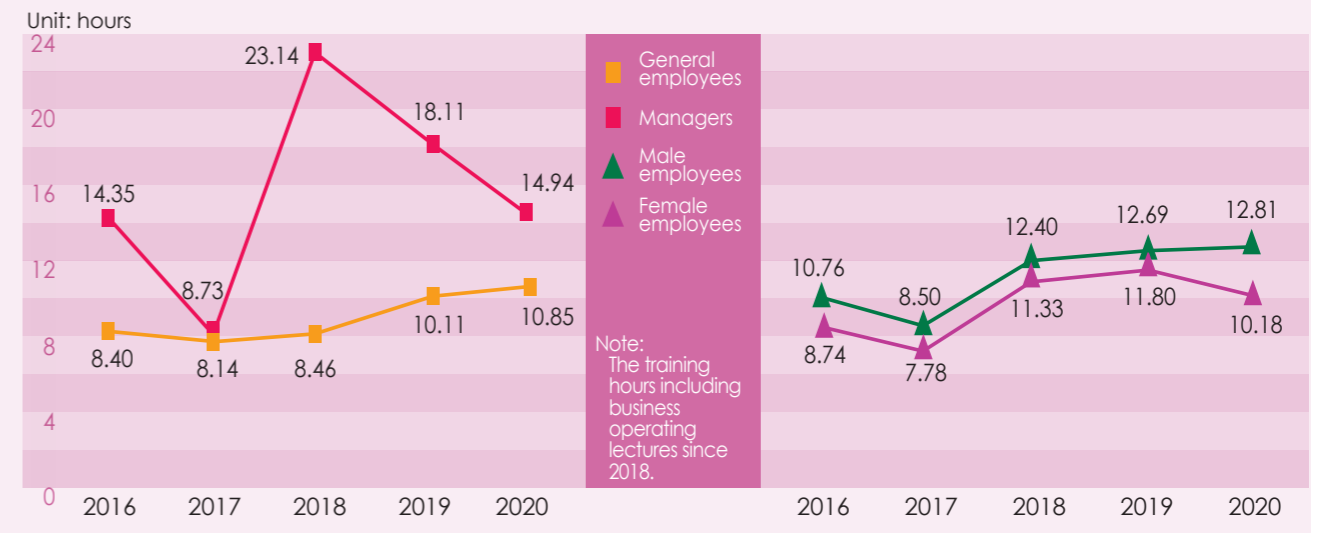
- (1) Leading class for mid-level managers
- (2) Problem analyzing and solving class
- (3) Agile project management class
- (4) Class for new recruits



▲ Figure 5.2-4 Tatung human resource strategic development system



Education courses in season 4, 2020



▲ Figure 5.2-5 Training hours per employee

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Health promotion and disease prevention

Tatung believes that the health of the employees and their families is a valuable asset to the company. Tatung organizes numerous health speeches, seminars, health checks to let the employees understand the importance of their health and promote to their families. The concreted measures are follows:

1. Clean air, healthy and happy workplace environment
Smoking within the boundary of the companies/factories has been prohibited. The employees, contractors, and visitors are not allowed to bring cigarettes, matches and lighters into the company. Tatung also clearly posts/marks "NO SMOKING" notices in the meeting room, at entrances and exits. The reason for Tatung doing this is to build a clean air and healthy workplace for everyone.
2. Welfare Committee regularly organizes the physical and cultural activities to encourage the employees having healthy living. It also establishes aerobic fitness club to provide employees physical activities to stretch and relieve pressures in their spare time.
3. Health Examination Fair
In response to Covid-19 pandemic, the 2020 Health Examination Fair has been cancelled. Tatung arranges high-quality regular health check-ups for employees to give full play to the effects of early detection, early treatment and prevention, and to protect the health of employees.
4. Tatung organizes health promotion seminars and also publishes information about serious diseases on the company website and e-publications. The information contains not only about the diseases but also the preventions and treatment channels.
5. Promote breastfeeding.
In order to encourage postpartum female employees to continue breastfeeding after returning to the workplace, Tatung has set up 2 breastfeeding rooms to provide a friendly environment for postpartum female colleagues to continue breastfeeding.
6. Tatung runs first-aid/CPR courses every year to enhance employee's ability.



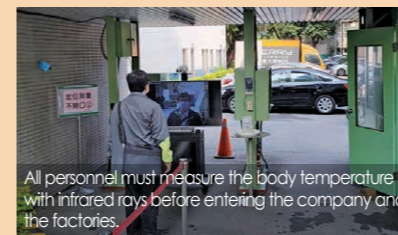
(1) (2) (3) (4)

(5) (6)

(1), (2) Blood donation activities
(3), (4) First aid trainings
(5), (6) Health seminars

In 2020, there was a global outbreak of Covid-19. In order to ensure the health of employees and reduce operational risks, Tatung established an emergency response team and implemented the following measures from February 2020:

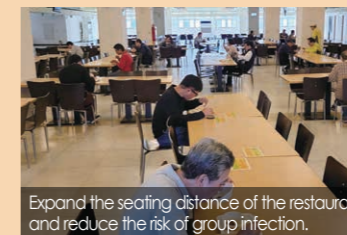
1. Before entering the company and the factories, all personnel must measure the body temperature with infrared rays, and use 75% alcohol to dry-clean hands and wear a face mask.
2. Strengthen the personal protective measures, follow cough etiquette and keep hands clean and maintain good hygiene habits.
3. Perform daily temperature check of all employees and record the temperature, and report abnormal conditions.
4. When employees have fever or acute respiratory symptoms, personal and workplace hygiene management will be implemented.
5. Strengthen the environmental disinfection of work areas, meeting rooms, elevators, restaurants and other public areas and maintain indoor air circulation.
6. Avoid large conferences and indoor activities where people gather.
7. Emergency response team was established, and meetings were held irregularly and recorded.
8. Implement real-name registration while move across departments.
9. Request guests, visitors, and suppliers fill out the health declaration form and measure their body temperature. If they have travel history in the pandemic area and have a fever, they will be refused to enter the factory.
10. Provide the latest pandemic prevention information to the employees in real time.
11. Count stocks of pandemic prevention materials every week.
12. When necessary, initiate a different working places/ different working time/work-from-home mechanism.
13. Cooperate with the government's measures to provide "Pandemic Prevention and Care Leave".
14. Survey the footprints of the employees when requested by CDC.



All personnel must measure the body temperature with infrared rays before entering the company and the factories.



Guests, visitors, and suppliers are requested to fill out the health declaration form and measure their body temperature.



Expand the seating distance of the restaurant and reduce the risk of group infection.



Promote Covid-19 pandemic prevention information



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Table 5.2-2 Health promotion and disease prevention activities in 2020

Time	Activities	Locations	Time	Activities	Locations
All year	Health passport rewards program.	H.Q.	August	8/6 Health promotion activities.	Taoyuan 1 st Plant
	Monitoring on the abnormal blood pressure.	San-Hsia Factory		Health seminar: Lung cancer, colorectal cancer, and food safety issue (31 participants).	Taoyuan Wires and Cables Plant
January	1/2 Health seminar – ergology.	San-Hsia Factory		Pressure relief activity.	Taoyuan Wires and Cables Plant
	1/2 Health promotion.	Taoyuan 1 st Plant		Health seminar: HPV.	Tayuan Plant
	1/16 Influenza vaccination.	H.Q.	August to December	8/15~12/31 Arrange the employees who are at high risk of abnormal work overload to meet with the factory doctor; track abnormal values in the health examination report and manage health education.	San-Hsia Factory
	1/17 Blood donation activities – 102 bags in total.	H.Q.		9/3 Health promotion activities.	Taoyuan 1 st Plant
February to December	1/30 Covid-19 prevention measures in the factory have been fully launched: all the employees measure body temperature and spray alcohol on their hands before entering the factory.	San-Hsia Factory	September	9/15 Health promotion activity.	San-Hsia Factory
	Conduct special job health check.	H.Q./MacKay Memorial Hospital		9/23 Health hints: 6 drugs should be avoided to consume with pomelo.	San-Hsia Factory
February	Covid-19 prevention measures promotion.	H.Q. and all the factories		Health check on the restaurant suppliers in H.Q.	H.Q.
	2/27 Health promotion activities.	Taoyuan 1 st Plant		Blood donation activity: 61 bags.	Taoyuan Wires and Cables Plant
March	Noise tracking check – 4 ppl.	Min-Sheng Hospital Ching-Kuo Campus	October	Pressure relief activity: Pomelo skin peeling competition (50 participants).	Taoyuan Wires and Cables Plant
	3/5 Health promotion activities.	Taoyuan 1 st Plant		10/6 Blood donation activity: 77 bags.	San-Hsia Factory
April	Health seminar: Covid-19.	Tayuan Plant		10/8 Health promotion activities.	Taoyuan 1 st Plant
	4/9 Health promotion activities.	Taoyuan 1 st Plant		Health seminar: Beware of the invisible killer in winter.	H.Q.
May	5/7 Health promotion activities.	Taoyuan 1 st Plant	November	Hiking activities (250 participants).	Shihmen Reservoir
	6/4 Health promotion activities.	Taoyuan 1 st Plant		11/5 Health promotion activities.	Taoyuan 1 st Plant
June	6/15 Advocacy on Dengue Fever Prevention and Control.	San-Hsia Factory		Health seminar: Cardiovascular diseases prevention (37 participants).	Taoyuan Wires and Cables Plant
	6/18 Blood donation activity: 96 bags.	San-Hsia Factory	Employee annual health check and special job health check.	Tayuan Plant	
June ~ July	1. Employee annual health check and special job health check. 2. Implement questionnaire surveys on musculoskeletal, abnormal workload, illegal infringements, etc.	San-Hsia Factory	December	12/2 Flu vaccination.	San-Hsia Factory
	7/2 Health promotion activities.	Taoyuan 1 st Plant		12/3 Health promotion activities.	Taoyuan 1 st Plant
July	7/3 First-aid and AED lecture.	San-Hsia Factory		12/15 Health seminar: Back pain.	San-Hsia Factory
	7/16 Blood donation activity: 160 bags.	H.Q.		12/23 35 people were given the flu vaccine.	Taoyuan 1 st Plant
	7/28 Heatstroke prevention advocacy.	San-Hsia Factory		Employee annual health check: 161 ppl.	Taoyuan Wires and Cables Plant
	Health seminar: Lung cancer and workplace pressure relief.	Tayuan Plant		Pressure relief activity: X'MAS competition (48 participants).	Taoyuan Wires and Cables Plant

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5.3 Health, safety, and disaster free

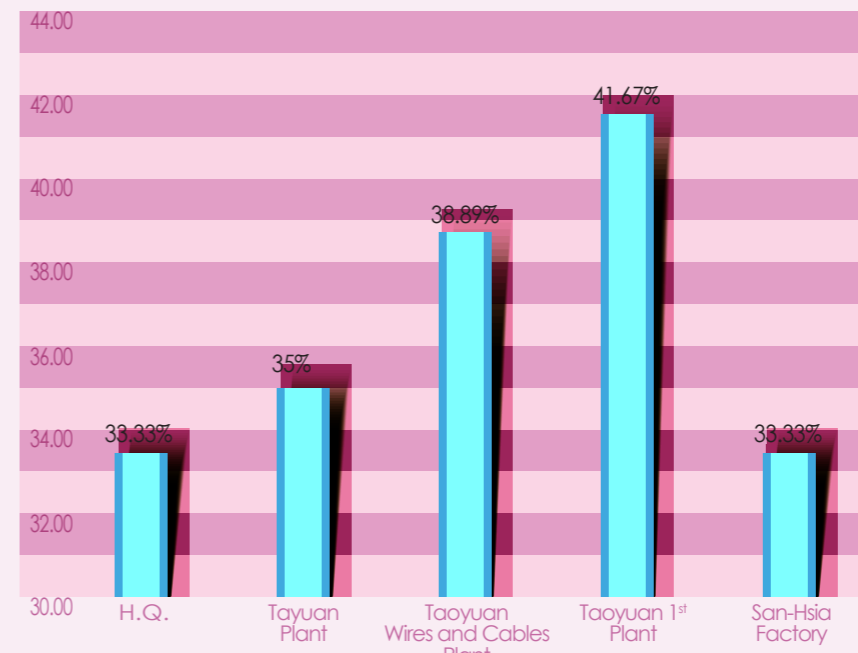
DMA:

Occupational health and safety

An explanation of why the topic is material	Purpose of the management approach	Commitments	Responsibilities	Specific actions	Results of the evaluation of the management approach
Practice occupational health and safety in the work places is Tatung's responsibility.	Implement occupation health and safety in the workplace.	Work hard to achieve the goal of "Zero Disaster".	The factories and the subsidiaries are responsible for complying with applicable health and safety regulations during daily operations, and the Health and Safety Division is responsible for checking the implementation results of the factories and subsidiaries.	1. The factories and the subsidiaries operate in accordance to health and safety regulations. 2. Health and Safety Division conducts on-site audits to review the performances.	Performances in 2020: 1. Tayuan Plant and Taoyuan Wires and Cables Plant have implemented ISO 45001 and passed the certifications. 2. The correction rate of Accident Prevention Pays Program is 100%. 3. SR is reduced by over 10%, however, FR for male employees is risen.
Boundary for the material topic	Policies	Goals and targets	Resources	Mechanisms for evaluating the effectiveness of the management approach	Related adjustments to the management approach
Tatung Co. and its subsidiaries.	Reduce occupational disasters and achieve the goal of "Zero Disaster".	Short-term target: 1. Complete the implementation of ISO 45001 in all 4 factories and pass the certification by the end of 2021. 2. At least 95% correction rate for non-conformities found in Accident Prevention Pays Program. 3. FR and SR are reduced by 10% each year. Mid-long term target: Zero disaster.	1. Accident, Prevention, Pays Program. 2. Internal audit under Internal Control System.	Conducts Accident, Prevention, Pays Program on-site audit and records down non-conformities. The factories are requested to improve these and ESD will track the improvement results.	NIL
Specific limitation regarding the topic boundary	Performance disclosure is limited to Tatung Co.				

In the case that recognition of dangerous materials is unsatisfactory, or that safety management has not been satisfactorily accomplished in the work places, there may be effects of varying degree to the employees' health and safety, and as a result, causing frequent disasters. This will not only threaten the safety of employees, but also the safety of the publics, as well as adversely impact the surrounding environment. Therefore, Tatung stipulates that the company should be in accordance with relevant health and safety regulations in "Company Rules" and holds employees' health examination (free of charge to the employees). Tatung also issues "Tatung Health and Safety Guidebook" for employees to follow. At the same time, we set up occupational safety and health management units and occupational safety and health management personnel in accordance with regulations to implement automatic inspections, strengthen occupational safety and health education and training, and promote laws and regulations to enhance employees' safety awareness and responsibility to reduce the incidence of occupational disasters.

In addition, Tatung holds "Health and Safety Committee" meetings in headquarter and factories to communicate and review the contents and progress of health and safety issues (Figure 5.3-1). The percentage of labor representatives is better than the requirement of regulation (at least 33%). The headquarter also organizes regular health and safety committee meetings and invites the representatives in the factories to enhance the communications within the company.



▲ Figure 5.3-1 Percentage of labor representatives in Health and Safety Committees



▲ Tatung Health and Safety Guidebook

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Occupational health and safety management

Paying attention to health and safety work is Tatung's culture. Through institutionalized, documented, and systematic methods, it actively handles education and training, regulatory review, hazard identification, and risk assessment, sets safety and health improvement priorities, sets goals and improvement plans. Through the implementation of improvement plans and regular audits, and then reviewed by the management to continuously improve health and safety performance, so that the goal of "zero disaster" can be achieved. So far, all the factories³ have established ISO 45001 and passed the certification. San-Hsia Factory has also established CNS 15506:2011 (TOSHMS) and passed the certification. Table 5.3-1 shows the status of occupational health and safety management systems.

Other than relying on the management systems, Tatung also carries out "Accident, Prevention, Pays" Program every year and works hard to achieve the final target "zero disaster" in the factories and subsidiaries. The contents of the program are summarized below:

1. The factories and subsidiaries implement the projects which can improve or prevent health and safety issues, and HSD reviews the performances and provides feedbacks.
2. An annual Accident, Prevention, Pays seminar is organized to exchange the health and safety experiences between factories and subsidiaries.
3. Recommends outstanding factories or subsidiaries to compete governmental awards.

Tatung has set the target of non-conformities improvement rate over 95% from Accident, Prevention, Pays Program onsite audit. For the items that have not been improved in the current year, we will continue to track them and list them as non-conformities in the next year's evaluation. 63 non-conformities were found in 2020's Accident, Prevention, Pays Program on-site audit. The items were mainly laid on lacking proper preventative measures for electric shock, lack of protection cover for machinery equipment, or no health and safety operation standards have been established for operations that are particularly hazardous to health. By the end of 2020, all the non-conformities have been corrected. In 2021's Accident, Prevention, Pays Program, we will continue to check the compliance of occupational health and safety regulations, strengthen the physical and mental health protection measures for workers, the implementation of the labor work environment monitoring plan, and the establishment of labor maternal health protection plan to protect the safety and health of the employees.

Chemical hazard identification and risk assessment

In order to let the employees to understand the potential hazards of the working environment, and to ensure that the concentration of harmful gases, vapors, and dusts in the workplace does not exceed the standards for labor workplaces, and to protect the health and safety of employees, all the factories in Tatung have established a "Working environment monitoring plan" and appointed Ministry of Labor certified monitoring organizations to implement the monitoring. The monitoring plan and monitoring results will be posted in obvious workplaces for employees to refer to.

In addition, in order to let the employees to correctly understand the hazard information of chemicals, Tatung has established a "Hazard Communication Program". For containers containing hazardous chemicals, they are labeled classification, hazard diagrams and formats, and added hazard warning messages and hazard prevention measures in accordance with the requirements of the "Regulations for the Labeling and Hazard Communication of Hazardous Chemicals". At the same time, Tatung posts up safety data sheet for the chemical in a place that is easy to obtain in the workplace for reference by workers. In addition, Tatung follows the requirements of the Ministry of Labor to formulate a "Grading Management Plan" for hazardous chemicals. The chemicals are evaluated based on their health hazards, distribution status, usage, or statistical results of monitoring data in the operating environment. According to the risk level, Tatung implements associated management measures and establishes a management list of chemicals with health hazards in the workplace.



Tayuan Plant ISO 45001 certificate



Taoyuan Wires and Cables Plant ISO 45001 certificate

	Name of management systems.	The percentage of all employees covered by management systems	The percentage of workers who are not employee ⁴ covered by management system	Note
Tayuan Plant	ISO 45001	100%	0%	Acquired certification
Taoyuan Wires and Cables Plant	ISO 45001	100%	0%	Acquired certification
Taoyuan 1st Plant	ISO 45001	100%	0%	Acquired certification
San-Hsia Factory	ISO 45001 and CNS 15506 (TOSHMS)	90.35%	9.65%	Acquired certification



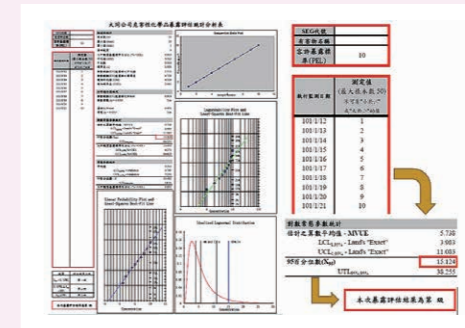
Accident, Prevention, Pays Program onsite audit



The labeling and posting of containers with hazardous chemicals



Safety Data Sheet is posted in workplace



Tatung chemical grading evaluation table



Working environment monitoring report (San-Hsia Factory)

³: Taoyuan 1st Plant has complete the implementation of ISO 45001 by the end of 2020 and passed the certification in Jan. 2021.

⁴: Workers who are not employees but whose work and/or workplace is controlled by the organization.

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Health and safety training and regulation promotion

In order to raise the awareness of occupational health and safety among the employees and prevent occupational accidents, Tatung opens health and safety related training classes for new recruits, general employees, and managers. The training classes introduce the related health and safety regulations such as "Occupational Safety and Health Act" and demonstrate the prevention measures of the occupational disasters. The training courses cover topics from prevention of disaster caused by machinery, equipment or appliances, hazardous chemicals, falling, flying objects, high temperature, noise, as well as proper use of personal protective equipment, workplace ventilation, management on lighting, job safety analysis, and prevention of illegal infringements in performing duties. For professional training, Tatung opens training classes such as First-aid, Hazardous machinery or equipment, Fork lifters, VOCs, Dusts, Designated Chemicals, etc. Please refers to Table 5.3-2 for more details.

Regarding the promotion of laws and regulations, Tatung organizes the "Tatung Group Occupational Health and Safety Seminar" every year to promote the new revisions of occupational health and safety regulations and corresponding practices. When necessary, personnel from H.Q. will go to the factories and the subsidiaries for counselling. The seminar in 2020 was held online and e-mail due to Covid-19 pandemic, the seminar focused on pandemic prevention measures, revisions to occupational health and safety management plans, and new laws and regulations.

Table 5.3-2 Health and safety training targets and results

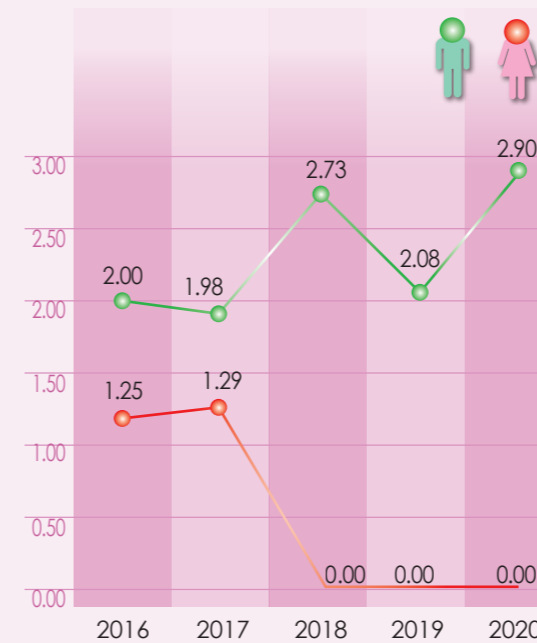
Topics	2017	2018	2019	2020	2021
	No. of participants	No. of participants	No. of participants	No. of participants	Target numbers
Health and Safety Training Class (general employees and managers)	1,243	1,226	1,239	1,046	1,300
Emergency Training Class	1,059	1,121	1,163	913	620
Stationary Cranes Training Class	0	0	75	101	16
Stationary Cranes Training Class (re-training)	24	69	276	57	24
Health and Safety Training Class (construction contractors)	15	16	16	20	3
First-Aid Class (re-training)	89	11	100	5	18
First-Aid Class	0	0	25	88	24
Forklifters Training Class (over 1 tons)	0	25	2	33	0
Forklifters Training Class (re-training)	53	85	132	67	49
Training Class for Preventing Workplace Violence	0	66	342	131	185
Occupational Health and Safety Business Supervisor Training Class	0	0	0	20	0

Health and safety performances

Tatung continues to establish safety culture, reduce occupational disaster risk and provide a safe working environment. When an occupational disaster is occurred, root-cause analysis will be conducted and countermeasures will be implemented to prevent such case happening again. In 2020, there was no occupational disease case and death incident; however there were 3 non-compliances (contractors) and fined NT\$150,000 in total. The non-compliances are: (1) The use of fiber tape (cloth rope) as the suspending equipment of the lifting equipment has significant damage or corrosion; (2) For the driving of the high-altitude working vehicle, when leaving the driver's seat, the driver did not lower the workbench to the lowest position; (3) Failure to provide safety helmets for labors to wear. All the non-compliances have been improved. Tatung will strengthen the inspection of contractors' occupational health and safety operations to avoid recurring violations in order to jointly protect the safety of contractors' labors.

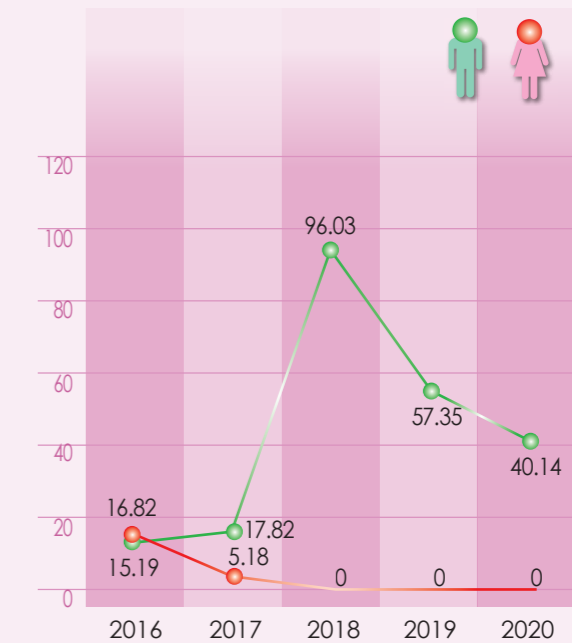
In terms of health and safety indicators, from Figure 5.3-2 and Figure 5.3-3, it can be found that female employees have not experienced occupational accidents for 3 consecutive years, while the Disabling Frequency Rate (FR) for male employees in 2020 is higher than in 2019. The main reasons were the increase in the number of traffic accidents when the employees go out on business, but the injuries were less serious, so the Disabling Severity Rate (SR) continues to decline. In terms of workers who are not employees, there was no occupational accidents in 2020.

In 2020, Tatung has achieved the target of reducing the SR by 10% per year, but the FR has not reached the target. We will continue to strengthen the traffic safety advocacy of business units that frequently go out, and require the supervisors in the factories and the subsidiaries to walk around the workplaces more often to strengthen the work safety requirements, and continue to move towards the established targets.



Note: FR is one of the indicators selected by MOL for occupational disaster statistic purpose. The formula is (No. of disability/Total working hours) x 1,000,000.

▲ Figure 5.3-2 Trend of FR



Note: SR is one of the indicators selected by MOL for occupational disaster statistic purpose. The formula is (Total lost days/Total working hours) x 1,000,000.

▲ Figure 5.3-3 Trend of SR

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5.4 Participation and benefits to the society

Send love and light to the tribes

Tatung has devoted in the green energy industry for many years, and has not only become a pioneer in green smart energy solutions; recently, Tatung has also shown love to send electricity to the tribe, go deep into the rural areas of Pingtung County, and care for the disadvantaged.

In the Paiwan Tribe in Fawan, Majia Township, Pingtung County, Taipower used to set up poles for power supply. However, after the Morakot Typhoon, it severely damaged the road leading to the tribe and washed away the poles. In addition, the weather was bad and with the influence of other factors, has made it more difficult for the tribe to re-establish the electricity. Fortunately, in recent years, Tatung has silently launched the "Send Love and Light to the Tribes" project. A group of colleagues and partners went deep into the remote villages and mountains of Taiwan, and sent electricity to light up the lights of various tribes in Taiwan.

This charity came to the Paiwan Tribe in Fawan, Majia Township, Pingtung County. Tatung built 13 "Stone Slab House Smart Disaster Prevention Micro-grid"⁵, so that tribal residents finally have the opportunity to enjoy a more convenient life. There is no need to start a fire at night. The tribe residents also expressed gratitude that "lighting on the tribe's lights will bring convenience to life, and also make the tribesmen out of the country more willing to return to the tribe and inherit the culture."

In the future, Tatung will continue to spread love and send electricity to the tribes, establish micro-grid systems, help more areas with electricity difficulties, install mobile solar panels, so that tribal residents will no longer live a life of using electricity depending on the weather, and also prevent electricity cut-off from natural disasters. In addition to supplying tribal lighting and household electricity, the micro-grid system can also take into account the flexibility of residential electricity use and environmental protection as well as achieve the goal of smart energy power supply that can be used locally without relying on the outside world.

Tatung 3C one-day safety inspection for home appliances

Taiwan's population has turned into a negative growth, and it is estimated that it will enter a super-aged society in 2025. This also means that the burden of support for the young generations in the future will become heavier. In order to reduce the pressure of support and provide a more complete and comfortable living environment for the elderly, the establishment of homes for the elderly, nursing centers, and other institutions were also born in response to demand. Tatung 3C upholds the feeling of caring for the local and caring for the elderly, and actively initiated a one-day safety inspection activity for home appliances in "Southern Region Senior Citizens' Home, Minister of Health and Welfare", especially for seasonal appliances such as dehumidifiers and electric heaters used in autumn and winter. It is hoped that through this activity, the safety of electrical appliances in the institution will be reviewed, and the elderly will be educated on the correct use of home appliances, so as to do their part to protect the peaceful land of the elderly. Tatung is committed to the development of the business and fulfills its social responsibilities. It is hoped that through this event, it will achieve the effect of attracting new ideas and promote the public's attention to the safety of the elderly's care environment.



"Send Love and Light to the Tribes" project - Paiwan Tribe in Fawan, Majia Township, Pingtung County.



Safety inspection activity for home appliances in "Southern Region Senior Citizens' Home, Minister of Health and Welfare"



Inspection on the safety of heaters

Supporting in traditions, arts and raising environmental protection awareness

In support of paper carving art and artists, Tatung designed Tatung Boy Chinese Zodiac hand-held lanterns which served as marketing artifacts for Tatung 3C's festival sales. Tatung participated in the Taiwan Lantern Festival in Taichung whose main theme was to promote sustainable development for the earth. As an appeal for marine ecological conservation, Tatung Boy was made to represent son of the ocean enjoying the friendly company of the sea creatures and co-live in harmony. Tatung supported local performing arts groups by co-creating children's drama, Rescuing Power Kingdom, which was performed for over 4,700 students on a tour to 7 elementary schools nationwide. By infusing notions of energy saving and environmental protection, children were being introduced the traditional and innovative ways of energy generation as well as the correct ways of using electricity.



Rescuing Power Kingdom children drama



Hand-held lanterns of year of mouse



Tatung participated in Taiwan Lantern Festival in Taichung

⁵: Send Love and Light to the Tribes channel on youtube: https://www.youtube.com/watch?v=n2ix9_U6Mml&t=5s

CH6

SUSTAINABLE ENVIRONMENT

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Environmental management and comply with regulations

Targets

1. Correction percentage over 95% for the non-conformities from 3P Program.
2. Maintain ISO 14001 in the factories.
3. No. of violations against regulation are less than previous year.

Performances in 2020

1. Correction percentage was 93.1% and the target was not achieved.
2. All the factories' ISO 14001 passed annual certification.
3. One violation in 2020 and the target was not achieved.

Energy and GHG management

Targets

1. Energy intensity of represented products in 2023 will be 6% less than in 2018 and 1% less than the previous year.
2. Energy saving rate will be at least 1% in the headquarters and the factories from 2019~2022.
3. Promote ISO 50001 energy management system.

Short-term:
Factories with ISO 50001 pass annual certification.

Mid-long term:
Implement ISO 50001 in Taoyuan 1st Plant.

4. Carry out ISO 14064-1 GHG inventory.

Short-term:
(1) Carry out GHG inventory based on ISO 14064-1 every year in Taoyuan Wires and Cables Plant, Taoyuan 1st Plant, and San-Hsia Factory.
(2) Use ISO 14064-1: 2018 to carry out GHG inventory in 2022.

Mid-long term:
Implement ISO 14064-1 in Taoyuan Plant and the headquarters.

Energy and GHG management

Performances in 2020

1. 4 out of 7 represented products have met the target. The target achieve rate was 57.14%.
2. The average energy saving rate in the factories and the headquarters was 4.60%.
3. Taoyuan Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory have passed ISO 50001 annual certification.
4. Completed ISO 14064-1 GHG inventory (year 2019) and passed the verification for Taoyuan Wires and Cables Plant, Taoyuan 1st Plant, and San-Hsia Factory.

Waste reduction management

Targets

Reduce the amount of wastes by 5% every year.

Performances in 2020

Compared with 2019, the amount of wastes was 22.13% less, met the target.

Green products management

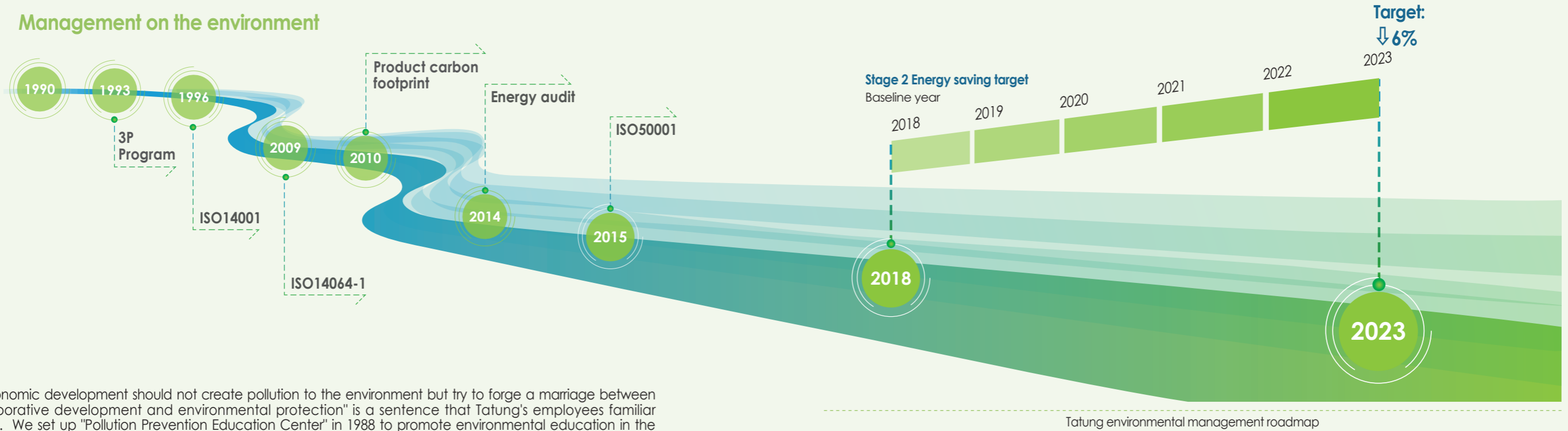
Targets

1. Continue to seek for PV system cases and aim to have 220MWp capacity by then end of 2021.
2. Continue to produce environmental friendly, energy saving, and water saving products and apply for Green Mark, Energy Label, or Water Label.

Performances in 2020

1. The total installed capacity was 161.73MWp by the end of 2020.
2. New applied Green Mark: 5 models, Energy Label: 63 models, Water Label: 12 models.

6.1 Management on the environment



"Economic development should not create pollution to the environment but try to forge a marriage between corporative development and environmental protection" is a sentence that Tatung's employees familiar with. We set up "Pollution Prevention Education Center" in 1988 to promote environmental education in the factories and subsidiaries. At this time, our management measures for sustainable environment are through the implementation of "Pollution, Prevention, Pays (3P) Program" and "ISO 14001 Environmental Management System" in the factories and subsidiaries.

DMA:

Comply with environmental regulations

An explanation of why the topic is material	Purpose of the management approach	Commitments	Responsibilities	Specific actions	Results of the evaluation of the management approach
Compliance is the most basic responsibility of a company. Violation of environmental regulations may not only cause pollutions, but also bring the risk of fines or suspension of operation.	Immediately identify the risks of violations against regulations and make improvement to avoid pollutions to the environment and penalties from the authorities.	Continue to implement Pollution, Prevention, Pays (3P) Program and ISO 14001 to fulfill social responsibility with a continuous improvement management model.	The factories and subsidiaries are responsible for complying with environmental regulations for daily operations. The headquarters is responsible to audit the factories and subsidiaries' conformance performances.	1. The factories and subsidiaries operate in accordance to the environmental regulations. 2. The headquarters conducts 3P Program on-site evaluation and Internal Control System on-site audit.	Performances in 2020: 1. 10 factories and subsidiaries were conducted with 3P Program on-site evaluation. The correction percentage was 91.3% which did not meet the target. 2. One violation against the regulation which did not meet the target.
Boundary for the material topic Tatung and its subsidiaries.	Policies Actively promote environmental protection, energy saving and carbon reduction to reduce the impact to the environment.	Goals and targets Short-term: 1. Correction percentage over 95% for the non-conformities from 3P Program. 2. No. of violations against regulation are less than previous year. Mid-long term: Achieve the goal of "The economic development should not create pollution to the environment but try to forge a marriage between corporative development and environmental protection."	Resources 1. 3P Program on-site evaluation. 2. Internal Control System on-site audit.	Mechanisms for evaluating the effectiveness of the management approach 1. Identify non-conformities from the factories and track the improvement results through 3P Program on-site evaluation. 2. Through Internal Control System on-site audit to ensure the compliances of the factories.	Related adjustments to the management approach NIL.
Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co. and the subsidiaries with manufacturing function (please refer to Annex 3).					

Pollution, Prevention, Pays (3P) Program

Tatung started to implement "Pollution Prevention Pays, 3P" program in the factories and the subsidiaries which have manufacturing function since 1993 to help Tatung to develop environmentally sound operations. Ten factories and subsidiaries participated in 2020 (Annex 3). The elements of 3P program are listed on Table 6.1-1.

When there any non-conformity found against company rules or with potential to cause environmental pollution, we will list such incidents and request the factories and the subsidiaries to correct them. We also set yearly correction target to be 95%. For the non-conformities which can not be corrected by the end of year, we will track them and make them to be corrected next year. In 2020, there were 69 non-conformities that are requested to be corrected and 63 of these have been corrected by the end of year. The correction rate was 91.3% and did not meet the target.



3P Program on-site evaluation

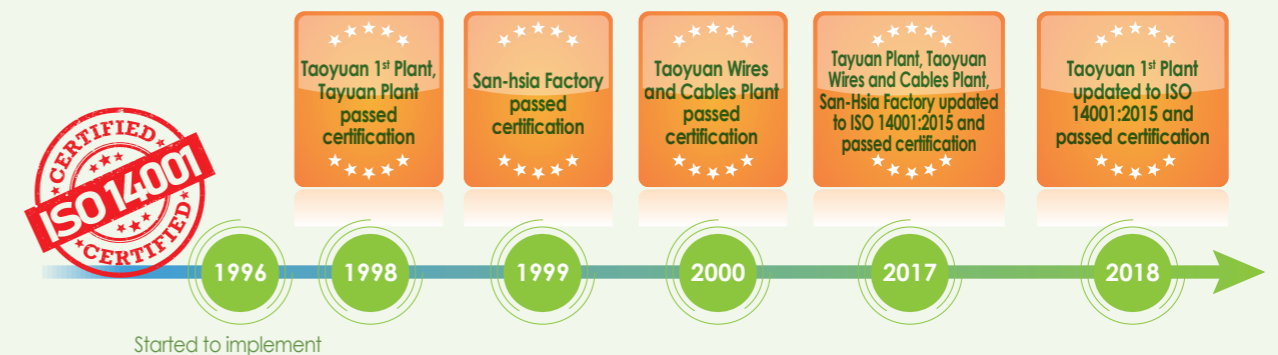
ISO 14001 Environmental management system

Tatung believes that by implementing ISO14001 is able to continue improve environmental performances, export competitively, and company images. Thus, in 1996, Tatung started to implement ISO14001 among the factories and the subsidiaries. So far all 4 factories have established ISO 14001 and certified every year. We commit that we will continue to run ISO 14001 in the factories and subsidiaries to improve environmental performances in the future. Figure 6.1-1 shows the implementation status of ISO14001 in the factories.

Compliance and major leaks

Tatung takes great concern on the development of environmental protection regulations. When there are public hearings or seminars for new regulations, Tatung assigns professions to receive the latest information. In spite of environmental management system, internal control system on-site audit, and 3P Program on-site evaluation have been implemented in the company, there still was 1 incident which breached the regulations in 2020. San-Hsia Factory was fined NTD\$60,000 due to violation against Waste Disposal Act. The reason was the storage period of hazardous waste was longer than one year and was not applied for extension to the local competent authority two months prior to the deadline. We will further strengthen management in the factories and enhance compliance education to the staffs and the managers. In addition, we will continue to conduct internal control system on-site audit and 3P Program on-site evaluation to prevent such incidents happened again. Besides, there was no significant spill in 2020.

Table 6.1-1 Description of 3P Program and its performances			
Aspects	Measures	Descriptions	Performances
Manufacturing aspect	Promote Clean Production technology, fully utilize resources and materials and to reduce the wastes and the production costs.	Improve the existing manufacturing processes and management operations to eliminate sources of pollution. Also improve upon the recycling/reuse, and exchange/reuse of waste materials.	In 2020, the amount of wastes were reduced by 22.13% and 63.94% were reused.
Product aspect	Encourage to develop green products to create additional values for products.	Apply Design for the Environment, DfE", in the design phase to produce "recyclable, low pollution, toxic-free, resource saving, power saving, and durable" products to benefit the environment.	In 2020, we acquired Green Mark: 5 models; Energy Label: 63 models; Water Label: 12 models.
Management aspect	Perform 3P Program on-site evaluation in the factories and subsidiaries regularly.	The results can benefit management in their review of environmental performances and draft of new policy and objectives.	Ten factories and subsidiaries participated in 3P program.
Conformity	Conduct internal audit.	Conduct internal audit on regulation compliance in order to find out problem at first place and mitigate it.	Non-conformity correction percentage was 91.3% in 2020.



▲ Figure 6.1-1 ISO14001 implementation status



▲ Figure 6.1-2 Measures practiced to ensure the compliance

6.2 Energy consumption and GHG management

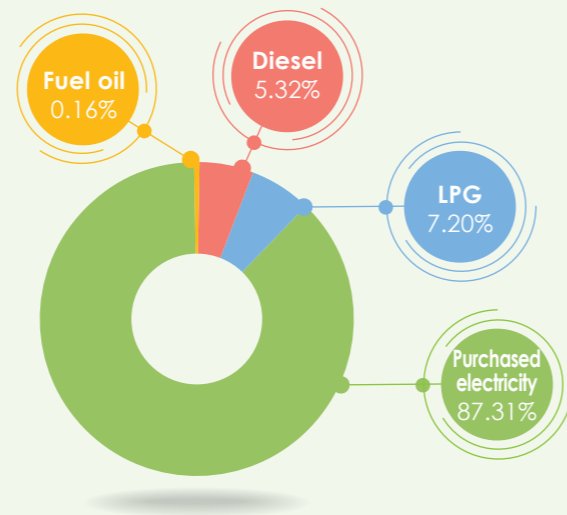
DMA:

Energy consumption and GHG management

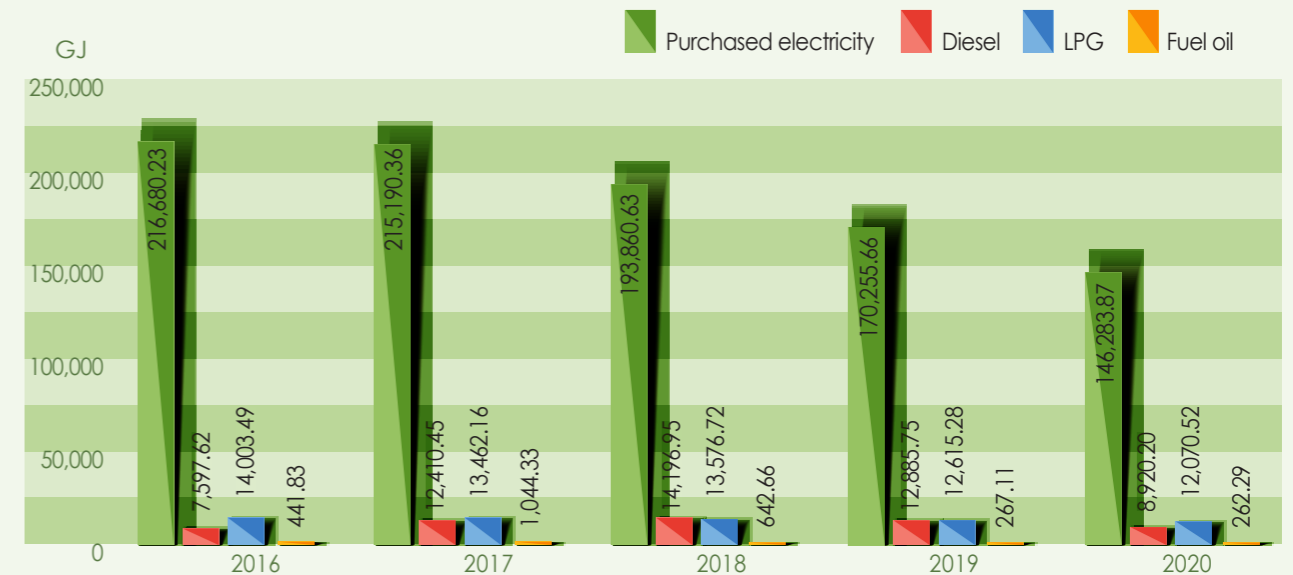
An explanation of why the topic is material	Purpose of the management approach	Goals and targets	Responsibilities	Results of the evaluation of the management approach
Greenhouse gases emitted by human activities have already caused global warming and led to the threat on the sustainable development. Corporations actively to reduce the greenhouse gas emissions are not only to show a responsible image to the public but also able to reduce the operation costs from running the business.	Reduce energy consumption and GHG emissions.	Short-term targets: 1. Carry out GHG inventory based on ISO 14064-1 every year in Taoyuan Wires and Cables Plant, Taoyuan 1 st Plant, and San-Hsia Factory. 2. Factories with ISO 50001 pass annual certification. 3. Energy saving rate will be at least 1% each year in the headquarters and the factories. 4. Use ISO 14064-1: 2018 to carry out GHG inventory in 2022.	The factories are responsible for running energy management systems and implement energy saving projects. Health & Safety Division is responsible for carrying out energy audit and assisting GHG emission inventory.	Performances in 2020: 1. Completed ISO 14064-1 GHG inventory (year 2019) and passed the verification for Taoyuan Wires and Cables Plant, Taoyuan 1 st Plant, and San-Hsia Factory. 2. Taoyuan Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory have passed ISO 50001 annual certification. 3. 57.14% of the represented products have met the energy intensity target. 4. The average energy saving rate in the factories and the headquarters was 4.60%.
	Policies Actively promote environmental protection, energy saving and carbon reduction to reduce the impact to the environment.			
Boundary for the material topic	Commitments	Mid-term targets: 1. Energy intensity of represented products in 2023 will be 6% less than in 2018. 2. Implement ISO 14064-1 in Taoyuan Plant and the headquarters.	Mechanisms for evaluating the effectiveness of the management approach Tracking energy intensity status through the annual energy audit.	Related adjustments to the management approach NIL.
Specific limitation regarding the topic boundary Performance disclosure is limited to Tatung Co.	Continue to carry out ISO 14064-1 GHG emission inventory, implement ISO 50001 energy management system, and propose energy saving projects to mitigate global warming.	Long-term targets: Implement ISO 50001 in Taoyuan 1 st Plant and pass certification.		

Energy consumption

Direct energy sources that Tatung consumes are fuel oil, LPG, and diesel. Indirect energy source that Tatung consumes is purchased electricity from Taiwan Power Company. The amount of energy consumption in 2020 is shown on Figure 6.2-1 and Figure 6.2-2. The most consumed energy in 2020 was purchased electricity and the amount was 146,283.87 GJ (87.31%) which equaled to 40,634.41 kkw-hr; followed by LPG with 12,070.52 GJ (7.20%) which equaled to 239.17 tons. The total amount of energy consumption in 2020 was 28,486.93 GJ less than in 2019, which was 14.53% reduction.



▲ Figure 6.2-1 Energy consumption breakdown in 2020 (by energy types)



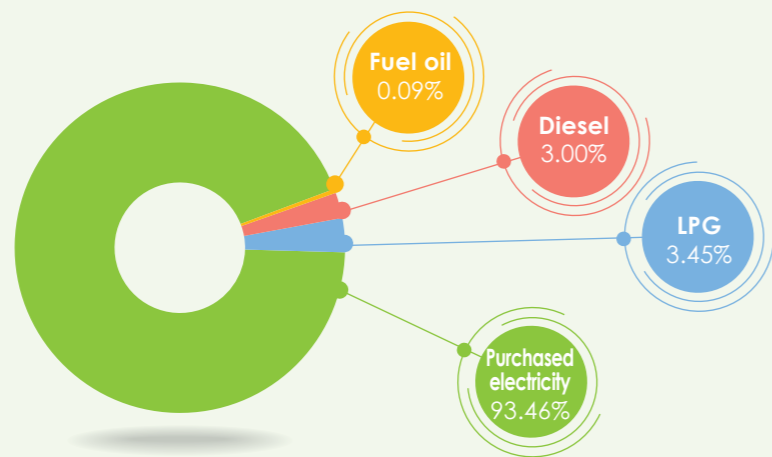
Note: The energy data in 2019 from Taoyuan 1st Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory has been modified based on ISO 14064-1 verification results. The energy data in 2020 was collected based on the same method however has not been verified yet. The energy data from H.Q. and Taoyuan Plant was collected from power bills and other energy receipts.

▲ Figure 6.2-2 Trend of energy consumption

Greenhouse gas emissions

Greenhouse gases emitted by human activities have already caused global warming and led to the threat on the sustainable development. Corporations actively to reduce the greenhouse gas emissions are not only to show a responsible image to the public but also able to reduce the operation costs from running the business. In order to investigate the amount of GHG emissions thoroughly and comply with the future regulations, Tatung voluntarily implements ISO14064-1 greenhouse gas management system into the factories since 2009. So far, San-Hsia Factory, Taoyuan Wires and Cables Plant, and Taoyuan 1st Plant carry out GHG inventory and get verified by third parties based on reasonable level of assurance every year. We will implement ISO 14064-1 at the headquarters and Tayuan Plant in the future. In response to the new version of ISO 14064-1:2018, we are planning to adopt it in 2022 when working on year 2021's GHG inventory. Figure 6.2-3 shows the GHG inventory and verification status in the factories.

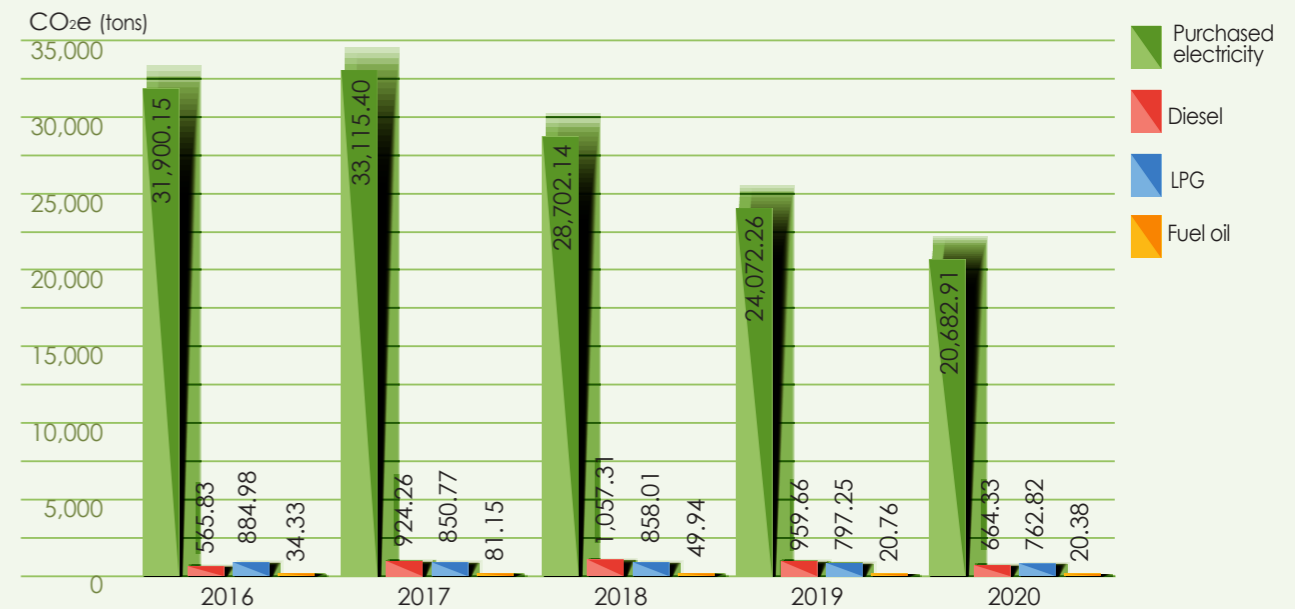
For the purpose of enhancing the ability to do greenhouse gas inventory in the factories, Tatung runs ISO14064-1 Internal Verification Class when necessary. We are expecting to have more well-trained employees through these classes and they are able to do the greenhouse gas inventory well and pass the verification by the third party in the future. Due to the headquarters and Tayuan Plant have not implemented ISO14064-1, the GHG emissions (Types of GHG: CO₂, CH₄, N₂O; Scope 3 emissions are not included) disclosed in this report are calculated as follows: the amount of energy sources disclosed in previous paragraph multiplied by each emission factor. The GWP is based on IPCC, 2007. The completed GHG emission inventory for Taoyuan 1st Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory for year 2019 can be found in Annex 4 or MOP. The total GHG emission in 2020 was 22,130.45 tons CO₂e (Figure 6.2-4) which is 3,719.48 tons CO₂e (14.39%) reduction than in 2019. The emissions from diesel, LPG and fuel oil were 1,447.53 tons CO₂e, and from purchased electricity was 20,682.91 tons CO₂e (Figure 6.2-5).



▲ Figure 6.2-4 GHG emission percentage in 2020 (by sources)



▲ Figure 6.2-3 Tatung GHG inventory and verification status in recent 2 years



Note: 1. The energy data in 2019 from Taoyuan 1st Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory has been modified based on ISO 14064-1 verification results. The energy data in 2020 was collected based on the same method however has not been verified yet. The energy data from H.Q. and Tayuan Plant was collected from power bills and other energy receipts.
2. This report also modified the emission factor of electricity for year 2019 (0.509 kg/kwh) and use that emission factor to calculate GHG emission for year 2020 due to the authority has not released the latest emission factor before the publishing date of this report.

▲ Figure 6.2-5 GHG emissions of Tatung

Energy saving and GHG reduction

Global warming greatly increases the frequency of extreme weather events and directly causes impacts to the operation of a business. In order to fulfill corporate social responsibility and reduce operating costs, followed by Stage 1 energy reduction target, Tatung proposed Stage 2 energy reduction target in 2019: the energy intensity per product in 2023 will be reduced by 6% than in 2018 (baseline year).

To achieve the target, we have implemented ISO 50001 in the factories to sharpen up company's energy performance. So far San-Hsia Factory, Tayuan Plant, and Taoyuan Wires and Cables Plant have established ISO 50001. Please refer to Figure 6.2-6 for more details. In addition, we conduct annual energy audit and report the energy consumption information to the government as well as implement energy saving projects in H.Q. and the factories. In 2020, Tatung reduced about 1.853 million kwh of purchased electricity consumption via 5 dimensions (Table 6.2-2) which equals to 6,671.68 GJ. The saved electricity contributed as much as 943.30 tons CO₂e reduction. Figure 6.2-7 shows carbon reduction results for the past 5 years.

Energy saving projects (by categories)	Amount of electricity saved (kwh)	Amount of electricity saved (GJ)	GHG reduction (tons CO ₂ e)
Optimized manufacturing process to reduce operation time.	1,223,722	4,405.40	622.87
Replaced with higher energy efficient and energy saving equipment.	285,612	1,028.20	145.38
Centralized operating areas and shut down unnecessary air conditioners and lightings.	287,361	1,034.50	146.27
Increased the frequency of maintenance and inspection from major energy using equipment, as well as controlled the operating time to avoid leakage or wasting of pressured air or cooled air.	30,076	108.27	15.31
Others	26,475	95.31	13.48
Total	1,853,246	6,671.68	943.30

Note: 1 kwh of electricity emits 0.509 kg CO₂e.

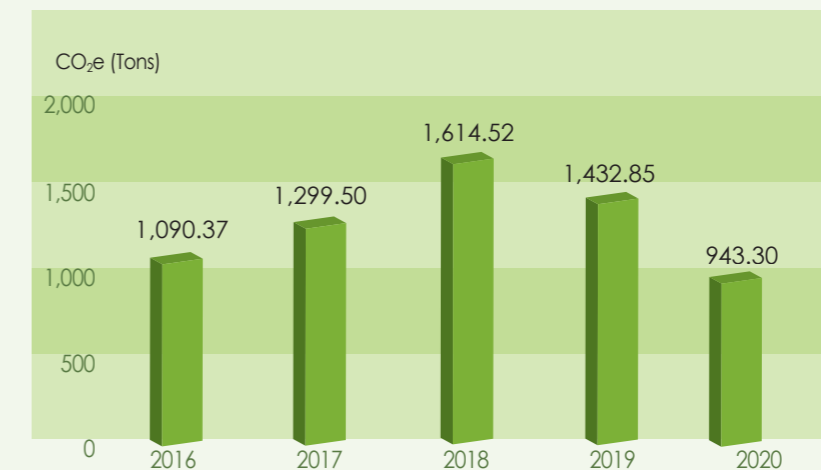
**Energy saving project:
Transformer core vacuum drier improvement in Tayuan Plant**

- Equipment was old and outdated.
- Low combusting and power transmitting efficiency.
- Poor insulation.
- Unable to keep in vacuum.

- The amount of energy consumed per unit: 53kWh → 24kWh
- Electricity saved: 1,050,000 kwh per year.
- CO₂ reduction: 534 tons per year.



▲ Figure 6.2-6 Status of Tatung's ISO 50001



▲ Figure 6.2-7 Amount of GHG reduction

The energy intensity achievement status of represented products in 2020, 4 of the 7 represented products reached the target of reducing energy intensity by 2%, and the achievement rate was 57.14%. The achievement status of each represented product is listed in Table 6.2-3. Products that did not meet the target are Transformer/Switchgear, Lan cable, and Motor. In terms of electricity saving rate, the headquarters and all factories have exceeded 1%. The average electricity saving rate for whole company is 4.60% and the target is achieved. Our energy saving plan for 2021 is summarized as follows:

Tayuan Plan

The vacuum drier equipment for the production of transformers will be replaced with new ones. It is expected to be replaced by a biomass fuel boiler, and a high-efficiency and low-energy consumption burner will be used to improve the combustion efficiency. The drier door insulation system will be repaired to enhance the air-tight status. The heat conduction pipelines will be replaced and the insulation materials on the inner wall of the drier will also be replaced to reduce heat loss. The motors and pumps used in the boiler equipment will be replaced with high-efficiency IE3 motor to improve operating efficiency. The boiler operation interface will introduce monitoring of various process parameters, accumulate historical data of related variables and compare energy consumption, establish stand-alone energy performance indicators and implements ISO 50001, and introduce automatic scheduling functions to reduce standby and heavy production losses.

Taoyuan Wires and Cables Plant

Improve the transmission equipment of the stranding machine used in the process, replace the old DC motor with a AC inverter motor to save electricity, and change the existing transmission aluminum belt to a rubber belt in the middle of the process to reduce the motor load and introduce frequency conversion control and reduce man-hours during maintenance to save energy.

Taoyuan 1st Plant

The high-pressure air compressor will be replaced by a nitrogen high-pressure air compressor, and the booster will be replaced with an IE3 high-efficiency motor. The pre-pressurization of the compressed air will be replaced with existing liquid nitrogen, which can reduce the power consumption of the booster due to gaseous nitrogen is a dry, low-temperature gas, the original cooling system and dryer are no longer needed. Introduce 5MW energy storage system and cooperate with the government to suppress peak power consumption, help stabilize the frequency of Taipower's power system and meet the requirements of the renewable energy development regulations.

San-Hsia Factory

Replace the old 6,000KVA high-voltage transformer in order to improve the operating efficiency. In the future, the transformer integration of the power circuit will be evaluated and the power consumption will be reduced. Air compressor equipment will be replaced with IE3 high-efficiency motors to save electricity, and gas flow meters and smart meters will be installed to monitor and establish energy indicators, and repair air compressor pipeline leakage during annual maintenance to reduce power consumption.

Table 6.2-3 Achievement status of Stage 2 Energy Saving Target (Year 2023 ↓ 6%)

Represented products	Energy intensity in baseline year (2018)	Energy intensity in 2019	Energy intensity in 2020	Target achievement status in 2020 (↓2%)
Motor/Generator	51.8 MJ/HP	48.45 MJ/HP	42.25 MJ/HP	V
Electric cooker	35.22 MJ/Unit	34.03 MJ/Unit	34.31 MJ/Unit	V
Commercial air conditioner	55.78 MJ/KW	53.05 MJ/KW	40.14 MJ/KW	V
Transformer/ Switchgear	7,389.51 MJ/MVA	7,257.80 MJ/MVA	8,057.57 MJ/MVA	X
Watt-hour meter	7.49 MJ/Unit	7.40 MJ/ Unit	7.33 MJ/ Unit	V
Lan cable *	0.13 MJ/Meter	0.14 MJ/ Meter	0.14 MJ/ Meter	X
Power cable	15.59 MJ/ Meter	11.48 MJ/ Meter	16.34 MJ/ Meter	X

Note: The baseline year is 2018. V represents the result meets the target, X represents the result does not meet the target.
 * Lan cable has adjust the baseline year data due to originally "per box" was mistakenly used as the production unit of the Lan cable, it has been adjusted back to the "per meter" as the unit, together with the adjustment of the 2019 data

6.3 Resources consumption and pollutants management

Consumption and management on the main materials

Tatung puts quality, price, supply days, and after sale service into account when selecting suppliers. In order to ensure a good quality, Tatung requires suppliers to provide new resources. Table 6.3-1 shows the consumption amount of main materials³ and the percentage from local purchase.

Table 6.3-1 Amount of main materials and the percentage from local purchase

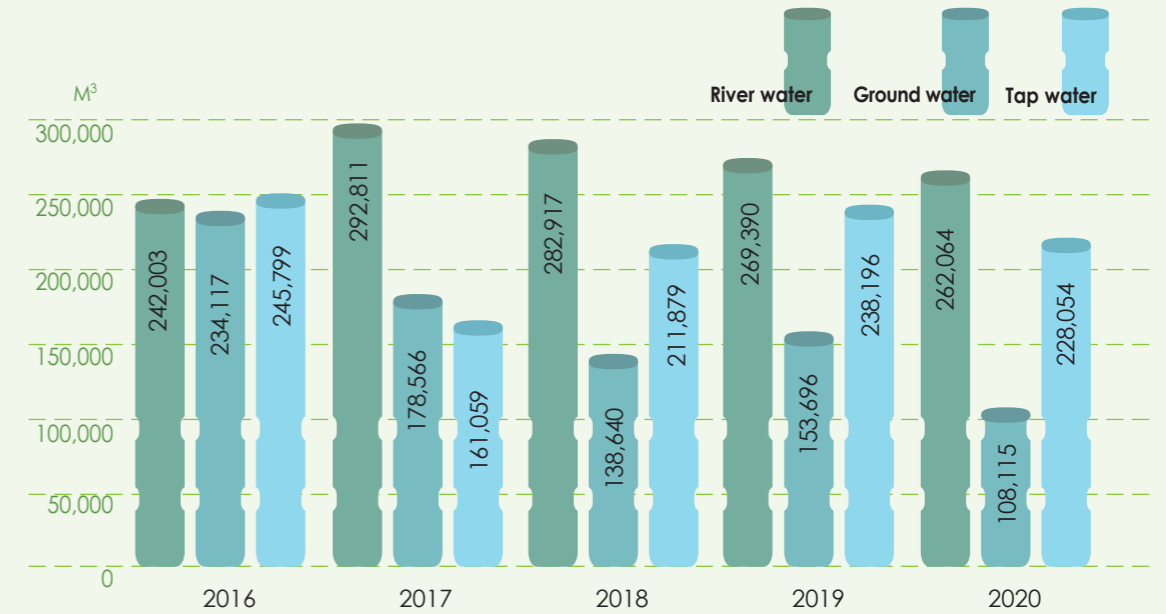
Main materials	Amount of consumption	Local purchased percentage (by purchase values)
Steel (including silicon steel)	6,214 tons	92.5%
Copper	6,759 tons	1.2%
Aluminum	493 tons	100%
Insulation oil	1,376 kilo-liters	100%

Consumption of water and management on the wastewater

The sources of water for Tatung are from tap water, ground water, and river water. Tatung consumed 598,233M³ (Figure 6.3-1) of water in 2020 which was 63,049M³ less than the consumption in 2019. We will continue to conduct water conserving projects in order to reduce water consumption. In view of the long-standing problem of fresh water resources shortage in Taiwan, other than installing water-saving taps for the employee's daily usage, we are also actively promoting water-saving solutions for manufacturing processes. For example, in 2020, Tayuan Plant implemented the energy-saving improvement plan of transformer drier, and we also installed with the cooling water circulation system. The cooling water can be recycled and reused, which can save about 5,000 M³ of water consumption every year. We will continue to review the manufacturing processes and promote water-saving programs, and reduce water consumption.

As for the wastewater management, all the factories and subsidiaries have granted government approved "water pollution prevention measures" and "permit for effluent", as well as setup wastewater treatment facilities based on the prevention measures. All the wastewater treatment facilities are operated in accordance to the prevention measures and the amount and quality of the effluent are regularly tested and reported to the authorities. The test results are all below the effluent standard, therefore the effluent from Tatung will not have significant impacts to the biodiversity of the nearby habitats and the recipient water bodies. The detailed effluent information is disclosed on Table 6.3-2.

New installed cooling water circulation system for transformer drier in Tayuan Plant



▲ Figure 6.3-1 Amount of water consumption (by sources)

Table 6.3-2 Wastewater treatment and effluent status in 2020¹

Factory	Treatment method	Average COD concentration (mg/L)	Average Suspended substances concentration (mg/L)	Amount of effluent (M ³ /year)	Recipient water body	Effluent reused by others
San-Hsia Factory	Factories setup wastewater treatment facilities in accordance to the requirements of regulations.	16.55	3.94	5,076	Heng River	None
Tayuan Plant		9.50	5.05	2,024	New Street River	
Taoyuan Wires and Cables Plant		11.72	7.01	27,796	New Street River	
Taoyuan 1st Plant		11.24	15.72	9,650	Old Street River	
Total				44,546		

¹: The data is collected from EPA's declaration system. Effluent standard for COD: 100 mg/L, SS: 30 mg/L.

Management on the air pollutant emissions

The main air pollutants from the factories are NOx, SOx, and VOC. Tatung declares the amount of emissions and pays air pollution control fees to the authority. From Figure 6.3-2 and Figure 6.3-3 we can see the emissions of VOC have reduced gradually year by year and the emissions of SOx have slightly increased. The reason could be more diesels were consumed by RTO (the treatment facility that eliminate VOCs by combustion) in the factories.

Tatung sets up and operates air pollutant treatment facilities in the factories in accordance to the regulation. Pollutant concentration is regularly tested and met the standard. In addition to optimize the air quality and reduce the impact to the surrounding environment around the factories, we have implemented pollutant treatment facilities with higher VOCs removal efficiency, such as RTO (Regenerative Thermal Oxidizer) in the past few years.

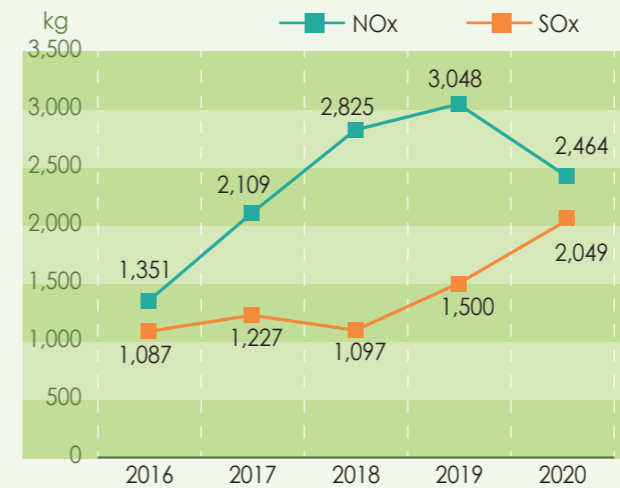
Waste reduction and management

Tatung's waste reduction concept is mostly from product design and manufacturing process improvement to reduce the amount of industrial wastes. The wastes are properly categorized and stored in accordance to the relevant regulations, and eventually commissioned by domestic qualified treatment companies or reuse companies. Tatung audits the commissioned companies from time to time to ensure that the wastes are properly cleaned up or reused.

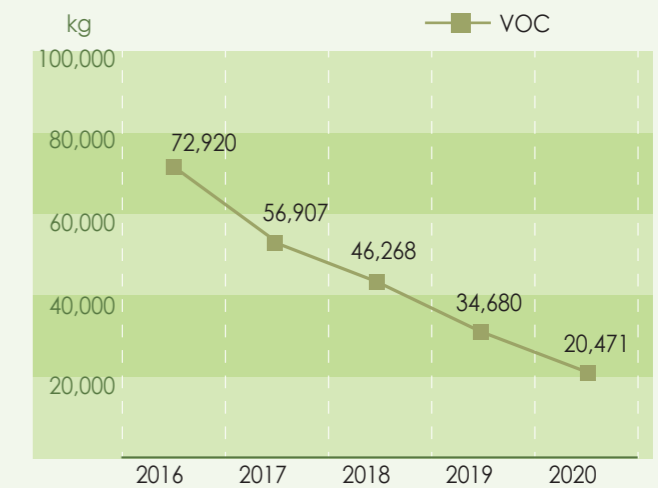
In 2020, Tatung generated 2,568.32 tons of industrial wastes, of which 2,502.80 tons were general industrial wastes and 65.51 tons were hazardous industrial wastes (Figure 6.3-4). Compared with the amount of wastes in 2019, the amount was reduced by 22.13% and met the target (5% reduction each year). We will continue to work hard to reduce the amount of wastes in the future.

Six methods were used for wastes treatment in 2020 (as listed on Table 6.3-3). The factories also have been working hard to recycle and/or reuse the wastes in order to minimize the impact to the environment. 1,642.07 tons of wastes were reused (63.94% of total wastes) in 2020.

	Reuse	Incinerate	Solidify	Landfill	Physical treatment	Heat treatment	Total
General industrial wastes (tons)	1636.96	563.54	7.03	2.56	274.46	18.25	2,502.80
Hazardous industrial wastes (tons)	5.11	51.24	2.28	0	0.533	6.35	65.51
Percentage of each treatment method (by weight)	63.94%	23.94%	0.36%	0.10%	10.71%	0.96%	100.00%



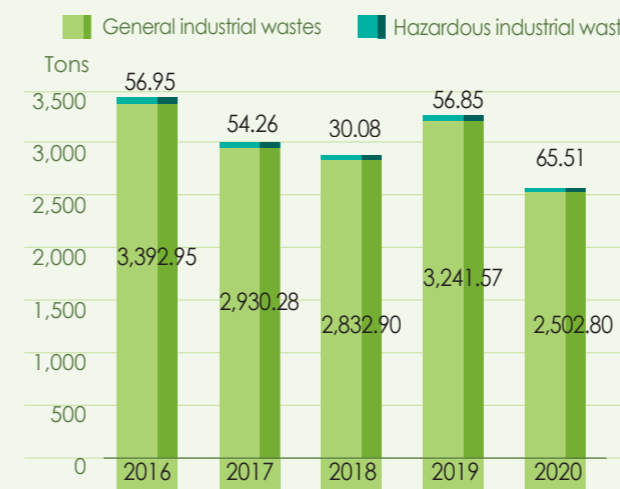
▲ Figure 6.3-2 Amount of NOx and SOx emissions



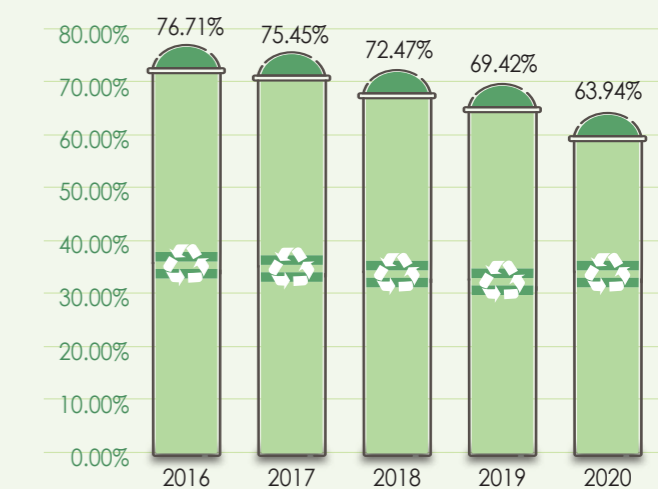
▲ Figure 6.3-3 Amount of VOC emissions



Wastes clean up and treatment flowchart



▲ Figure 6.3-4 Amount of wastes generated



▲ Figure 6.3-5 Waste reuse percentages

6.4 Green products for a better earth

DMA:

Promotion and management on environmental friendly products

An explanation of why the topic is material			Policies	Goals and targets	Specific actions	Results of the evaluation of the management approach
Following the trend of energy saving and carbon reduction, Tatung has strengthened the development of healthy, environmentally friendly, energy saving, and high energy efficiency green home appliances. In addition to slowing climate change, it can also create business opportunities.			Actively promote environmental protection, energy saving and carbon reduction to reduce the impact to the environment.	Products are awarded with Green Mark, Energy Label, or Water Label.	1. Apply Design for the Environment, DfE ² , in the design phase to produce "recyclable, low pollution, toxic-free, resource saving, power saving, and durable" products to benefit the environment. 2. Apply for EPA's Green Stores and promote energy saving and environmental friendly products. 3. Respond to green procurement and encourage all units of the company to take environmentally friendly products into consideration when purchasing items.	1. In 2020, we had 5 models awarded with Green Mark, 63 models awarded with Energy Label, and 12 models awarded with Water Label. 2. Tatung 3C "Kaohsiung Huaxia Store" was commended as "Green Stores of Year 2019" by EPA in 2020. 3. Received certificate of appreciation for promoting green procurement from EPB, Taipei City Government.
Boundary for the material topic	Specific limitation regarding the topic boundary	Purpose of the management approach	Commitments	Responsibilities		
Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co., and TCPC (Tatung 3C Stores).	Reduce the environmental impact from Tatung's products.	Provide high-quality products with innovative technology, realize energy saving, environmental protection, and healthy life, and fulfill the responsibilities of global citizens.	1. Tatung is responsible to research and produce environmental friendly, energy saving, and water saving products. 2. Tatung 3C is responsible for the promotion and sales of green products.	1. Apply Design for the Environment, DfE ² , in the design phase to produce "recyclable, low pollution, toxic-free, resource saving, power saving, and durable" products to benefit the environment. 2. Apply for EPA's Green Stores and promote energy saving and environmental friendly products. 3. Respond to green procurement and encourage all units of the company to take environmentally friendly products into consideration when purchasing items.	Related adjustments to the management approach NIL.
Mechanisms for evaluating the effectiveness of the management approach Encourage the factories and subsidiaries to develop environmental friendly products through 3P Program evaluation.						

Establishing solar PV systems to minimize air pollution and GHG emissions

In line with the government's green energy policy and the changes in the global industrial situation, Tatung has continued to innovate, steadily cultivated the solar photovoltaic market, combined with intelligent technology and gradually expanded from the early public housing roofs and landfill sites to the fish-electricity symbiosis power stations, cemetery sites, and photovoltaic stadiums. Tatung not only has good engineering quality and active innovation, but also be ready in the fields of power plant operation, green power transfer and renewable energy certificates to work together for the liberalization of Taiwan's electrical industry. By the end of 2020, Tatung has completed the solar photovoltaic power systems with capacity of 161.73MWp, which can generate nearly 188.89 million kilowatt-hours of electricity per year, with a carbon reduction of 96,145 tons/year², which is equivalent to the annual carbon reduction of about 5,500 hectares³ of afforestation on flat land.

Tatung has invested in the field of renewable energy for more than 10 years. Its long-term hard work has gradually gained recognition in the country. In recent years, it has won the "2020 Public Construction Commission Golden Quality Award" by Kaohsiung City Government. Tatung Forever Energy Company won "Honor Award of Golden Peak Award" issued by Outstanding Enterprise Manager Association.

Looking forward to the future, Tatung will adhere to the sustainable development strategy and actively promote the energy transformation in line with the government's green energy policy. The goal is to complete 220MWp solar PV systems accumulatively by the end of 2021. We are aiming to lead the solar power industry to reciprocate and innovate through various industry cooperation and to expand setup area for PV solar systems. We will provide more opportunities for cooperation in the solar energy industry. For more details about Tatung PV solar projects, please browse: <http://www.tatung.com.tw/solution/detail/16>



Honor Award of Golden Peak Award



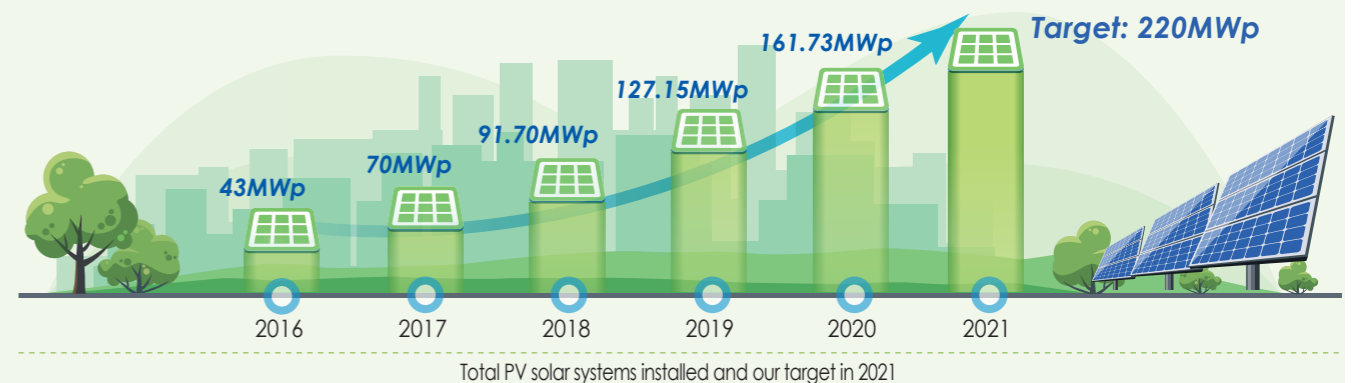
2020 Public Construction Commission Golden Quality Award



PV solar system on the roof of stadium at Sanxia Campus, National Taipei University



PV solar system at No. 4 cemetery, Xinwu District, Taoyuan City



Total PV solar systems installed and our target in 2021

²: The emission factor for electricity is 0.509 kg CO₂e.

³: Based on the research of Forestry Bureau (Study on Carbon Fixation and Growth Monitoring of the Plantations in Pingtung: ffbcc-1010511), the carbon fix amount is 17.6 tons/hectare/year for afforestation on flat land.

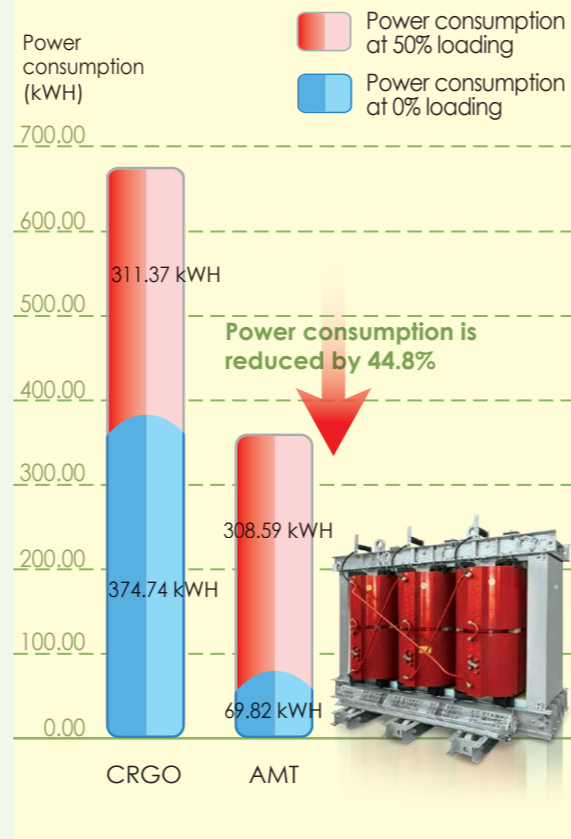
CH6 Sustainable environment

Contents

Devote in developing environmental friendly products

Providing high-quality products with innovative technology, realize energy saving, environmental protection, and healthy life, and fulfilling the responsibilities of global citizens is our vision. We tirelessly dedicate to the development of green products and many of them have been awarded with Green Mark, Energy Label, and Water Label. There were 5 models awarded with Green Mark, 63 models awarded with Energy Label, and 12 models awarded with Water Label in 2020. Please refer to Table 6.4-1 and Figure 6.4-1 for more details.

In addition to household products, Tatung is also committed to developing high energy efficiency industrial products. In 2020, we independently developed the nation's largest capacity 9,000kVA amorphous alloy die-cast transformer, becoming the only manufacturer in Taiwan capable of manufacturing ultra-large capacity transformers. This transformer has low operating noise and low energy consumption characteristics. The operating noise value is about 5 decibels lower than the national standard. The energy consumption is even compared to the traditional 1,250kVA silicon steel iron core transformer. Compared with the same capacity 9,000kVA silicon steel type, the power consumption of this transformer is reduced by 44.8%. If it operates for a year, it can reduce the power consumption by 112,310 kw-hr, which is equivalent to a reduction of 57 tons of greenhouse gas emissions.



9,000kVA amorphous alloy die-cast transformer and its energy saving performance



Tatung 3C "Kaohsiung Huaxia Store" was commended as "Green Stores of Year 2019" by EPA in 2020.



Tatung 3C energy saving products promotions in 2020

Promotion on green consumption

In addition to produce energy-saving, environmentally-friendly and water-saving products, Tatung also combines its own sales channel- Tatung 3C to promote green products. In addition to holding energy-saving and environmentally-friendly product promotion activities from time to time, Tatung also has 22 Tatung 3C Stores⁴ been registered as Green Store⁵ by EPA. The Green Stores of Tatung 3C will announce the types of products sold in the stores with Green Mark, Energy Label, and Water Label to strengthen consumers' recognition of Green Mark and Green Consumption. This is able to promote the development of green industries and reduce the adverse effect to the environment and to improve the quality of the environment. Thus, Tatung 3C "Kaohsiung Huaxia Store" once again was commended as "Green Stores of Year 2019" by EPA in 2020.

Table 6.4-2 Green consumption promoting measures taken by Tatung

Unit	Responsibilities	Measures
Tatung Co.	Researching and producing the environmental friendly, energy saving, and water saving products.	Applying for Green Mark, Energy Label, Water Label, or Carbon Label.
Tatung 3C Stores	Promoting and selling green products.	<ul style="list-style-type: none"> Registered as EPA's Green Stores Holds energy-saving and environmental-friendly products promotion activities from time to time.

Product and package recycling at the end of life

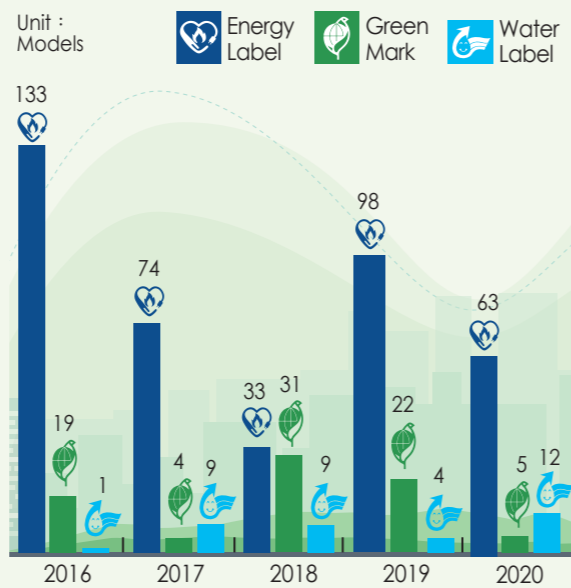
As for the recycle on the wasted products, Tatung takes great attention on this issue. Tatung pays "Recycling and Cleaning Fee" to the government agency (Recycling Fund Management Board) to carry out countrywide waste recycling affairs. Based on the statistics in 2020, the average recycling rate for electric/electronic⁶ and information devices was 71.84%⁷. In addition to paying fees, Tatung proactively informs consumers of the recycling information of large home appliances⁸ on sales and online shopping sites, and provides consumers with recycling services for large home appliances, waste batteries and CD disc at Tatung 3C stores to ensure that waste products enter legal recycling system to avoid damage to the environment.

In regarding to the packaging materials of household appliances and consumer products, Tatung believes that the packaging materials are well recycled. The reason behind this is the recycling channels in Taiwan are well established and citizens are highly educated and aware to do recycle in their households. For packaging materials (mainly wood/iron pallets or axles) used on large industrial products such as cables, transformers, power generators, motors, they are recycled and reused on daily operations.

Table 6.4-1 Green products within the validity period

Products	Green Mark	Energy Label	Water Label
Electric fans	—	√	—
Refrigerators	√	√	—
Washing machines	—	√	√
Monitors	—	√	—
Dehumidifiers	√	√	—
Domestic air conditioners	√	√	—
Amorphous transformers	√	—	—
Cast resin dry type transformers	√	—	—
Amorphous cast-resin dry type transformers	√	—	—

Note: as of 2021/4/7.



▲ Figure 6.4-1 No. of new certified or renewed green products

⁴: As of 2021/3/5.
⁵: <https://greenliving.epa.gov.tw/newPublic/Eng/Application/GreenStore>
⁶: Refrigerators, washing machines, TVs, air conditioners, and electric fans.
⁷: <https://recycle.epa.gov.tw/ConvenienceServices/Downloads>
⁸: Refrigerators, washing machines, TVs, and air conditioners.

Annex 1 Tatung Co. and subsidiaries notes to consolidated financial statements

(a) The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Holding percentage	
			December 31, 2020	December 31, 2019
The Company	Chunghwa Picture Tubes, Ltd. ("CPT") (Note1)	Manufacture, research and sale of picture tubs and TFT-LCD products	39.67%	39.67%
The Company, Chungghwa Electronics Investment Co., Ltd., Chih Sheng Realty Co., Ltd.	Tatung System Technologies Inc. ("TSTI")	Software and hardware service and system integration	43.34%	43.34%
The Company, Shan-Chih Investment Co., Ltd. and Shan-Chih Asset Development Co.	Forward Electronics Co., Ltd. ("FD")	Manufacture and sale of electronics	18.48%	18.48%
The Company, and Chungghwa Electronics Development Co., Ltd.	Taiwan Telecommunication Industry Company Ltd.	Telecommunication devices.	100.00%	100.00%
The Company	San-Chih Semiconductor Co., Ltd. ("SCSC")	Manufacture and sales of semiconductors and chips	70.14%	57.08%
The Company and Chungghwa Electronics Development Co., Ltd.	Central Research Technology Co., Ltd.	EMCIRF testing and certification services	100.00%	100.00%
The Company	Tatung Consumer Products (Taiwan) Co., Ltd.	Sales of home appliances and digital computer products	99.10%	99.10%
The Company, Chungghwa Electronics Development Co., Ltd. and Chih-Sheng Investment Co., Ltd.	Tatung Fine Chemicals Co., ("TFC")	Industrial coatings, electrocution coatings resistor coatings, production and sales of chemical products	54.63%	54.63%
The Company	Shan-Chih Asset Development Co., Ltd. ("SCAD")	Development and leasing of real estate	100.00%	100.00%
The Company, SCAD and Chih-Sheng Investment Co., Ltd.	Chunghwa Electronics Investment Co., Ltd.	Professional investment holding	99.99%	99.99%
The Company	Tatung DIE Casting Co., Ltd.	Manufacturing and sales of casting mold	51.00%	51.00%
The Company	Tatung (Thailand) Co., Ltd.	Manufacturing and sales of IT products, home appliances and AI meter	99.99%	99.99%
The Company	Tatung Company of Japan, Inc.	Sales and purchase of electronic parts, home appliances and IT products	100.00%	100.00%
The Company	Tatung Electronics(s) Pte. Ltd.	Purchases, sales and services of raw material	90.00%	90.00%
The Company	Tatung Information (Singapore) Pte. Ltd.	Professional investment holding	100.00%	100.00%
The Company	Tatung Electric (Singapore) Pte. Ltd.	Professional investment holding	100.00%	100.00%
The Company	Tatung Co. of America Inc.	Sales and service of IT and household electronics products in the US	Note 2	50.00%
The Company	Tatung Mexico S.A de C.V. ("TMX")	Manufacture of electronic products	Note 3	99.99%
The Company	Tatung Science and Technology, Inc.	Sale and purchase of IT products	Note 4	100.00%
The Company	Tatung Electric Company of America, Inc.	Manufacture and sales of motor products in the U.S.	100.00%	100.00%
The Company	Tatung Netherlands B.V.	Sales of electronic products	100.00%	100.00%
The Company	TATUNG CZECH s.r.o	Manufacture of IT products	100.00%	100.00%
The Company	Tatung Medical Healthcare Technologies Co., Ltd.	Design and sales of medical instruments.	95.85%	95.85%
The Company	Toes Opto-Mechatronics Co., Ltd.	Manufacture of data storage and process equipment	86.05%	85.00%
The Company	Tatung Vietnam Co., Ltd.	Manufacture and sales of home appliances	Note 5	100.00%
The Company	Tatung Electric Technology (VN) Co., Ltd.	Manufacture and sales of wire and cable	Note 5	100.00%
The Company	Chih-Sheng Investment Co., Ltd.	Professional investment holding	100.00%	100.00%
The Company and Chungghwa Electronics Investment Co., Ltd.	Shan chih Investment Co., Ltd.	Professional investment holding	100.00%	100.00%
The Company	Absolute Alpha Limited	Professional investment holding	100.00%	100.00%
The Company	Tatung Forever Energy Co., Ltd.	Solar energy related business	100.00%	99.10%
The Company	Leap High Limited	Professional investment holding	Note 6	65.00%
The Company	Tung Yang Energy Co., Ltd.	Solar energy related business	100.00%	100.00%
The Company	Chih Kuang energy Co., Ltd	Solar energy related business	100.00%	100.00%
The Company	Shan Shin energy Co., Ltd.	Solar energy related business	100.00%	100.00%
The Company	Yau Yang Energy Co., Ltd.	Solar energy related business	100.00%	100.00%

Investor	Subsidiary	Main businesses	Holding percentage	
			December 31,	December 31,
			2020	2019
The Company	Ting Shin Energy Co., Ltd.	Solar energy related business	100.00%	100.00%
The Company	Zhi Shin Energy Co., Ltd.	Solar energy related business	100.00%	100.00%
The Company	Tung Kuang Energy Co., Ltd. (Note 10)	Solar energy related business	100.00%	-
The Company	Tung Shin Energy Co., Ltd. (Note 10)	Solar energy related business	100.00%	-
The Company	Chuang Shih Neng Co., Ltd. (Note 10)	Solar energy related business	100.00%	-
CPT	Chunghwa Picture Tubes (Bermuda) Ltd. ("CPTB")	Investment holding and sales of TFT-LCD	100.00%	100.00%
CPTB	Chunghwa Picture Tubes (Malaysia) Sdn. Bhd. ("CPTM")	Manufacture and sale of CRT	100.00%	100.00%
CPTB	CPT Display Technology (Shen-Zhen) Co., Ltd	Investigation of market information	100.00%	100.00%
Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	Investment holding	100.00%	100.00%
Forward Development Co., Ltd.	Forward Electronics Equipment (Dong Guan) Co., Ltd	Manufacture and sale of tuner, keyboard, mouse, remote controller, switch, socket and potentiometer.	100.00%	100.00%
Forward Development Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	Manufacture and sale of backlight unit for TFT-LCD, driving board, tuner, keyboard, mouse, switch, socket and connector.	100.00%	100.00%
SCSC	Greater Power Limited	Investment holding	100.00%	100.00%
SCSC	Chih De Investment Co., Ltd.	Investment holding	100.00%	100.00%
Tatung Fine Chemicals Co. and Shang Chih International Chemical Industry Co., Ltd.	Tatung Coatings (Kunshan) Co., Ltd.	Manufacture and sale of industry coating and electro-deposition coating	100.00%	100.00%
Tatung Fine Chemicals Co.	Huaian Tatung Advanced Technology Materials Co., Ltd.	Manufacture and sale of printer ink, electro-deposition high performance coating.	100.00%	100.00%
Tatung Fine Chemicals Co.	Shang Chih International Chemical Industry Co., Ltd.	Investment holding	100.00%	100.00%
Shang Chih International Chemical Industry Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	Wholesale of painting, coating and chemical products.	100.00%	100.00%
Tatung Information (Singapore) Pte. Ltd. and Chih Sheng Holding HK Limited	Tatung Information Technology (Jiangsu) Co., Ltd.	Manufacture and sales of various electrical products	100.00%	100.00%
Tatung Information (Singapore) Pte. Ltd. and Shan-Chih International Holding Corporation	Tatung Compressors (ZHONGSHAN) Co., Ltd.	Manufacture and sales of reciprocating compressors.	100.00%	100.00%
Tatung Electric (Singapore) Pte. Ltd. and Shan-Chih International Holding Corporation	Tatung (Shanghai) Co., Ltd	Manufacture and sales of motors, generators and transformers	100.00%	100.00%

Investor	Subsidiary	Main businesses	Holding percentage	
			December 31,	December 31,
			2020	2019
TMX	TMX Logistics, Inc.	Hub service	Note 3	100.00%
TMX	TMX Technologies Inc.	Technologies & business development	Note 3	100.00%
Shan Chin Investment Co. Ltd	Shan-Chih International Holding Corporation	Investment holding	100.00%	100.00%
TSTI	Chyun Huei Commercial Technology Inc.	Information software Service	100.00%	100.00%
TSTI	Tisnet Technology Inc.	Software design and development	100.00%	100.00%
TSTI	TSTI Technologies (Shanghai) Co., Ltd.	Information software Service	100.00%	94.00%
Chih-Sheng Investment Co., Ltd.	Chih Sheng Investment (BVI) Co., Ltd	Investment holding	100.00%	100.00%
Chih-Sheng Investment Co., Ltd.	HEDA Biotechnology Co., Ltd.	Produce, food retail and wholesale industry	Note 7	52.17%
Chih Sheng Investment (BVI) Co., Ltd	Chih Sheng Holding Co., Ltd.	Investment holding	100.00%	100.00%
Chih Sheng Holding Co., Ltd. and CPTB	Goldmax Asia Pacific Ltd	Investment holding	51.26%	51.26%
Chih Sheng Holding Co., Ltd.	Chih Sheng Holding HK Limited	Investment holding	100.00%	100.00%
Absolute Alpha Limited	Tatung Information Technologies Corp.	Sales of electronic products	100.00%	100.00%
Shan-Chih Asset Development Co., Ltd and Taipei Industry Corporation	Tatung Forestry and Construction Co.	Design and construction of structural engineering.	99.87%	99.87%
The Company and Shan-Chih Asset Development Co., Ltd	Taipei Industry Corporation	Manufacturing sale of construction related material and property rental business.	50.61%	50.61%
Shan-Chih Asset Development Co., Ltd	Chih Sheng Realty Co., Ltd.	Realty management	100.00%	100.00%
Shan-Chih Asset Development Co.	Shan-Chih Asset International Holding Corporation	Investment Holding	100.00%	100.00%
Shan-Chih Asset International Holding Corporation	Tatung Chih Sheng Enterprise Management Consulting (Shanghai) Co., Ltd.	Realty and Leasing Service	100.00%	100.00%
Shan-Chih Asset International Holding Corporation	Shan-Chih Asset International (Hong Kong) Holding Limited	Investment Holding	100.00%	100.00%
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Solar energy business	100.00%	100.00%
Tatung Information (Singapore) Pte. Ltd., and Tatung (Thailand) Co., Ltd.	Myanmar Tatung Co., Ltd.	Sales and customer service of solar energy, industrial motor, home appliances, industrial air conditioner	Note 8	100.00%
Tatung Information (Singapore) Pte. Ltd.	Tatung Myanmar JV Holding Co., Ltd.	Investment Holding	100.00%	100.00%
Tatung Medical & Healthcare Technologies Co., Ltd.	Tatung Medical & Healthcare Technologies Inc.	Investment Holding	Note 9	100.00%
Tatung Medical Healthcare Technologies Co., Ltd.	Insured Pharmaceuticals Co., Ltd.	Pharmaceuticals and warehousing and transportation service	100.00%	100.00%
Tatung (Shanghai) Co., Ltd	Tatung Xin Ji (Guangdong) Technology Co., Ltd.	Electrical engineering system installation service	100.00%	100.00%

Annex 2 Products and services provided by Tatung

Business Units	Products and Services	Important Certifications
Heavy Electrical Equipment BU	Researching, developing and manufacturing all kinds of transformers rated 345kV 1000MVA and under, all kinds of reactors rated 345kV 100MVAR and under, gas insulated switchgears and outdoor gas circuit breakers up to 161kV class, 36kV series of switchgear, power distribution equipment, and other industrial equipment.	
Cable BU	With more than fifty years of technical experience, this business unit is responsible for manufacturing and sale of various wires, cables, optical fiber cables and busway which are widely used in telecommunication, power transmission, power distribution, solar photovoltaic generation system and various industrial equipment, home appliance and IT network & electronic components.	
Motor BU	With more than 70 years of technology and experience, Motor BU researches and produces all kinds of energy saving high-efficiency, single phase, and three phase high/low voltage motor from 1/8~50,000 HP, including a variety of special motors and applications system such as premium efficiency motors, electric vehicle motors, high temperature resistant motors, explosion proof motors, wound rotor motors, vertical high thrust pump motors, gear reducer, inverter driver motors, aluminum frame motors, brake motors, oil well pump motors, water pump motors, immersible pump motors, built-in type spindle motors, rolling mill motors, elevator motors, crane motors, permanent magnet motors, IoT connected smart motor monitoring sensor and system, railway traction motors, inverters, control panels etc., as well as provides total solutions for electrical testing equipment and plant power equipment system engineering projects to serve a variety of industries.	
Advanced Electronics BU	AEBU focuses on providing design and manufacturing products & solutions to global ODM/OEM customers. The product lines include: digital entertainment and Internet-of-Things (IoT) products. The digital entertainment product line includes gaming headsets, AI noise cancelation headsets, true wireless stereo, smart speaker, streaming microphone, and entertainment accessories. The IoT product line includes IP & streaming camera, smart energy management and sensing-&-control products. Tatung's customers can benefit from Tatung's fast reactions to accommodate market needs and flexibility in design customization. The on-going research and development will further enhance competitiveness in features and costs of customers' products.	
Appliance BU	Strengthen brand operation. We continued to enhance brand value with innovative design, superior quality and technical services in both domestic and overseas market. We served a wide range of products including commercial and residential energy-saving air-conditioners; Centennial Edition Steam rice cookers, Easy cooker (Fusion cooker). We launched a series of co-branding rice cookers, Smart 4K TFT displays, and developed the new stylish juicer, electric teapots and other small appliances. We actively participated in product design competitions globally to improve the brand's exposure in the market. In the recent years, we have consecutively obtained major international design awards such as the German iF Industrial Design Award, the Reddot Design Award, the Japanese Good Design, and the Taiwan Excellence Award. We have also obtained multinational safety certification and Taiwan MIT certification. To pursue the blooming AIoT trend, we developed smart home appliances for smart energy saving and living applications. Through sensing and IoT technology, a variety of terminal devices can be connected to provide smart living solutions according to user's needs, such as consumer power management, remote control, scheduling control, and personalized scenario modes, etc. Consumers can also integrate voice activated functional services to enjoy digitized life experience.	

Business Units	Products and Services	Important Certifications
Smart Meter BU	Smart Meter BU provides various types of smart meters and AMI systems. Tatung has the ability of integrating the systems of smart meter infrastructure and integrating different communication technologies such as RF, PLC, 4G and NB-IoT communications to develop smart meter application functions to meet customer needs and improve system performance. It also became the sole aggregator of demand response in Taiwan, and the first case has been successfully completed in early 2020.	
System Integration BU	System Integration BU is committed to specializing in the fields of information and communication systems as well as electromechanical systems. The Dept. of Information and Communications Technology Services: we have more than 30 years for helping customers deal with the computerization and automation of their systems and have endeavored to meet the needs of the ICT market in the era of technology. We've been a representative solutions provider of high-quality system integration in Taiwan. We specialize in ICT system integration, network security planning & implementation, and application software development. We have rich capabilities and experience in large-scale system integration solutions. Our service team members have owned a wide range of IT professional skills, certificates and service network all over Taiwan by 13 direct branch offices to provide customers fast services. We will continue to devote ourselves to deepening the fields of information and communication integration, cloud applications, information security, outsourcing services, business intelligence and system development, and then will become the leading solutions provider in those fields in the near future. The Dept. of Electromechanical Systems: When Taiwan's infrastructure constructions began in the 1960s and 1980s, Tatung Company made an important contribution to the various infrastructure constructions such as power generation, power transmission as well as power supply. Electrical and mechanical systems related businesses are: <ol style="list-style-type: none"> 1. Provide power plants, large substations, transmission & distribution systems, solar power generation and motor related electromechanical integration services. 2. Residential and factory-built electromechanical engineering, including planning as well as construction for smart building. 3. Sewage (waste water) treatment, which has reached the industrial waste water Zero Discharge standard. 4. Traffic mechanical and electrical engineering for Rails and roads as well as sign control systems. We have owned cross-domain professionals, which covers various functionalities such as power, electronics, mechanics, smart control, information technology, communications, transportation and project management. They are responsible for integrating cross-domain professionals, coordinating cross-organizational interfaces, providing integrated design, project management and maintenance services.	—
Solar Energy BU	In order to cooperate with the professional team promoted by the government policy, the Solar Energy Division invested in domestic public buildings and various types of solar photovoltaic fields in the long term. Solar Energy BU provide renewable energy project development, design, construction and maintenance services. The solar team leverages the Group's supply chain integration advantages, coupled with rich design planning and project management experience, the project performance is spread across Taiwan. At present, it is actively expanding ground-based landfill sites and water-based sites, and additionally take mechanics and electronics in advantage ability to enter the large-scale ground power station market. In terms of maintenance, we could through smart monitoring technology to develop business opportunities for maintenance of power plants, provide quality maintenance services, and promote renewable energy policy.	—
Smart Energy BU	Smart Energy BU (SEBU) consists of Micro-grid & Energy Storage System Team and AIoT & Data Science Team. Dedicated in energy management system development and energy storage system integration, this BU specialized in design and implement regional energy supply in the collaboration with renewable and traditional energy sources. The system can operate independently or work with the main grid in the purpose reducing fuel consumption and ensure the stability of regional energy supply as well. As the real-time data collection IoT infra is also established while the energy operation and facility monitoring are being analyzed and predicted in the cloud, the overall system dashboard is visually presented with the predict maintenance undergoing constantly.	—

Annex 3 Factories and subsidiaries participated in 3P Program and Accident Prevention Pays Program in 2020

Factories owned by Tatung	Subsidiaries
Tayuan Plant	Tatung Die Casting Co., Ltd.
Taoyuan Wires and Cables Plant	Tatung SM-Cyclo Co., Ltd.
San-Hsia Factory	Tatung Fine Chemicals Col., Ltd.
Taoyuan 1st Plant	Shan Chih Semiconductor Co., Ltd.
Meter Factory	Forward Electronics Co., Ltd.

Note: Only factories and subsidiaries with manufacturing function are participated in 3P program and Accident Prevention Pays program.

Annex 4 Greenhouse gas emissions verified based on ISO 14064-1

The amount of GHG emissions in 2019 (verified based on ISO 14064-1)

Factory	Amount of GHG emissions (Unit: tons CO ₂ e)	
	Scope 1	Scope 2
Taoyuan Wires and Cables Plant	395.6179	7,866.1639
San-Hsia Factory	1,219.1026	7,168.5147
Taoyuan 1st Plant	16,561.4552	1,461.2861
Total	18,176.1757	16,495.9647

Note: The factories conduct GHG emission inventory and verification for the previous year by the end of each year. Hence, the amount of emissions for year 2020 will be disclosed on "2022 Tatung Corporate Social Responsibility Report".

Annex 5 GRI Standards content index

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
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GRI 102: General Disclosures			
Organization profile	102-1 Name of the organization	15	
	102-2 Activities, brands, products, and services	15, Annex 2	
	102-3 Location of headquarters	15, 16	
	102-4 Location of operations	15, 16	
	102-5 Ownership and legal form	15	
	102-6 Markets served	15, 16	
	102-7 Scale of the organization	15	
	102-8 Information on employees and other workers	15	
	102-9 Supply chain	43, 44	
	102-10 Significant changes to the organization and its supply chain	-	No significant change
	102-11 Precautionary Principle or approach	36, 37, 38	
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	102-13 Membership of associations	17	
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	102-15 Key impacts, risks, and opportunities	Top management statement, 17	
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	33, 34, 36	
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	102-23 Chair of the highest governance body	26	
	102-24 Nominating and selecting the highest governance body	25	
	102-25 Conflicts of interest	27	
	102-26 Role of highest governance body in setting purpose, values, and strategy	25, 29, 30	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
GRI 101: Foundation			
GRI 102: General Disclosures			
	102-27 Collective knowledge of highest governance body	25, 26	
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	102-29 Identifying and managing economic, environmental, and social impacts	29, 30, 39	
	102-31 Review of economic, environmental, and social topics	5, 29, 30, 39	
	102-32 Highest governance body's role in sustainability reporting	About this report	
	102-35 Remuneration policies	27	
	102-36 Process for determining remuneration	27	
	Stakeholder engagement	102-40 List of stakeholder groups	1, 2
102-41 Collective bargaining agreements		-	Tatung does not have any collective bargaining agreements at the moment.
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Annex 6 Assurance statements



Assurance Statement

TUV Asia Pacific Ltd. Taiwan Branch ("TUV NORD") has been commissioned by the management of TATUNG Co. ("the Company") to carry out an independent assurance of 2021 TATUNG Corporate Social Responsibility Report for the fiscal year 2020 ("CSR Report"). TUV Asia Pacific CSR Assurance Statement is based on AccountAbility AA1000 Assurance Standard v3 and the Global Sustainability Standard Board (GSSB) Reporting Standards GRI Standards.

TATUNG Co. is responsible for the collection, analysis, aggregation and presentation of information within the Report. TUV NORD's responsibility in performing this work (assurance of the report) is in accordance with terms of reference agreed in the scope of engagement with the Company. The management of TATUNG Co. are the intended users of this statement.

The assurance engagement is based on the assumption that the data and information provided to in the Company's sustainability report is complete and true.

Nature and Scope the Assurance

TUV NORD has developed a set of protocols for the Assurance of Sustainability Reporting based on our professional experience, international assurance best practice, AA1000 Assurance Standard v3 and the Global Sustainability Reporting Standards (GRI Standards), include the text, and data in accompanying tables, contained in this report.

The assurance of the CSR Report for the fiscal year 2020 related to TATUNG Co. businesses (Headquarter, Tayuan Plant, Taoyuan Wires and Cables Plant, Taoyuan 1st Plant, and San-Hsia Factory).

The content of the report includes the following:

- 1) Reporting of economic, environmental, and social indicators; the year of activities covered in the CSR Report is 01.2020 to 12.2020;
- 2) Information related to the Company's issues, responses, performance data, case studies and underlying systems to manage Sustainability related data and information;
- 3) Information related to the Company's adherence to inclusivity, materiality and responsiveness and stakeholder engagements;
- 4) The report is "in accordance" with the GRI Standards – CORE option.

Assurance Methodology


TUV NORD is a licensed global assurance provider of Sustainability services, with quality, environmental, social and sustainability assurance specialists working all over the world.

Our assurance engagement was planned and carried out in accordance with the GRI Standards and the TUV Asia Pacific CSR Assurance Protocol for AA1000 Assurance Standard v3 and the Global Sustainability Reporting Standards (GRI Standards). Assessment of the company's adherence to inclusivity, materiality and responsiveness and stakeholder engagements was based on AA1000 Assurance Standard v3 and the GRI Standards.

Our assurance involved the following activities:

- * Gather objective evidence on the performance indicators as mentioned in the report.
- * Review any issues raised by external parties that could be relevant to the Company's policies.
- * Review of expectations of local and national regulations; international standards and those of general concern both in the public eye and/or raised by expert opinion.
- * Documentation; record review and evaluation of the report contents against the GRI Standards application requirements.
- * Discussion with managers and relevant staff on the Company's approach to stakeholder engagement.
- * Interviews with relevant staffs involved in sustainability management, gathering information and report preparation.
- * Review key organizational developments.
- * Review of internal and external audits findings.
- * Review of supporting evidence based on the information made in the report.
- * Sampling method used to ensure the correctness of the data

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Opinion Statement
The Company's CSR Report provides an appropriate view of the Company's CSR programs and performances during fiscal year 2020.

The economic, social and environment performance indicators as mentioned in the CSR Report are represented appropriately. The CSR performance indicators disclosed in the report demonstrate the Company's efforts recognized by its Top Management and stakeholders.

The report also presents the company's performance in the wider context of sustainability. In accordance with the AA1000 Assurance Standard v3 and GRI Standards, the recommendations are as follows:

Stakeholder Inclusiveness

The company well identified its stakeholders through CSR reporting committee, and collected 285 effectiveness questionnaires for materiality from stakeholders, for 15 material topics in Economic, Environment and social aspect to be declared. The company has well identified the stakeholders, and explained how it has responded to their reasonable expectations and interests. For further report, the principles of balance could be considered while collecting the material information from stakeholders.

Sustainability Context

The report has not only clear described the relationship between sustainability and organizational strategy as well as the context in which disclosures are made, but also evaluated the material topics refers to Sustainable Development Goals (SDGs). The quantitative long-term goals on the economic, environmental, and/or social topics reflect the related 6 SDGs goals could be declared in the further report.

Materiality

The material topics were identified based on the two dimensions of this reporting principle, also the aspect and boundaries were assessed through questionnaires feedback from stakeholders and prioritization of key managers & functional heads. The company's CSR Report also declared two material topics - "Corporate governance and ethical practice" and "Disclosure on non-financial information". The company could consider to adding more timely or updated disclosure channels for the implementation on "Disclosure on non-financial information" targets.

Completeness

The report well included coverage of material topics, sufficient to reflect significant economic, environmental, and social impacts to assess the reporting of the company's performance. For the reporting completeness, the company could consider to disclose the performance for supply chain management through the effectively assess the risks for whole supply chain.

Reliability and accuracy of performance information:

In accordance to Type II, High level of assurance requirements, it can be concluded that the contents mentioned in the CSR Report is reliable. The Company has a robust management system for obtaining objective evidences and data for the reporting in the Company's CSR Report.


Statement of Independence and Competence

TUV NORD Group is the world's leader in inspection, testing and verification, operating in more than 70 countries throughout the world and providing services which includes management systems and product certification; quality, environmental, social and ethical auditing and training; environmental; social responsibility and sustainability report assurance.

TUV Asia Pacific Ltd. Taiwan Branch, affirms its' independence from TATUNG Co. and confirms that there are no conflicts of interest with the organization or any of its subsidiaries and stakeholders when performing the assurance of the CSR Report. TUV Asia Pacific Ltd. Taiwan Branch was not involved in any manner with the said Company, when the latter was preparing the CSR report.

The assurance team consists of well experienced, qualified and registered Quality - ISO 9001 · ISO 14001 · ISO 14064-1 · ISO 45001 · SA 8000 · QC080000 · ISO 50001 · ISO 27001 Lead Auditors. The team based on their qualifications, extensive knowledge and experience of the industry provided the much required expertise for this assignment.

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Jack Yeh
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TUV Asia Pacific Ltd., Taiwan Branch

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ANNEX

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Annex 7 Feedback Survey Form

Thanks for reading "2021 Tatung Corporate Social Responsibility Report", and sharing Tatung's achievements toward sustainable development. Tatung welcomes your opinions and believes that communication should be a dialogue. In order to present the next edition in clearer and understandable way, please take a few minutes to fill in your opinions or advices and return it to us.


 Mailing address: Health & Safety Division, Tatung Co.,
 No. 22, Chungshan North road. 3rd sec., Taipei, Taiwan
 e-mail : csrreport@tatung.com

1. What is your overall impression of this report?

- Excellent
 Good
 Average
 Poor

Opinions : _____

2. In what chapters are you most impressed in this report?

- Top Management Statement
 Identification on the stakeholders and material topics
 Profile of Tatung Company
 Organization structure and governance
 Responsible supply chain, product safety, and customer service
 Happy workplace and social participation
 Sustainable environment

Opinions : _____

3. In what chapters do you think needed to be improved in this report?

- Top Management Statement
 Identification on the stakeholders and material topics
 Profile of Tatung Company
 Organization structure and governance
 Responsible supply chain, product safety, and customer service
 Happy workplace and social participation
 Sustainable environment

Opinions : _____

4. Please use the space below to express your opinions and advices.



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