



# 2022 | TATUNG SUSTAINABILITY REPORT



Enabler of  
Digital  
Transformation

# About this report

“2022 Tatung Sustainability Report” has been prepared in accordance with the GRI Standards: Core option and AA1000 AS v3. In addition, we have adopted SASB Standard to disclose the specific industrial indicators. 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 include some of the subsidiaries and will be specifically described in its DMA.

## Reporting cycle and reporting period

Tatung Sustainability Report is published by the end of June annually. Unless otherwise stated, the data and activities in this report are gathered from 2021.1.1~2021.12.31.

## Restatements of information

The energy usages and GHG emissions for year 2020 are restated (page 131 and 133). The reasons are:

1. The factories carried out GHG emissions external verifications for year 2020 by the end of 2021.
2. The government official issued the latest electricity emission factor for year 2020.

## Sustainability Report preparation procedures

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

## Data measurement techniques

Financial data in this report 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 7.

## Previous reports

This report is our 21th non-financial report since 2002. The previous report was published in June, 2021.

## Contact point for questions regarding to the report

This report is prepared by “Sustainability Report Reporting Committee” and the contact information is shown below:

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Sustainability Report downloading webpage:

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

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.



Chairman  
K. S. WANG

#### Message from Chairman

The Company's operations in 2021 faced continuous challenges amid the ever-changing condition of the pandemic, global shortage of materials and rising transportation costs. We adhere to the spirit of "integrity, honesty, industry and frugality" and a practical working attitude to pursue operational profitability and sustainable development of the company. Through the efforts of organizational restructuring, business transformation and cost control, the core business has turned losses into profits, and the re-investment business has also shown good results, hence the EPS in 2021 is NT\$1.57.

In terms of corporate governance, we restructured the original "Corporate Governance Committee" into a "Sustainable Development Committee" in August, 2021. The committee is consisted with 3 to 5 directors, and an independent director as the convener and chairman of the meeting. The restructuring will further strengthen the supervisory function of Tatung's board of directors on environmental protection, social responsibility and corporate governance, and the implementation of the sustainable development system.

Looking forward to the future, human civilization has moved towards a low-carbon economy. Tatung is ready to face the challenges and opportunities brought by the global goal of net zero emissions by 2050. We have a solid foundation in consumer, system and electric power business. Products design and development also focuses on energy saving, environmental protection, health and other sustainable elements. We will focus on solar power, smart energy storage and electric motors and drive systems for vehicles based on its existing advantages and continue to innovate and implement environmental protection



President  
I-Wen Chung

#### Message from President

Under the influence of climate change, the sustainable development of enterprises is faced with many challenges. The World Economic Forum has also identified that the biggest risk in the next 10 years will come from the many challenges brought by climate change. With the trend of energy saving and carbon reduction, Tatung will expand investment in innovative businesses such as solar energy, energy storage and electric vehicle motor and drive systems, and pursue high energy efficiency in products to help fighting climate change.

By the end of 2021, we have accumulatively completed the construction of a total of 211MW of solar power plants, which is equivalent to reducing carbon dioxide emissions by 123,700 tons for the country in one year. The target for construction of solar power plants is expected to reach 312 MW by the end of 2022. In order to continue to promote green energy, Tatung will actively establish large power stations and develop hydraulic engineering, charging piles for electric vehicles, green power and carbon trading businesses to provide complete energy integration and management solutions. In terms of energy storage systems for stabilizing the power grid, we have accumulatively completed a 1 MW bilateral contract, and the current bid price is 4 MW in 2021. In 2022, a 50 MW large energy storage system construction project is being actively planned and implemented, which is expected to become online in 2023. In terms of electric vehicle motor and drive system, we have developed a high-efficiency (250 kW) power system for electric buses. Tatung is now working with domestic vehicle manufacturers. The development of power systems with a higher capacity of 330 kW used for intercity buses will also be completed at the end of 2022. In terms of energy saving products, we will continue to research and develop ultra-high efficiency, smart application and electrical vehicle motors as well as optimizing the overall performance of home appliances and improvement to the energy efficiency of air-conditioning systems to meet the national level 1 energy efficiency standards. The series of refrigerators and washing machines with upgraded inverters has obtained Energy Label and Water Label to fulfill the goals of energy conservation and environmental protection.

Tatung is a leading brand in Taiwan's consumer, system and electric power business. Tatung will focus on solar power, smart energy storage and electric motors for vehicles to assist enterprises and government to achieve the goal of net zero emissions. While pursuing corporate development, we will continue to deepen corporate governance, fully communicate with stakeholders, and move towards the goal of sustainable development.

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# 2021 CSR Highlight

## Honors:



Economic-Governance Aspect	
Item	Performances
Economic performance	<ul style="list-style-type: none"> <li>Revenue: Individual revenue was NT\$ 16.176 billion, and consolidated revenue was NT\$ 29.605 billion.</li> <li>EPS: NT\$ 1.57.</li> </ul>
Sustainable management	Set up Sustainable Development Committee
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	1.25~1.50:1
Percentage of high level managers from local	100%
Disclosure on non-financial information	Published CSR Report for 20 consecutive years.

Social aspect	
Item	Performances
Percentage of local employees	95.01%
Average salary ratio between female and male employees	0.86~0.93:1
Percentage of employees who are labor union members	75.24%
Total education/training hours	21,026 hours
Education/training satisfaction	92.40%
Correction percentage of "Occupational Accident Prevention Pays" Program	100%
Supplier commitment letter	New introduced suppliers 100% signed it back.
Consumer satisfaction	Maintenance: 95.97. Shipping: 97.2.
No. of complaints about information leaking received from the consumers	0
Participation in social welfare	<ol style="list-style-type: none"> <li>Tatung responded to the "Vulnerable Children Scholarship Program" of the Taiwan Fund for Children and Families. The corporate totally fundraised NT\$359,500 and donated to TFCF.</li> <li>Tatung and Tatung 3C together donated inverter washing machine to "Holy Word Children's Home", so that the children of the organization can replace the old machines with a long service life and improve a safe and comfortable living environment.</li> </ol>

Environmental aspect	
Item	Performances
Electricity reduced	969,515 kw-hr
GHG emissions reduced	486.70 tons CO <sub>2</sub> e
Waste recycling percentage	75.59%
Certified green products	<ul style="list-style-type: none"> <li>Green Mark: 13 models</li> <li>Energy Label: 99 models</li> <li>Water Label: 8 models</li> </ul>
Promotion on green consumption	<ul style="list-style-type: none"> <li>29 Tatung 3C Stores are registered as Green Store by EPA.</li> </ul>
Supporting green procurement	<ul style="list-style-type: none"> <li>Received certificate of appreciation for promoting green procurement from EPB, Taipei City Government.</li> <li>Green procurement amount: NT\$ 48,701,781.</li> </ul>
Solar power systems capacity on grid	211MWp accumulated, approximately 123,718 tons CO <sub>2</sub> e reduction per year.



CH 1

# Identification on the Stakeholders and Material Topics

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, Sustainability 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 sustainable development 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"> <li>Shareholders' meeting / Once per year</li> <li>Irregular shareholders' meetings / Irregular</li> <li>Agency department of Taishin International Bank Co., Ltd.: (02-2504-8125) / Irregular</li> <li>Disclosure of financial information on official website and MOPS (market observation post system) / Every month</li> </ul>	<ul style="list-style-type: none"> <li>Customer service, PM / Irregular</li> </ul>	<ul style="list-style-type: none"> <li>Chairman's mailbox, HR mail box, complaint mechanism, scheduled education and training, notice board / Irregular</li> <li>Biweekly HR newspaper / Once per 2 weeks</li> <li>Health and Safety Committee in the headquarter and factories / Once per 3 months</li> <li>Labor-management meeting / Once per 3 months</li> </ul>	<ul style="list-style-type: none"> <li>Direct phone lines / Irregular</li> <li>Social charity/donation activities / Irregular</li> </ul>	<ul style="list-style-type: none"> <li>Onsite audits / Irregular</li> <li>Hearings, seminars / Irregular</li> </ul>	<ul style="list-style-type: none"> <li>Supplier complaint mailbox <a href="mailto:supplier@tatung.com">supplier@tatung.com</a> / Irregular</li> <li>Supplier evaluation, annually re-evaluation / Once per year</li> <li>Supplier assessment / Once per month</li> </ul>	<ul style="list-style-type: none"> <li>TCPC phone lines (+886-800052666), Tatung 3C Stores, official websites, etungo online shopping website / Irregular</li> <li>Satisfactory survey / Upon shopping or repair service</li> </ul>

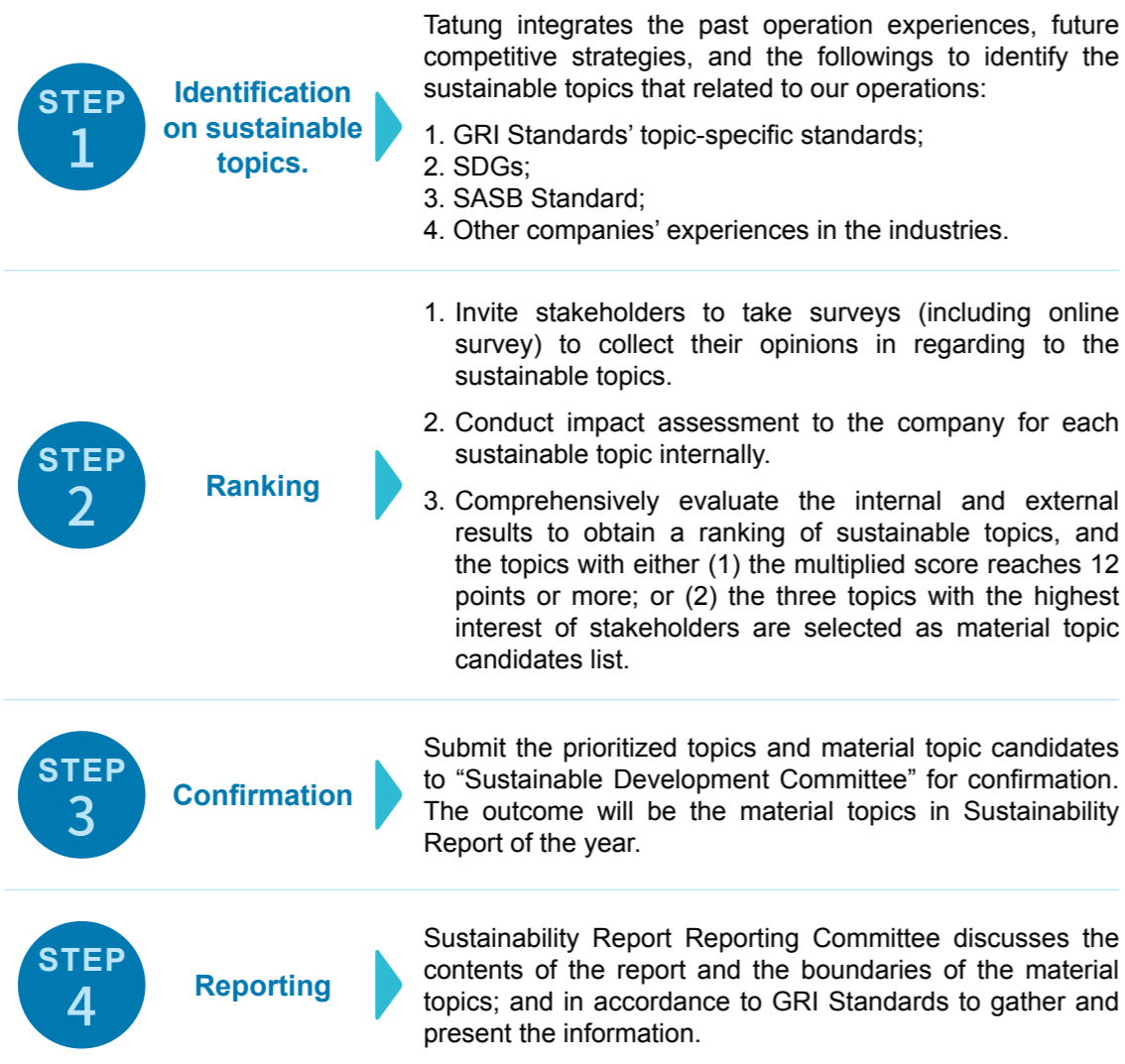
Table 1.1-2 Topics concerned by the stakeholders and our responses

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"> <li>Six major development directions: heavy electricity, asset development, electric buses, Elite Group expansion, 3C product sales promotion, Tatung System Technologies Inc. driving 5G, AI, and big data.</li> <li>Provide all-round solutions for energy creation, energy storage, and energy conservation to assist Taiwan's energy transition and achieve Taiwan's 2050 net-zero goal.</li> <li>Enforcing corporate governance and information transparency.</li> </ol>	<ol style="list-style-type: none"> <li>Establishing ISO 9001, enhancing supplier quality management, products that pass related verifications.</li> <li>Establishing ISO 27001 to enhance information management.</li> </ol>	<ol style="list-style-type: none"> <li>Complying with labor and health and safety regulations.</li> <li>Organizing education and training courses.</li> <li>Providing reasonable salary and welfares.</li> </ol>	<ol style="list-style-type: none"> <li>Installing air pollutant and wastewater treatment facilities.</li> <li>Participating in community development and charities events through commercial activities, non-cash property endowments, volunteer service and other free professional services.</li> </ol>	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"> <li>Adding anti-corruption and human rights (human rights, freedom of association, child labor, and forced labor) clauses in the contracts.</li> <li>Signing the "Supplier Commitment Letter", which includes health and safety, environmental protection, human rights topics.</li> <li>Issuing "Declaration of Minerals Conflict-Free from Tatung Company" and requesting the suppliers to follow.</li> </ol>	<ol style="list-style-type: none"> <li>Complying with product safety and labeling regulations, and establishing feedback and anti-recurrence mechanisms.</li> <li>Establishing ISO 27001 to enhance information management.</li> </ol>
Summaries of performance in 2021	<ol style="list-style-type: none"> <li>EPS 1.57 dollars.</li> <li>Held shareholders' meeting on 2021.08.18.</li> <li>Held domestic investor conference on 2021.08.20.</li> <li>Published the 153 significant news in both Chinese and English.</li> </ol>	<ol style="list-style-type: none"> <li>No. of products violated product inspection and labeling regulations: 0.</li> <li>No. of incident that violated information security related regulations: 0.</li> </ol>	<ol style="list-style-type: none"> <li>No. of complaints from the employees: 0.</li> <li>Published 23 bi-weekly newspaper.</li> <li>Organized education and trainings with 21,062 hours, 8,051 persons in total, and the after training satisfactory: 92.40%.</li> <li>Held labor-management meetings, labor-retirement reserve supervision meetings, employee welfare meetings and occupational health and safety committees on a quarterly basis.</li> <li>Handled employee performance review and assessed more than 5,400 persons.</li> <li>Maintain the effectiveness of ISO 45001 in the factories.</li> </ol>	<ol style="list-style-type: none"> <li>No incident that polluting the surrounding environment.</li> <li>Organized blood donation activities and donated 672 bags of blood.</li> </ol>	No significant violations against product, environment and labor related regulations.	100% of new suppliers have signed back the Supplier Commitment Letter.	<ol style="list-style-type: none"> <li>No. of products violated product inspection and labeling regulations: 0.</li> <li>No. of incident that violated information security related regulations: 0.</li> </ol>
Chapters	5.1, 5.2, 5.3	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

## 1.2 Identification on the material topics

To ensure the contents of this report fully cover with environment, social, and governance dimensions, Tatung has Sustainability Report 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, UN Sustainable Development Goals (SDGs), and SASB Standard. The topics are listed on Table 1.2-2.

**Table 1.2-1 Material topics identification procedure**



**Table 1.2-2 Tatung's sustainable topics**





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 Sustainability Report Reporting Committee and those who took online survey on the Sustainability Report downloading page<sup>1</sup> of the company's official website during 2021.12.24~2022.1.14. The principle of survey is that BU focuses on inviting stakeholders such as customers, suppliers or local communities and parties groups, while administrative divisions invite relevant stakeholders according to their attributes, for example, the financial department focuses on inviting shareholders, the human resources department focuses on inviting employees, etc. Totally 303 surveys were received and the most concerned topics were ranked. Please see Figure 1.2-1 for details.

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

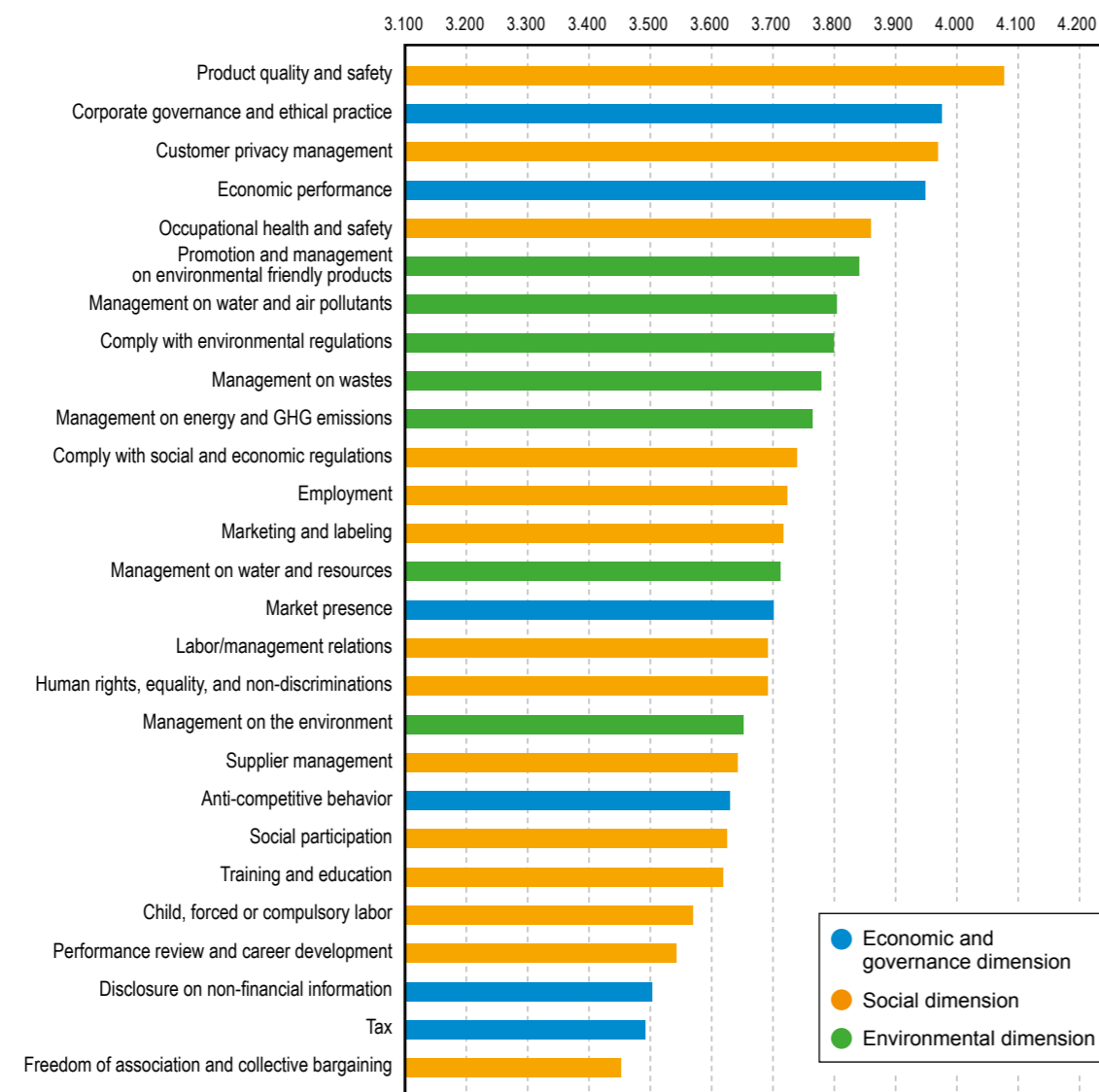


Figure 1.2-1 Degree of concerns on the sustainable topics by Tatung's stakeholders

In addition, the Sustainability Report 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 have been considered as material topic candidates. In order to fully respond the concerns from the stakeholders, from this report, the top 3 concerned topics gathered from the stakeholders will also be placed on the material topic candidate list. The candidate list was submitted to Sustainable Development Committee for confirmation. The confirmed material topics are located in the light blue area on Figure 1.2-2 and No. 11 has also been identified as one of the material topics (the 2nd most concerned topic by the stakeholders).

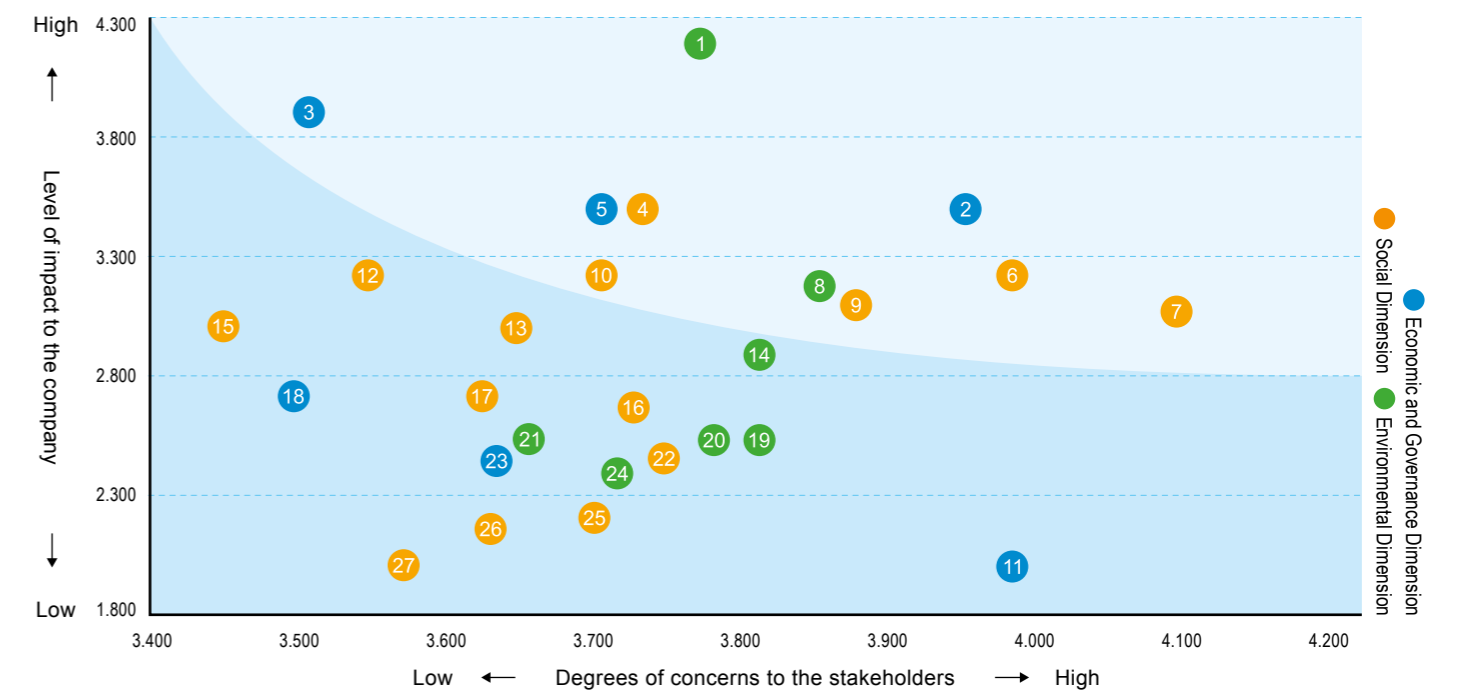











Figure 1.2-2 Distribution of the material topics

In this report, we have identified 11 material topics. In terms of economic and governance dimension, the topics are Economic Performance, Disclosure on Non-financial Information, Market Presence, and Corporate Governance and Ethical Practice. In terms of social dimension, the topics are Employment, Customer Privacy Management, Product Quality and Safety, Occupational Health and Safety, and Labor/Management Relations. In terms of environmental dimension, the topics are Management on Energy and GHG Emissions, and Promotion and Management on Environmental Friendly Products. We can find from Table 1.2-3 that two new material topics – Economic Performance and Labor/Management Relations have been identified in this report. We will make detailed responses to these 11 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 2020	Material topics in 2021	Material topics in 2022 and their meanings to Tatung	
Corporate governance and ethical practice	Corporate governance and ethical practice	Economic performance	We will focus on solar power, smart energy storage and electric motors and drive systems for vehicles based on our existing advantages and pursue operational profitability and sustainable development.
Disclosure on non-financial information	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.
Product quality and safety	Market presence	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	Corporate governance and ethical practice	Good corporate governance and ethical practice helps the company to achieve sustainable development and demonstrate its social value.
Occupational health and safety	Product quality and safety	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.
Marketing and labeling	Occupational health and safety	Customer privacy management	"Uninterrupted service, no loss of information, personal information not leaked, and enterprise sustainable operation" is our policy.
Comply with social and economic regulations	Comply with social and economic regulations	Product quality and safety	Products with good quality and safety in use are the foundation of the company.
Labor/management relations	Employment	Occupational health and safety	It is our responsibility to provide a safe working environment for employees.
Comply with environmental regulations	Training and education	Labor/management relations	Tatung integrates labor management levels, working together for coexistence and common prosperity, so that employees can feel at ease and satisfied with each job.
Management on energy and GHG emissions	Marketing and labeling	Management on energy and GHG emissions	This topic echoes 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 sustainable development policy.
Management on wastes	Performance review and career development	Promotion and management on environmental friendly products	This topic echoes Tatung's product design concepts: "Environmental friendly, energy saving and water saving." as well as Tatung's sustainable strategy "Assisting companies and countries with net zero emissions."
Management on the environment	Human rights, equality, and non-discriminations		
Promotion and management on environmental friendly products	Management on energy and GHG emissions		
	Comply with environmental regulations		
	Promotion and management on environmental friendly products		

Table 1.2-4 Boundaries of material topics							
Dimensions	Material topics	Tatung Co.	Subsidiaries <sup>1</sup>	Suppliers	Page No. of DMA	GRI indicators	UN SDGS
Economic and Governance	Economic performances	■	△	—	26, 27	GRI 201-1, 201-2, 201-3	
	Disclosure on non-financial information	■	△	—	44, 45	Not Applicable	
	Market presence	■	△	▲	98, 99	GRI 202-1, 202-2	
	Corporate governance and ethical practice	■	△	▲	42, 43	Not Applicable	Not Applicable
Social	Employment	■	△	—	90, 91	GRI 401-1, 402-2, 403-3	
	Customer privacy management	■	△	▲	78, 79	GRI 418-1	Not Applicable
	Product quality and safety	■	△	▲	68, 69	GRI 416-1, 416-2	Not Applicable
	Occupational health and safety	■	△	▲	112, 113	GRI 403-8, 403-9, 403-10	
	Labor/ management relations	■	△	▲	100, 101	GRI 402-1	
Environment	Management on energy and GHG emissions	■	△	—	128, 129	GRI 302-1, 302-3, 302-4, 305-1, 305-2, 305-5	 
	Promotion and management on environmental friendly products	■	■	—	142, 143	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.


Note1: Part of subsidiaries with larger scale such as Tatung System Technologies Inc. and Forward Electronics, their sustainable development information is disclosed in their sustainability reports and/or on their official websites.

### 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. Corporates play 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 7, 8, 12, and 13. The measures taken for SDGs are listed on Table 1.3-1.

Table 1.3-1 Measures taken for responding SDGs


#### Ensure access to water and sanitation for all.

- 
- 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.
  - Maintain well function of the waste water treatment facilities in the factories to ensure the quality of the effluents are complied with the standards.


#### Ensure access to affordable, reliable, sustainable and modern energy for all.

- 
- 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.
  - Expanding solar power systems and having installed 211MWp capacity accumulatively at the end of 2021.
  - 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.


#### Promote inclusive and sustainable economic growth, employment and decent work for all.

- 
- 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.
  - 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.


#### Reduce inequality within and among countries.

- 
- 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.
  - 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.

#### Ensure sustainable consumption and production patterns.

- 
- 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.
  - 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 Sustainability Report in June every year to disclose company’s sustainable information.

#### Take urgent action to combat climate change and its impacts.

- 
- 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.
  - 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.

CH 2

# Profile of Tatung Company

## 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’s business covers traditional businesses such as consumer business, system business, and electric power business, with solid R&D, design and manufacturing capabilities. The business is comprised with Heavy Electrical Equipment BU<sup>1</sup>, Cable BU<sup>2</sup>, Motor BU<sup>3</sup>, Advanced Electronics BU, Appliance BU<sup>4</sup>, Smart Meters BU<sup>5</sup>, System Integration BU, Solar Energy BU, and Smart Energy BU. The heightening environmental awareness has made Tatung expand its investment in solar power, smart energy storage and electric vehicle motor and drive system and other innovative businesses. Tatung will also continue its reorganization of resources and focus on core businesses and asset development to increase profitability.

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”<sup>6</sup> and clip of “Enabler of Digital Transformation”<sup>7</sup>.

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), 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 2021 (Please refer to 2021 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.

Note1: Owns Tayuan Plant at Dayuan Industrial Park, Taoyuan City.  
 Note2: Owns Taoyuan Wires and Cables Plant at Dayuan Industrial Park, Taoyuan City.  
 Note3: Owns San-Hsia Factory in Sanxia District, New Taipei City.  
 Note4: Owns Taoyuan 1st Plant in Dayuan District, Taoyuan City.  
 Note5: Owns Meter Factory in Taoyuan Wires and Cables Plant.  
 Note6: <https://www.youtube.com/user/TATUNGTW/featured>  
 Note7: <https://www.youtube.com/watch?v=GY7bzP59qYw>

Figure 2.1-1 Information of Tatung Co.

Capital (Billion NTD): 23.395  
 Sales revenue (Billion NTD): 161.76  
 No. of employees: 2,585  
 Operation sites: Headquarter: No.22, Sec. 3, Zhongshan N. Rd., Zhongshan Dist., Taipei City  
 Tayuan Plant: No.102, Minsheng Rd., Dayuan Dist., Taoyuan City  
 Taoyuan Wires and Cables Plant: No.106, Minsheng Rd., Dayuan Dist., Taoyuan City  
 Taoyuan 1st Plant: No.38, Ln. 1119, Daguan Rd., Dayuan Dist., Taoyuan City  
 San-Hsia Factory: No.352, Xidong Rd., Sanxia Dist., New Taipei City

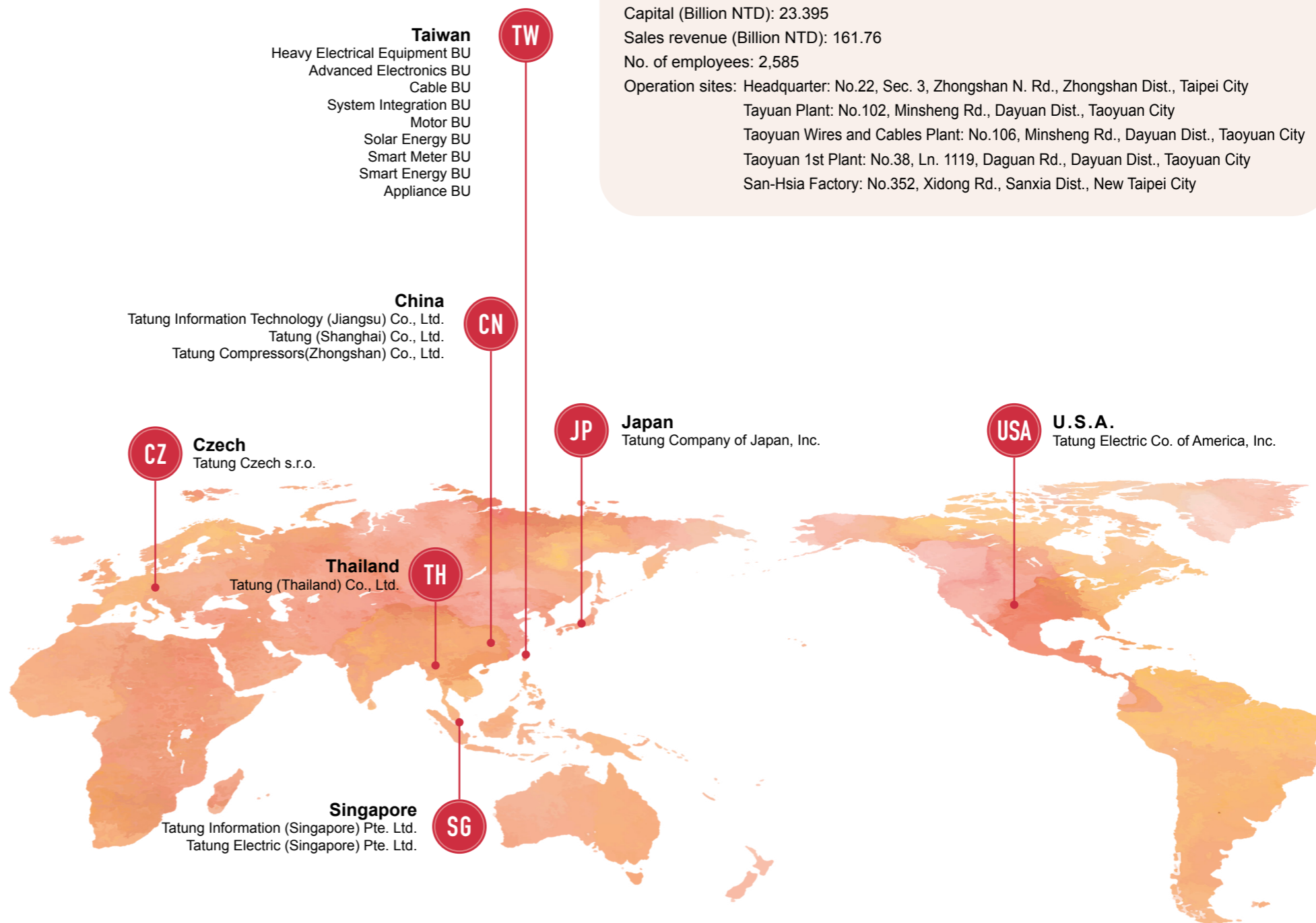


Figure 2.1-2 Tatung Co. global network

**Table 2.1-1 Membership status in the associations or organizations**

Association/organization	Member	Managing role
Chinese International Economic Cooperation Association	■	
CNS Certification Mark Association, R.O.C.	■	■
Information Service Industry Association of R.O.C.	■	
Industrial Association of Taipei City	■	■
Taipei Electrical Commercial Association	■	
Taiwan Telematics Industry Association	■	
Taiwan Wind Energy Association	■	
Taiwan Electrical and Electronic Manufacturers' Association	■	■
Taiwan Refrigeration and Air-Conditioning Engineering Association R.O.C.	■	
Taiwan Motor Industry Association	■	
Taiwan Environmental Engineering Association	■	
Industrial Safety and Health Association of the R.O.C.	■	
Taiwan Digital Television Committee	■	
Electric-Electronic & Environmental Technology Development Association of R.O.C.	■	■
Importers and Exporters Association of Taipei	■	
Taiwan Electrical Contractors Association	■	
Taiwan Electric Wire & Cable Industries Association	■	■
Taiwan Association of Machinery Industry	■	
Taiwan Water Pipe Engineering Industries Association	■	
Taiwan Metal Industry Association	■	
Taiwan Electric Power Association	■	
Taiwan Association of Energy Service Companies	■	
Taiwan Association of Information and Communication Standards	■	
Taiwan Smart Grid Industry Association	■	■
Taiwan Power and Energy Engineering Association	■	■

Note: Managing role such as director or supervisor. Tatung is also the Chairman of TC3. Device Networking Committee in TAICS.

**Table 2.1-2 The main domestic subsidiaries**

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

Note: \*As of 2021/12/31 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

## 2.2 Financial performances

DMA		Economic Performance		
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic boundary	Purpose of the management approach	Policies
Climate change caused by global warming poses risks to businesses and also creates opportunities. Tatung focuses on solar power, smart energy storage and electric motors and drive systems for vehicles based on its existing advantages. The development of diverse industries and mutual support and integration, assist Taiwan's energy transformation, and thus achieve Taiwan's 2050 net zero goal.	Tatung and its subsidiaries.	Performance disclosure includes Tatung Co. and part of important subsidiaries.	Tatung will continue to focus on its core business and expansion. There will also be transformations toward the directions of green energy, smart energy storage, and electric vehicle motor and drive systems. In terms of reinvestment business, the investment structure will be changed to earn profits to appreciate the support of our shareholders.	<ol style="list-style-type: none"> <li>Six major development directions: heavy electric, asset development, electric buses, ECS expansion, 3C product sales promotion, TSTI driving 5G, AI, and big data.</li> <li>Provide all-round solutions for energy creation, energy storage, and energy conservation to assist Taiwan's energy transition and achieve Taiwan's 2050 net-zero goal.</li> </ol>
Commitments	Goals and targets	Results of the evaluation of the management approach	Related adjustments to the management approach	
Tatung will continue to develop products that are green and efficient, and commit itself to solar power and energy storage businesses. The management team will lead its traditional consumer, system and power businesses and new businesses in solar power, smart energy storage and electric motors for vehicles to continue to innovate and implement environmental protection.	<ol style="list-style-type: none"> <li>The cumulative target solar photovoltaic systems by the end of 2022 is 312 MW.</li> <li>In 2022, a 50 MW large energy storage system construction project will be planned and implemented.</li> </ol>	Performances in 2021: <ol style="list-style-type: none"> <li>Operating revenue: NT\$16.176 billions (individual), NT\$29.605 billions (Tatung and Subsidiaries).</li> <li>EPS: NT\$1.57</li> <li>The cumulative solar photovoltaic systems: 211 MWp.</li> <li>The commercial operation of the energy storage system as a 1 MW bilateral contract, and the current bid price is 4 MW.</li> </ol>	NIL.	

Tatung's operations in 2021 faced continuous challenges amid the ever-changing condition of the pandemic, global shortage of materials and rising transportation costs. The organizational restructuring, business transformation and cost control efforts have been effective and the core business has turned losses into profits, and the re-investment business has also shown good results. The 2021 after-tax income is NT\$3.672 billion, the standalone revenue increased over 2020, mainly benefiting from the demand growth in the electric power business and the revenue from related products. The overall revenue increased by 1.97% compared with last year. In terms of profitability, despite the impact of global material shortages and rising shipping costs, Tatung continues to have cost improvement and adjust its product mix, and the overall gross profit margin still increases by 7.3% compared with the year before.

Among the important investment companies, Shan Chih Asset Development's Phase 1 of Tatung Manor has 490 units of households, and a total of 465 units has been sold as of the end of 2021, bringing in NT\$9.113 billion in revenue, and the remaining 25 units will be sold in 2022. The re-sold 177 units in Phase 2 have been sold out in Q3 of 2020, with a total sales of about NT\$2.5 billion. As of December 2021, 35% of Phase 2 has been completed, and completion of construction and handover will be in Q2 2023, which is expected to contribute to the revenue and profit of the parent company. As for the joint development project Zhonghe MRT, the Company has applied to the New Taipei City Government for the urban design review in late December of 2021. It is expected to apply for a construction permit in Q2 2022. After the permit is obtained, and the zoning of the parking spaces for the houses is completed with the government, the pre-sale will be launched. Tatung System Technologies 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, big data platform, cloud computing, communication system integration, data security and uninterrupted services, implementing strategic planning of cybersecurity solutions. For 2021, the consolidated revenue was NT\$4.272 billion, with an EPS of NT\$2.01. Chunghwa Picture Tubes's operations are 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.

Tatung operates normally on a daily basis and accepts no financial support from the government. For more detailed financial performances, please refer to "Tatung 2021 Annual Report" or our official website. In the future, Tatung will continue to focus on its core business and expansion. There will also be transformations toward the directions of green energy, smart energy storage, and electric vehicle motor and drive systems. In terms of reinvestment business, the investment structure will be changed to earn profits to appreciate the support of our shareholders.

Note8: <http://www.tatung.com.tw/Content/finance-investor.asp>

Table 2.2-1 Financial income and expenses of Tatung

Item	2017	2018	2019	2020	2021
Operating revenue	17,482,835	19,138,488	17,825,749	15,863,678	16,176,127
Realized gross profit	2,164,903	2,064,017	1,789,027	1,129,220	2,319,193
Employee benefits*	2,379,086	2,329,118	2,269,620	2,323,250	2,463,007
Income from operations	(177,326)	(391,692)	(863,857)	(1,809,817)	207,552
Non-operating income and expenses	280,968	(10,313,757)	3,466,194	792,008	3,435,899
Income tax benefit	(36,675)	(62,543)	(273,542)	58,528	28,668
Net loss attribute to equity attributable to owners of parents	140,317	(10,642,906)	2,875,879	(1,076,337)	3,672,119
Earnings per share (NT\$)	0.06	(4.75)	1.24	(0.46)	1.57
Dividends per share (NT\$)	0	0	0	0	0

Note: Employee benefits include salary, labor and health insurance, pension, remuneration of directors and others.





## 2.3 Services and products

Tatung's business covers traditional businesses such as consumer, system and electric power business and will engage in global strategic planning to improve export sales. Climate change caused by global warming poses risks to businesses and also creates opportunities. Tatung will expand its investment in solar power, smart energy storage and electric vehicle motor and drive system and other innovative businesses. Tatung will also continue its reorganization of resources and focus on core businesses and asset development to increase profitability. The detailed of products/services is listed on Annex 2 and the focus of operations in 2022 is as follows:

**Consumer Business**

The main products include commercial/home energy-saving and smart air-conditioners and home appliance products with inverters which adopt the IoT technology to provide consumers with situational scheduling control and personalization services and improve their daily life experience. The steam cooker product remains a market leader, and there is product extension of kitchen appliances for the active expansion in the overseas market. Tatung has won many awards for its product design over the years, and the awards include the iF Product Design and Red Dot Design of Germany, Good Design in Japan and Taiwan Excellence Award. In addition, Tatung has continued to cultivate the professional acoustic field and smart home products and incorporated advanced technology and smart functions to provide design and manufacturing services for world's well-known brands. The retail stores continue to improve their brand image of serving as a distribution channel for multiple brands and offering after-sales services to improve store visits and performance of in-store areas, and reinforce the operation of e-commerce platforms to provide customers with around-the-clock services.

**System Business**

More than 211 MW of solar photovoltaic systems has been built as of the end of 2021, and the cumulative target by the end of 2022 is 312 MW. 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. Besides, Tatung's excellent power-related experience and system integration capabilities make it the first auxiliary service provider of energy storage and frequency modulation to participate in Taiwan Power Company's electricity trading platform. Tatung also demonstrates rich results of long-term accumulation of technological development by successfully becoming the first in Taiwan to obtain the UL9540 Energy Storage System safety on-site certification to ensure the safe operation and stable profit of systems. The commercial operation of the energy storage system started in October 2021, as a 1 MW bilateral contract, and the current bid price is 4 MW. In 2022, a 50 MW large energy storage system construction project is being actively planned and implemented, which is expected to become online in Q1 2023.

**Electric Power Industry**

In response to 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 be the first equipment supplier in the nation to offer transformers, inductors, distribution boards and GIS equipment, enabling it to compete for the business opportunities in the addition of power plants and construction of wind, solar, energy storage system and other renewable energy projects of Taiwan Power Company. In addition, a new catenary continuous vulcanization (CCV) line is established to increase the production capacity and yield to meet the needs of the ultra-high voltage market. In terms of motors, Tatung has accumulated more than 70 years of technology and experience and followed the industry development trends to provide industry-grade motors and the relevant services in various fields (such as ROT motors, high-voltage maintenance motors, IE4 ultra-high-efficiency motors, explosion-proof motors, tooling machine shaft motors), further improving the business development of EV power systems.

The production quantities and values for the last two years are shown on Table 2.3-1.

	2020		2021	
	Output (set)	Amount (NT\$ Thousand)	Output (set)	Amount (NT\$ Thousand)
Optical department	0	0	0	0
Machinery, energy and system department	1,212,395	10,177,548	1,071,076	8,755,453
Consumer products department	6,239,294	5,242,675	3,959,970	4,537,140
Real estate development department	0	0	0	0
Other operating segments	222,491	933,459	238,313	1,299,290

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

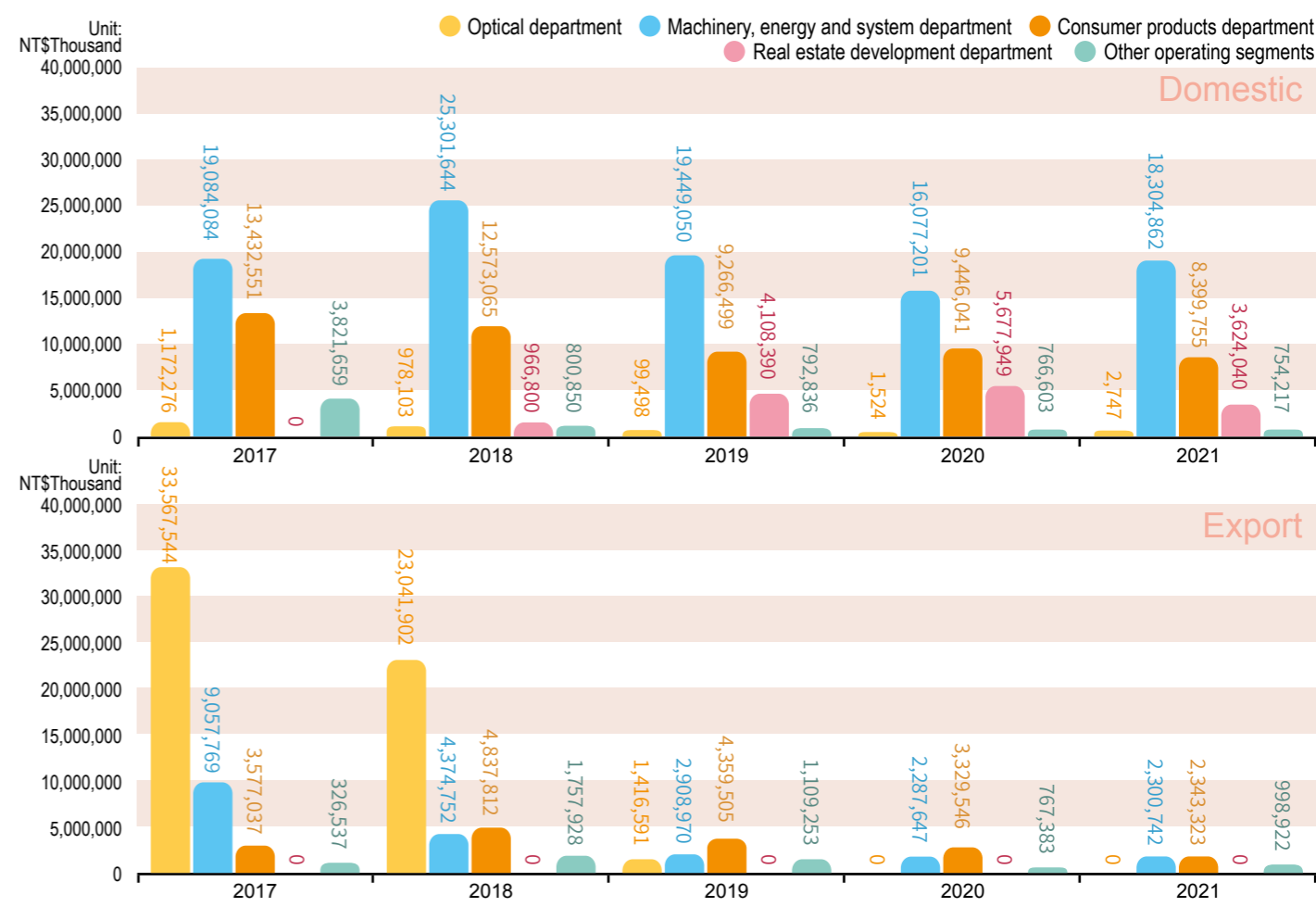


Figure 2.3-1 Tatung's domestic and export sales values (The above data are subject before consolidation)

# CH 3 Sustainable Governance



## GOVERNANCE

### TARGETS

- 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).

### PERFORMANCES IN 2021

1. The board of directors appointed Chief Financial Officer as Chief Corporate Governance Officer.
2. Corporate Governance Committee (has renamed to Sustainable Development 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".

### TARGETS

- Mid-Term Targets:
 

Each operation follows the corporate governance-related codes formulated by the company, and is in line with the corporate governance evaluation project, with the goal of being in the top 6-20% of the corporate governance evaluation.
- Long-Term Targets:
 

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.

## DISCLOSURE ON NON-FINANCIAL INFORMATION

### TARGETS

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

### PERFORMANCES IN 2021

1. Published "2021 Tatung Corporate Social Responsibility Report" in June. The report has been uploaded to Tatung's official website and MOPS.
2. Optimized the "Sustainable Development" section of the company's official website to disclose ESG information more comprehensively.



### 3.1 Organization structure

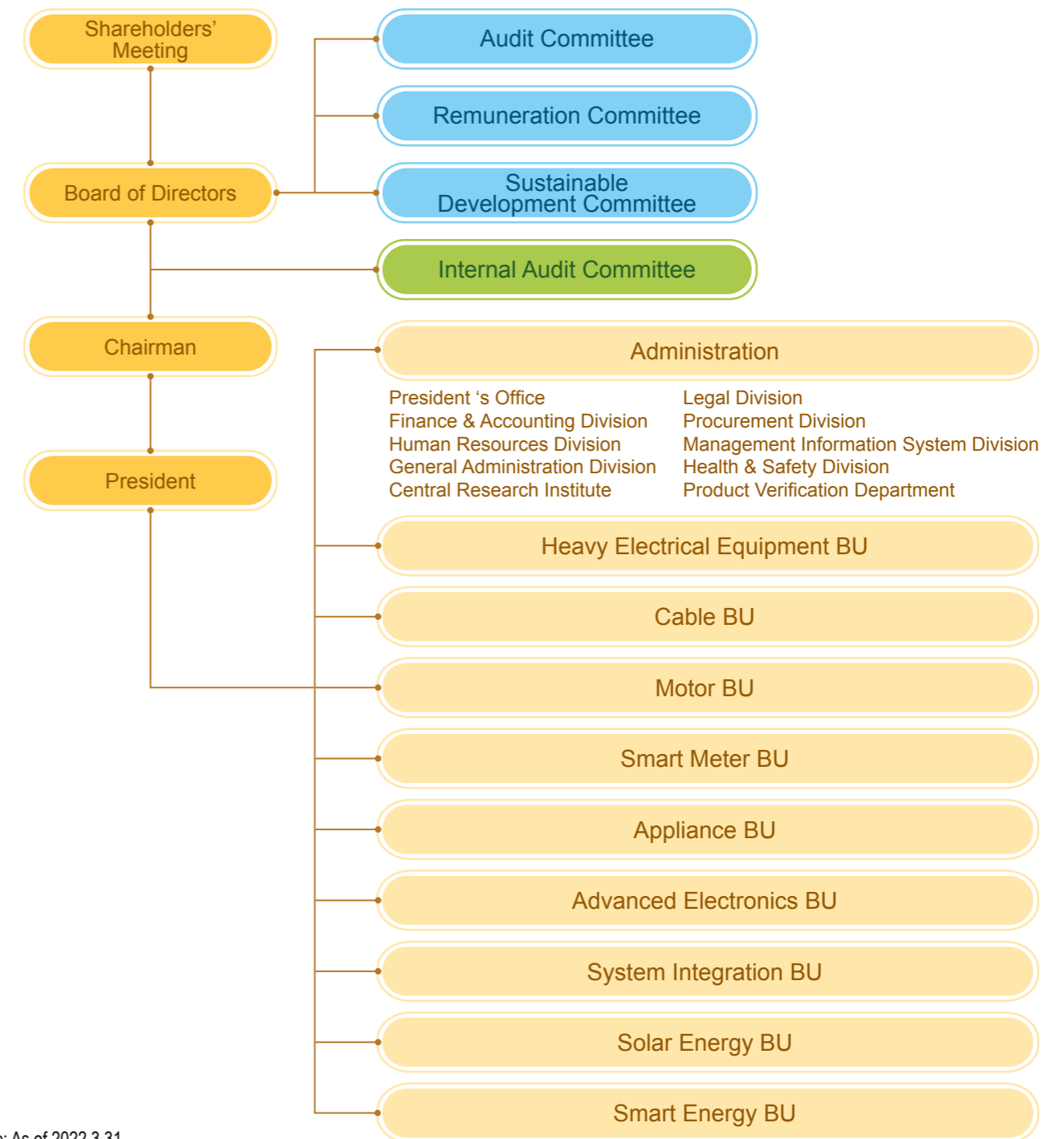
The top management level is Shareholders' Meeting, followed by Board of Directors, Chairman, and President. There are three functional committees under Board of Directors, such as Audit Committee, Remuneration Committee, and Sustainable Development Committee (formerly known as Corporate Governance Committee), to assist directors. The Chairman is Wkang Hsiang Wang. Apart from the administrative divisions, Tatung is also consisted with Heavy Electrical Equipment BU, Cable BU, Motor BU, Advanced Electronics BU, Appliance BU, Smart Meter BU, 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 Bank 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" section<sup>1</sup> 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.

Note1: www.tatung.com



Note: As of 2022.3.31.

Figure 3.1-1 Tatung operation structure

### Board of Directors

The members of the Board of directors were re-elected in 2020. Since 2021.12.30, the director Tatung High School resigned, there are currently 7 directors, including 2 independent directors, 1 director with employee status, accounting for 28.57% and 14.29% of all directors respectively. In accordance with the principle of gender equality, the company aims to increase at least one female director and independent director. The hope of monitoring the board of directors and bringing a fresh and independent perspective on the discussion in the board.

The specialties that the board of directors range from leadership, business management, crisis management, law, finance, and practical experience in the industry. The company has made a policy to diversify the board of directors in Article 20 of the Corporate Governance Best-Practice Principles. In order to implement a good Board governance mechanism, the diversity of the Board members need to be considered. The composition of Board members should be diversified, such as having different professional backgrounds, industry experiences or genders; as well as different knowledge, skills and attainment in order to exert the quality and monitoring mechanism of the board of directors. Please refer to Table 3.1-1 for our directors' information.

The board of directors had held 8 meetings in 2021. 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 2021 were:

1. Changed of President of the company, director I-Wen Chung maintains that this case in related to him and avoids participating in discussions and resolutions;
2. Appointment of President of the company, at the same board meeting, director Chun-Sheng Ho maintains that this case is related to him and avoids participating in discussions and resolutions.

### 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 2021 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 in 2021.

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

Name/ Title	Basic Requirements and Values		Professional Knowledge and Skills								
	Nationality and Gender	Employee	Professional Background	Operational judgments	Accounting And Financial analysis	Operation management	Crisis management	knowledge	International Market perspective	Lead	Policy decisions
Wkang-Hsiang Wang Chairman	Nationality: R.O.C. (Taiwan) Gender: Male		Construction works	◆	◆	◆	◆	◆	◆	◆	◆
Rong-Chuan Chen Executive Director	Nationality: R.O.C. (Taiwan) Gender: Male		Logistics	◆	◆	◆	◆	◆	◆	◆	◆
I-Wen Chung Director	Nationality: R.O.C. (Taiwan) Gender: Male	✓	Operation management	◆	◆	◆	◆	◆	◆	◆	◆
Daho Yen Director	Nationality: R.O.C. (Taiwan) Gender: Male		Legal	◆	◆	◆	◆	◆	◆	◆	◆
Ruey-Long Chen Director	Nationality: R.O.C. (Taiwan) Gender: Male		Operation management	◆	◆	◆	◆	◆	◆	◆	◆
Sheng-Tsheng Lee Independent Director	Nationality: R.O.C. (Taiwan) Gender: Male		Construction works	◆	◆	◆	◆	◆	◆	◆	◆
Chung-Zung Kung Independent Director	Nationality: R.O.C. (Taiwan) Gender: Male		Finance Accounting	◆	◆	◆	◆	◆	◆	◆	◆

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

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Chair	Sheng-Tsheng Lee	7	0	100	-
Member	Chung-Zung Kung	7	0	100	-
Member	Chin-Lai Wang	5	0	100	Resigned on 2021.10.28.

Unit: NTDS\$ Thousand

### 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 2021.

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 the Company Regulations.

**Table 3.1-3 Status for the attendance of Compensation Committees**

Title	Name	Attendance in Person	Attendance by Proxy	Attendance Rate (%)	Note
Chair	Chung-Zung Kung	3	0	100%	-
Member	Sheng-Tsheng Lee	3	0	100%	-
Member	Chin-Lai Wang	2	0	100%	Resigned on 2021.10.28
Member	Ming-Jen Yu	0	0	N/A	Elected on 2022.01.03

**Table 3.1-4 Remuneration to directors in 2021**

Job Title	Name	Remuneration to directors							
		Remuneration (A)		Refirement pension (B)		Refirement allocated from earning (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	Wkang-Hsiang Wang	0	0	0	0	0	0	60	502
Director	Rong-Chuan Chen	0	0	0	0	0	0	0	5
Director	I-Wen Chung	0	0	0	0	0	0	60	97
Director	Daho Yen	0	0	0	0	0	0	5	5
Director	Ruey-Long Chen	0	0	0	0	0	0	10	10
Independent Director	Sheng-Tsheng Lee	2,350	2,350	0	0	0	0	35	35
Independent Director	Chung-Zung Kung	2,210	2,210	0	0	0	0	35	35
Director	Hung-Hsin Lin	23	23	0	0	0	0	10	10
Director	Wen-Yen K. Lin	0	30	0	0	0	0	20	177
Director	Chi-Yen Liang	0	0	0	0	0	0	40	97
Director	Ching-Hsiang Lin	0	0	0	0	0	0	55	75
Independent Director	Chin-Lai Wang	2,143	2,143	0	0	0	0	15	15
Chairman	Ming-Kuang Lu	4,813	4,813	0	0	0	0	60	80
Director	Chun-Sheng Ho	0	0	0	0	0	0	40	80
Gindon Investment Co.		1,795	1,795	0	0	0	0	0	0
Xin Tong Investment Consultancy Co.		598	598	0	0	0	0	0	0
Tatung High School		598	598	0	0	0	0	0	0

Note: This Table is cited from 2021 Tatung Annual Report. Please refer to page 23 and page 24 for more information.

### Sustainable Development Committee

In order to implement the company's sustainable development, improve the corporate governance system, strengthen the board of directors' supervision function on environmental protection, social responsibility and corporate governance, and establish a good functional committee governance system, Tatung restructured the original "Corporate Governance Committee" into "Sustainable Development Committee" in August, 2021.

The board of directors elected the following to be members of the Company's sustainable development committee: Sheng-Tsheng Lee (Independent director with expertise in law, risk control and corporate governance), Chung-Zung Kung (Independent director with expertise in finance, risk control and corporate governance) and Wkang-Hsiang Wang (Director with expertise in engineering and business management) who are responsible for corporate governance related matters (Table 3.1-5).

Item	Descriptions
1	To give considerations to experience, expertise and independence to formulate selection criteria for members of Sustainable Development Committee and submit to the board of directors for resolution
2	Research and analysis, implementation, planning suggestions on the company's sustainable development and environmental protection, social responsibility and corporate governance systems, and review and revise on the company's environmental protection, social responsibility and corporate governance related codes, standards, rules and regulations, and report to the board of directors.
3	Tracking and suggesting the implementation situation of the relevant information disclosure.
4	Review the sustainable development relationship between Tatung 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 sustainable development system.
6	Other duties in accordance with the board resolutions.

The Sustainable Development Committee shall meet at least once a quarter, and may hold other meetings as necessary. The management of the company should proactively provide the following complete and sufficient information to the Sustainable Development Committee to facilitate the promotion and review of related work:

1. Information related to the responsibilities of the Sustainable Development Committee;
2. The information provided to the Sustainable Development Committee has been updated afterwards;
3. Information provided by the management as decided by the committee or requested by each member of the committee respectively.

### 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 evaluation guidelines and results in 2021 are listed on Table 3.1-6. The procedures for the establishment of directors' remuneration of Tatung 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 2021 were submitted to the Board of Directors on 2022.03.15. The results were both "GOOD" for the performances of the Board of Directors and the functional committees.

Evaluation cycle	1. The Company's board of directors shall conduct an internal board performance evaluation every year. 2. The Company's board performance evaluation shall be conducted by an external independent professional institution or a panel of external experts and scholars at least once every three years.	
Evaluation period	2021/1/1~2021/12/31	
Evaluation scope	The Company's board and functional committees evaluation scope covers the evaluation of the board as a whole, individual directors, functional committees and individual committees.	
Evaluation method	Methods of evaluations include the internal evaluation of the board, self-evaluation by individual board members, internal evaluation of functional committees, self-evaluation by individual committee members and evaluation by appointed external professional institutions, experts, or other appropriate methods.	
Evaluation content	The criteria for evaluating the Performance of the board of directors	1. Participation in the operation of the company 2. Improvement of the quality of the board of directors' decision making 3. Composition and structure of the board of directors 4. Election and continuing education of the directors 5. Internal control 6. Participation in sustainable operations (ESG)
	The criteria for evaluating the Performance of the board members (on themselves)	1. Alignment of the goals and missions of the company 2. Awareness of the duties of a director 3. Participation in the operation of the company 4. Management of internal relationship and communication 5. The director's professionalism and continuing education 6. Internal control
	The criteria for evaluating the Performance of functional committees	1. Participation in the operation of the company 2. Improvement of quality of decisions made by the functional committee 3. Composition and structure of functional committees 4. The committee's election and continuing education 5. Internal control

### 3.2 Corporate Governance

DMA		Corporate governance and ethical practice			
An explanation of why the topic is material	Boundary for the material topic	Purpose of the management approach	Policies	Commitments	Goals and targets
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.	Tatung and its subsidiaries.	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.	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.	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.	<p><b>Short-Term Targets:</b></p> <ol style="list-style-type: none"> <li>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.</li> <li>2. Conducting the performance evaluation for the board of directors and the functional committees.</li> <li>3. Revising the relevant principles of corporate governance at any time in accordance with the latest published version from the authority.</li> <li>4. Enhancing corporate information disclosure in English (e.g. English official website).</li> </ol> <p><b>Mid-Term Targets:</b></p> <p>Each operation follows the corporate governance-related codes formulated by the company, and is in line with the corporate governance evaluation project, with the goal of being in the top 6-20% of the corporate governance evaluation.</p> <p><b>Long-Term Targets:</b></p> <p>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.</p>
Resources	Specific limitation regarding the topic Boundary	Grievance mechanisms	Responsibilities	Results of the evaluation of the management approach	Related adjustments to the management approach
<ol style="list-style-type: none"> <li>1. Tatung restructured the original "Corporate Governance Committee" into "Sustainable Development Committee". The committee is responsible to implement the company's sustainable development, improve the corporate governance system, strengthen the board of directors' supervision function on environmental protection, social responsibility and corporate governance, and establish a good functional committee governance system,</li> <li>2. The Chief Financial Officer of the company has been appointed as chief corporate governance officer.</li> <li>3. 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.</li> </ol>	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.	Adhering to the principle of honesty and integrity, Tatung has established the "Corporate Governance Best Practice Principles". In accordance with the content of the Corporate Governance 3.0 -Sustainable Development Roadmap issued by the Financial Supervisory Commission, Tatung gradually promotes and revises relevant policies on corporate governance, strengthens the functions of the board of directors, improves information transparency, strengthens communication with stakeholders and voluntary implementation of corporate governance and sustainable development.	<p><b>Performances in 2021:</b></p> <ol style="list-style-type: none"> <li>1. The board of directors appointed Chief Financial Officer as Chief Corporate Governance Officer.</li> <li>2. Corporate Governance Committee (name changed to Sustainable Development Committee) had 4 meetings to discuss corporate governance related issues.</li> <li>3. Completed the performance evaluations for the board of directors and the functional committees. The results were all "Good".</li> </ol>	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.
		Mechanisms for evaluating the effectiveness of the management approach			
		Tatung has "Board and Functional Committee Performance Evaluation Guidelines" and performs internal evaluation of the performance of the board and functional committees each year.			

DMA Disclosure on non-financial information					
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary	Purpose of the management approach	Commitments	Goals and targets
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.	Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co. and certain 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.	Tatung commits that the company should fully disclose relevant and reliable corporate social responsibility related information to enhance information transparency.	<ol style="list-style-type: none"> <li>Publishing Tatung Sustainability Report by the end of June every year.</li> <li>Updating and disclosing ESG information on the company's official website regularly.</li> </ol>
Resources	Grievance mechanisms	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach
Tatung has organized Sustainable Report Reporting Committee to be responsible to prepare Sustainability Report.	Tatung Sustainability Report feedback e-mail: <a href="mailto:csrreport@tatung.com">csrreport@tatung.com</a>	Prepare Sustainability Report in accordance with GRI Standards and "Taiwan Stock Exchange Corporate Rules Governing the Preparation and Filling of Corporate Social Responsibility Reports by TWSE Listed Companies".	Prepare Sustainability Report in accordance with GRI Standards and "Taiwan Stock Exchange Corporate Rules Governing the Preparation and Filling of Corporate Social Responsibility Reports by TWSE Listed Companies".	<ol style="list-style-type: none"> <li>"2021 Tatung Corporate Social Responsibility Report" was published in June, 2021. The reports can be downloaded: <a href="http://www.tatung.com/Content-EN/csr-report.asp">http://www.tatung.com/Content-EN/csr-report.asp</a></li> <li>Optimized the "Sustainable Development" section of the company's official website to disclose ESG information more comprehensively.</li> </ol>	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 “Sustainable Development 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:

1. Protect the rights and interests of shareholders.
2. Strengthen the powers of the board of directors.
3. Fulfill the function of supervisors.
4. Respect the rights and interests of stakeholders.
5. Enhance information transparency.

### 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 statement when they report to the company. The statement 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. Relevant control measures have also been established in this regard. For example, the Company Rules clearly stipulate that it is not allowed to take advantage of the convenience of the position, engage in personal fraud, or accept gifts from others.

For the management of corruption and bribery, in addition to complying with the Securities and Exchange Law, the Company Law and other social and economic laws, Tatung has also formulated the “Ethical Corporate Management Best Practice Principles”, “Procedures for Ethical Management and Guidelines for Conduct”, and “Ethical Conduct Principles”, etc., to regulate all the employees (including management level). When establishing business relationships with others, the company should first evaluate the legality, business integrity policies, and a history of dishonesty of the agents, suppliers, customers or other business partners to ensure that they conduct business in a fair and transparent manner and do not ask, offer or accept bribes. In case of corruption, bribery or other related matters, it can be reported to the responsible unit in accordance with the “Regulations for Handling Whistleblowing Illegal Cases, and Unethical or Dishonest Conduct Cases”. If it is verified, it will be handled in addition to the Company Rules and will be investigated for legal responsibility to prevent corruption or leakage of secrets.

### 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.

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. Figure 3.2-1 shows Tatung’s internal control system statement.

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.

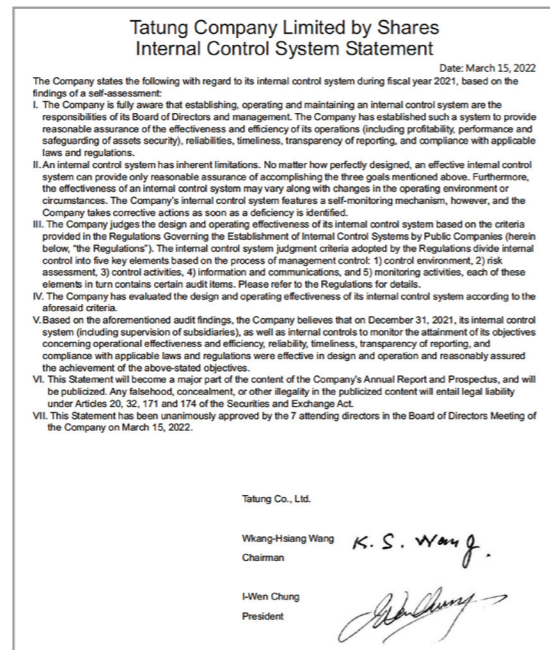


Figure 3.2-1 The internal control statement of Tatung in 2021

### 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. In order to identify the financial-related risks and opportunities brought by climate change, Tatung refers to the Climate-related Financial Disclosure Framework (TCFD) to identify climate-related financial risks, opportunities and countermeasures. For details, please refer to Table 3.2-3 and Table 3.2- 4.

Table 3.2-1 Structure of risk management		
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

Table 3.2-2 Tatung’s risks and counter measures		
Category	Item	Countermeasures
Financial	Impact of interest rate and exchange rate fluctuations and inflation	<p><b>1. Interest rate:</b></p> <p>1) Derivatives can be used as a hedge against interest rate fluctuations for the Company’s long-term debts.</p> <p>2) When considering mid to long-term bond issues, the Company carefully sets its target interest rate to lower its interest rate risks as much as possible. For example, the Company’s offshore exchangeable corporate bond issue offers a fixed interest rate, while its domestic secured convertible bond offers a zero coupon rate.</p> <p><b>2. Exchange rate:</b></p> <p>The Company 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 the Company’s “Operational Procedures for Derivatives Trading.” The Company also has an internal control system to supervise the loss limit of foreign currency transactions.</p> <p><b>3. Inflation:</b></p> <p>The constant inflation rate in recent years has no significant impact on the company’s operations and profits. The company 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.</p>

Table 3.2-2 Tatung's risks and counter measures

Category	Item	Countermeasures	Category	Item	Countermeasures
Financial	Investment policy and reasons for gains and losses on high-risk and high-leverage investments, loans to a third party, derivative trades	<ol style="list-style-type: none"> <li>The Company engages in derivative trades, such as operational hedging of foreign exchange, for the sole purpose of lowering its financial risk and conducts all transactions in accordance with the Company's internal control procedure.</li> <li>The Company's operating procedures for funding and endorsement are based on "Guidelines for Lending of Capital", and "Guidelines for Endorsements and Guarantees", which were formulated by referring to related laws and regulations set up by Financial Supervisory Commission.</li> </ol>	Company image and change in management	Impact by changes of corporate image on the Company's risk management policies	<ol style="list-style-type: none"> <li>The Company was founded on philosophy that emphasizes "integrity, honesty, industry and frugality." These four core values are strictly followed by each and every individual in the Company and have won public recognition. The Company will strive to carry on this tradition, while, actively pursue new ideas to ensure better corporate governance.</li> <li>The Company has also appointed a special task force to respond to unforeseen situations in order to reduce uncertainties and ensure smooth business operations.</li> </ol>
	Risk from concentration of purchase or sales	The Company will arrange for alternative sources for purchase, and will diversify its customer base in order to reduce the concentration of sales.		Risk from major transfer or swap of stocks	None
	Expected benefits and potential risks from mergers and acquisitions	The Company has no ongoing merger and acquisition targets. In considering future M&As, the Company will evaluate their efficiency, risks, vertical integration and other factors in accordance with Regulations Governing the Acquisition and Disposal of Assets by Public Companies.		Risk from the change in management of the Company	None
	Expected benefits and risks related to plant expansion	The company has established the "procedures for the acquisition or disposal of assets" in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies", and conducts appropriate benefit evaluation and risk avoidance in accordance with the company's internal control procedures.			
Market	Future R&D plans	The Group plans to invest NT\$787 million for R&D expenditures in 2022, and will have to adjust the plans according to the global market condition and actual operation situation of the companies. For an overview of the company's technology and R&D, please refer to page 62~80 on Tatung Company 2021 Annual Report.	Policy	Major changes in domestic and foreign government policies and laws which may impact on the financial position and operation of the Company	<ol style="list-style-type: none"> <li>The Company carefully monitors any changes in local and foreign policies and makes appropriate adjustments in the Company's internal control system and operations when necessary.</li> <li>The Company's R&amp;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.</li> </ol>
	Impact of changes in technologies (include information security risk) on the financial position and operation of the Company	<ol style="list-style-type: none"> <li>The Company have developed deep technical foundation, kept putting efforts on research &amp; 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 &amp; distribution and energy management. The Company marches into oversea market and aims at the energy technology industry leader.</li> <li>With the trend of energy efficiency and carbon reduction, the company 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.</li> <li>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.</li> </ol>	Environmental protection, health and safety	Environment	<ul style="list-style-type: none"> <li>Continue to run environmental management system to elevate environmental performance.</li> <li>Conduct "Pollution Prevention Pays" program and internal control system to prevent the violations of regulation.</li> </ul>
				Health and safety	<ul style="list-style-type: none"> <li>Continue to run occupational health and safety management system to elevate health and safety performance.</li> <li>Conduct "Disaster Prevention Pays" program and internal control system to prevent the violations of regulation.</li> <li>Conduct monitoring on operation site, job safety analysis and establish safety S.O.P.</li> </ul>

Table 3.2-3 TCFD disclosure framework comparison table

Table 3.2-3 TCFD disclosure framework comparison table			
<b>Governance</b>	Describe the board's oversight of climate-related risks and opportunities.	Tatung reports to the board of directors on the status of greenhouse gas inventory quarterly, and reports on the implementation of sustainable development once a year, including the development of a sustainable environment, investment in major projects of energy management, and the promotion of solar power generation projects.	
	Describe management's role in assessing and managing climate-related risks and opportunities.	Tatung has Sustainable Development Committee under the board of directors, which reviews Tatung's sustainable development status and provides suggestions for improvement, and submits it to the board of directors.	
<b>Strategy</b>	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	Please refer to Table 3.2-4 for physical risks, transition risks and climate change opportunities.	
	Describe the impact of climate related risks and opportunities on the organization's businesses, strategy, and financial planning.	Please refer to the potential financial impact and measures in Table 3.2-4.	
	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	In response to the Paris Agreement limiting global warming to 2°C, governments around the world have gradually stepped up their efforts to reduce carbon emissions. At this stage, Tatung is facing the mandatory installation of self-use renewable energy equipment and carry out greenhouse gas emissions inventory. In addition, Taiwan has set 2050 net zero emissions target, Tatung will also focus on energy creation, energy saving, energy storage and electric vehicle motors and other businesses to assist enterprises and the country to achieve net zero emission targets.	
<b>Risk Management</b>	Describe the organization's processes for identifying and assessing climate-related risks.		
	Describe the organization's processes for managing climate-related risks.		
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.		The physical risks and transition risks under the climate issue, and the derived climate change opportunities are included under the existing risk management organization in Table 3.2-1.
<b>Metrics and Targets</b>	Disclose the metrics used by the organization to assess climate related risks and opportunities in line with its strategy and risk management process.		Tatung has disclosed information such as the amounts of energy consumption, water consumption, and wastes. Please refer to page 128, 129, 136, 137, 138, and 139.
	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.		Tatung has carried out greenhouse gas emissions inventory, please refer to page 130 and 131.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.		Please refer to the column of climate change opportunities on Table 3.2-4.

Table 3.2-4 The identified risks, opportunities and measures under climate change

Type	Risk descriptions	Potential financial impacts	Measures	Type	Risk descriptions	Potential financial impacts	Measures
Physical risk	Typhoon, flooding	<ol style="list-style-type: none"> <li>1. Plants, operating bases, and equipment are damaged due to climatic disasters which increasing financial expenses.</li> <li>2. Climatic factors may affect transportation, causing supply chain disruptions and subsequent production stoppages.</li> <li>3. Employees are unable to attend work, and productivity is affected, resulting in reduced revenues and increased occupational health and safety costs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Regularly inspect the factory buildings and operating bases for damage, and repair and fix them before natural disasters. Prepare sandbags to prevent flooding; analyze the site climate and flooding potential at the design stage for outdoor equipment (such as solar power stations), and set appropriate support strength and height; take out natural disaster insurance to transfer risks and reduce losses.</li> <li>2. Pay attention to information on natural disasters, and prepare sufficient materials in advance if traffic disruptions are expected.</li> <li>3. Refer to the announcement of the Directorate-General of Personnel Administration, if the scale of the natural disaster threatens the safety of employees, the work will be reduced or suspended.</li> </ol>	Transition risk	Policies and regulations	<ol style="list-style-type: none"> <li>1. The Renewable Energy Development Act stipulates that power users above a certain contracted capacity should install renewable energy power generation equipment. Tatung's Taoyuan Wires and Cables Plant is required to install 639.2kWp of obligatory capacity before 2025, which will increase operating costs.</li> <li>2. The Financial Regulatory Commission requires that listed companies of a certain scale should complete the greenhouse gas inventory in 2023, the external verification in 2024, the greenhouse gas inventory of the consolidated subsidiary in 2025, and the external verification of the consolidated subsidiary in 2027.</li> <li>3. It may be affected by the potential carbon tax, carbon trading system, and the cost of purchasing raw materials and parts in compliance with regulations to increase operating costs.</li> </ol>	<ol style="list-style-type: none"> <li>1. Taoyuan Wires and Cables Plant has installed solar power generation equipment (selling electricity to Taipower Company), Tatung has strived for early bird discounts in accordance with regulations and reduced the obligatory capacity to 384kWp and reduced the financial impact.</li> <li>2. Tatung has started a complete GHG inventory (according to ISO 14064-1) at the H.Q. Tayuan Plant and Meter Factory, and will disclose the company's complete GHG emissions no later than June 2023.</li> <li>3. Continuously track changes in regulations and master first-hand information.</li> </ol>
Transition risk	Market	<ol style="list-style-type: none"> <li>1. The awareness of sustainability is enhanced, and customers may purchase lower-carbon products or services in the market, which will affect revenue.</li> <li>2. In response to the increase in the number of renewable energy installations, in order to stabilize the power grid, the market demand for energy storage equipment has increased. However, under the pressure of the current shortage of materials, it is difficult to reduce the investment cost of batteries. Due to the rush for materials from electric vehicle industry, there is a large shortage of batteries around the world, so that the cost of energy storage is still high.</li> </ol>	<ol style="list-style-type: none"> <li>1. Introduce sustainable product design, focus on improving energy efficiency, product recycling and reduction of harmful substances, such as high-efficiency amorphous transformers and energy-saving motors.</li> <li>2. Actively strive for Taipower Company energy storage equipment bids, plan to build energy storage equipment at suitable sites, increase market share. With the improvement of supporting mechanisms, such as the power market trading mechanism, it can accelerate investment recovery through the participation of the power market, reduce investment risk.</li> </ol>		Reputation	<ol style="list-style-type: none"> <li>1. Cooperating with high-carbon emission suppliers may affect customers' trust in the company.</li> <li>2. The company's environment, energy and carbon reduction practices and performance have become the focus of stakeholders' concerns. Failure to implement management may affect brand trust.</li> </ol>	<ol style="list-style-type: none"> <li>1. Select suppliers and conduct energy performance improvement assessments for purchasing major energy-using equipment according to the "Energy Design and Procurement Management Procedures".</li> <li>2. Continue to operate ISO 14001, ISO 14064-1, ISO 50001 to improve the performance of environment, energy and carbon reduction.</li> </ol>

Table 3.2-4 The identified risks, opportunities and measures under climate change (cont.)

	Type	Descriptions	Potential financial impacts	Measures	Targets
Opportunities brought by climate change	Energy saving market	The market demands for the products with features of energy saving and high energy efficiency.	Match to market trends and expand revenue.	<ol style="list-style-type: none"> <li>1. Introduce products with Energy Label to increase selling and increase profits. For example, in 2021, the product split-type air conditioners with Energy Label has been well received by the market, with total of 20,869 units sold.</li> <li>2. Launched IE4 grade energy-saving motor.</li> </ol>	<ol style="list-style-type: none"> <li>1. Products continue to apply for Energy Label, Green Mark or first-class energy efficiency label.</li> <li>2. In 2025, IE4, Super Premium, GB2 and MEPS high-efficiency motor series will be launched; in 2030, IE5 and GB1 high-efficiency motor series will be launched.</li> </ol>
	Energy creation and storage	<ol style="list-style-type: none"> <li>1. The industry is in urgent need of low-carbon energy, and the demand for solar power plants has greatly increased.</li> <li>2. In response to the increase in the number of renewable energy installations, in order to stabilize the power grid, the market demand for energy storage equipment has increased.</li> </ol>	<ol style="list-style-type: none"> <li>1. Actively strive for solar power generation projects to increase sales profits.</li> <li>2. Actively strive for Taipower Company energy storage equipment bids to increase brand exposure and increase sales profits.</li> </ol>	<ol style="list-style-type: none"> <li>1. Widely set up solar energy projects and expand the fields of green power transfer and renewable energy certificate.</li> <li>2. Widely set up energy storage facilities.</li> </ol>	<ol style="list-style-type: none"> <li>1. The cumulative capacity of 250MWp units will be connected to the grid by the end of 2022.</li> <li>2. Taipower Company promotes the target to reach 1GW of energy storage capacity in 2025, and Tatung will strive to achieve 300MW participation in 2025.</li> </ol>
	Improve on resources and energy efficiency.	<ol style="list-style-type: none"> <li>1. Switch to more efficient electrical equipment.</li> <li>2. Promote energy-saving projects.</li> </ol>	Reduce energy cost and carbon emissions.	<ol style="list-style-type: none"> <li>1. Purchasing energy-saving equipment and office appliances. The green purchase amount in 2021 reached NT\$48,101,781.</li> <li>2. Support green procurement and receive a certificate of appreciation for green procurement from Taipei Environmental Protection Bureau in 2021.</li> <li>3. Promote energy-saving projects in the factories through the "Annual Energy Audit" program.</li> </ol>	<ol style="list-style-type: none"> <li>1. Continue to support green procurement and try to use more efficient equipment.</li> <li>2. The energy intensity of the represented products in 2023 will be reduced by 6% compared to 2018.</li> </ol>

## Sustainable Development

*Integrity Honesty Industry Frugality*

### 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 its dedication to education as a manifestation of long-term commitment to social well being.

### Shareholder Responsibility

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

## 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.

### Employee Harmony

To encourage self-motivation and cooperation amongst employees through the organization of profit centersto ensure fair compenation, 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.

To be able to fulfill corporate social responsibility and contribute to the progress of economy, environment and the community, Tatung stipulated "Tatung Company Sustainability Development Best Practice Principles" (formerly known as Corporate Social Responsibility Best Practice Principles) to manage the economy, environment and social risks and impacts. The principles act as guidance for implementing corporate governance, sustainable development and the environment, the maintenance of social welfare, strengthening ESG disclosure. The results and performances will be reported to Board of Directors every year (Table 3.2-5).

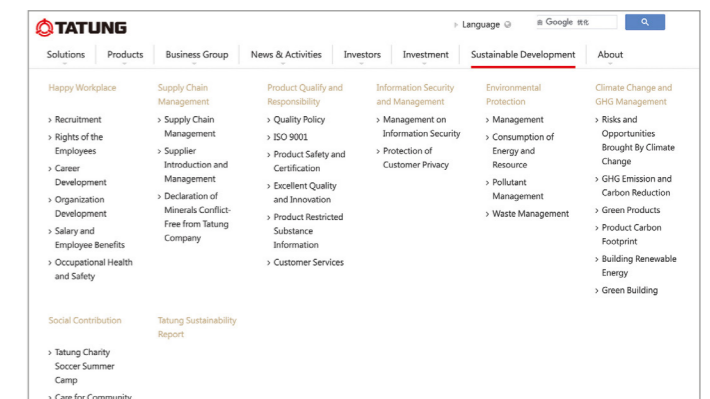
Table 3.2-5 Tatung sustainable development responsible units

Topic	Responsible unit	Duty	Report to the Board of Directors
Sustainable Development	Legal Division	In charge of bringing forward and carrying out the policies, systems, management, and implementation programs for sustainable development.	The implementation of sustainability development and environmental management results in year 2021 were reported to the Board of Directors on 2022.03.15.
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.	
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 2021 were reported to the Board of Directors on 2021.12.21.
	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."	
Greenhouse Gas Emission	Health & Safety Division	Greenhouse gas inventory promotion and management, and organize relevant education and training courses.	The information on the GHG inventory will be reported to the Board of Directors on a quarterly basis starting from the second quarter of 2022.

## 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 "Sustainable Development" section on the company's official website in both Chinese and English to disclose Tatung's economic, social and environmental management measures and performances; on the other hand, we publish annual publication "Tatung Sustainability 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 sustainability report in June every year and disclose Tatung's ESG information on the official website to communicate with stakeholders.



Sustainable Development section on Tatung's official website



# CH 4

## Responsible supply chain, product safety and customer service

### SUPPLY CHAIN MANAGEMENT

**TARGETS**

- ☉ All new suppliers sign back the Supplier Commitment Letter.

**PERFORMANCE IN 2021**

✓ 100% of new suppliers have signed back the Supplier Commitment Letter.

### PRODUCT RESPONSIBILITY

**TARGETS**

- ☉ Short-Term Targets:
  1. All the products are complied with product inspection regulations and customer requirements.
  2. Strive for product awards or certification.
  3. Continue to run ISO 9001 and TAF certified laboratories in the factories.
  4. Meet annual quality KPI.
  5. No. of product inspection and labeling related violations: 0.
- ☉ Mid-Long Term Targets:
 

Treat zero defects as the only standard for management and operation.

**PERFORMANCE IN 2021**

1. All the factories passed ISO 9001 annual audit.
2. No. of products violated product inspection and labeling regulations: 0.
3. Smart IP66 Roller Table Motor (TENV) was won the 30th Taiwan Excellence Award.

### SALE

**TARGETS**

- ☉ Ensure the contents of advertisements or promotions are complied with regulations.

**PERFORMANCE IN 2021**

✓ No. of advertisements or promotions violated related regulations: 0.

### CUSTOMER MANAGEMENT

**TARGETS**

1. Continue to manage customer information in accordance to the regulations.
2. Satisfaction for repairing service > 94%, satisfaction for shipping service > 97%.

**PERFORMANCE IN 2021**

1. No. of complaints in regarding to violating customer privacy or losing customer information: 0.
2. Satisfaction for repairing: 95.7%, satisfaction for shipping: 97.2%.



## 4.1 Responsible supply chain

Tatung firmly believes that establishing a good relationship of mutual trust and mutual assistance with excellent suppliers can achieve reliable quality assurance, on-time delivery, and increase productivity at competitive costs, and share the results with consumers around the world. Therefore, we introduce and manage suppliers through the implementation of the internal control system and in accordance with the provisions of the “Supplier Introduction and Management Measures”, and regularly check the supplier management status of each BU and subsidiary to ensure the supplier management is well conducted.

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 2021 were recognized by EPB, Taipei City Government (Received certificate of appreciation for promoting green procurement, Figure 4.1-2) 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 since 2019.

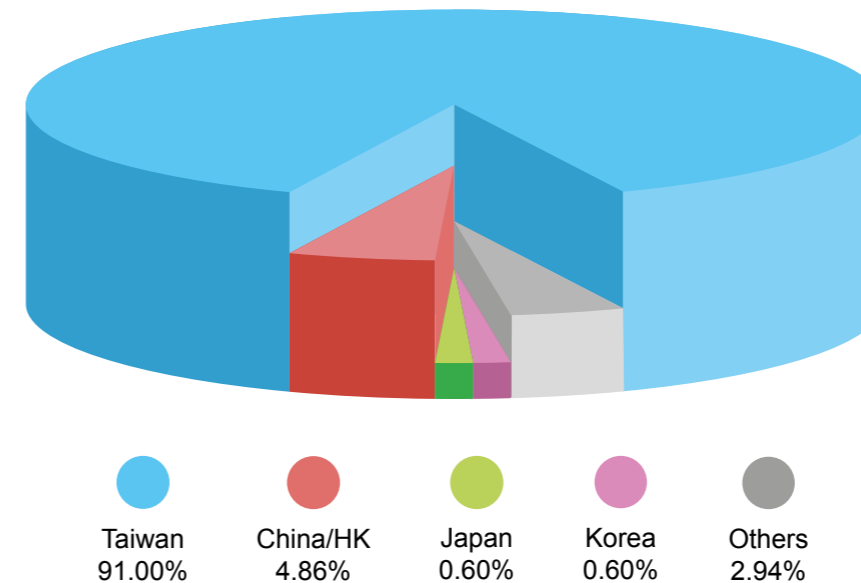
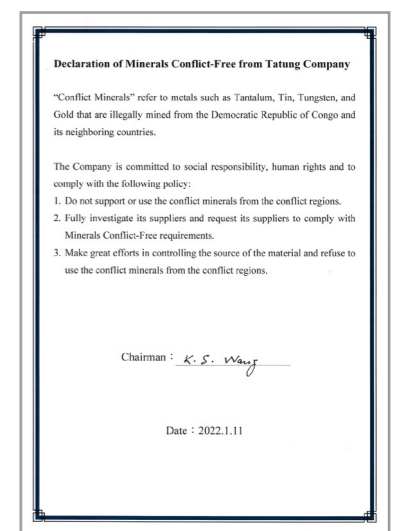


Figure 4.1-1 Suppliers’ geographic distribution in 2021 (by numbers)



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

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 sustainable development policies.



Declaration of Minerals Conflict-Free from Tatung Company

## 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 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 4.1-3 (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<sup>1</sup> 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<sup>2</sup> 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.

Table 4.1-2 Category of suppliers and introducing/management measures				
Category	Category 1	Category 2	Construction	Others
Classification Criteria	<ol style="list-style-type: none"> <li>1. Important materials (parts, components, half-ready products, and products).</li> <li>2. ODM/OEM</li> <li>3. Outsourcing (including full case, manufacture only, product only).</li> <li>4. Significant to product quality that need intensive management and tutoring.</li> </ol>	<ol style="list-style-type: none"> <li>1. Suppliers, who provide raw materials, ready to sale products, imported components, with less quality risks.</li> <li>2. Suppliers who are world famous company with top capability in product and QA/QC.</li> </ol>	Suppliers who build factory, apartment, office building, system installation, or repair project.	<ol style="list-style-type: none"> <li>1. Suppliers who provide office appliances, hard wares, software, waste disposal, verification, etc.</li> <li>2. Suppliers who provide instruments or equipment.</li> <li>3. Technical maintenance service.</li> </ol>
Introducing Procedure	<ul style="list-style-type: none"> <li>■ On-site assessment</li> <li>■ Sign procurement contract</li> <li>■ Sign commitment letter</li> </ul>	<ul style="list-style-type: none"> <li>■ Document review</li> <li>■ Sign procurement contract</li> <li>■ Sign commitment letter</li> </ul>	<ul style="list-style-type: none"> <li>■ On-site assessment or document review for existed cases</li> <li>■ Sign procurement contract</li> <li>■ Sign commitment letter</li> </ul>	<ul style="list-style-type: none"> <li>■ Sign procurement contract</li> <li>■ Sign commitment letter</li> </ul>
Management	<ol style="list-style-type: none"> <li>1. Monthly assessment</li> <li>2. Annual re-evaluation</li> </ol>	Monthly assessment	Evaluation after the case is completed	Monthly assessment

Note1: Increasing or decreasing procurement amount based on the result of monthly assessment.

Note2: Maintaining business or searching for second source based on the result of re-evaluation.

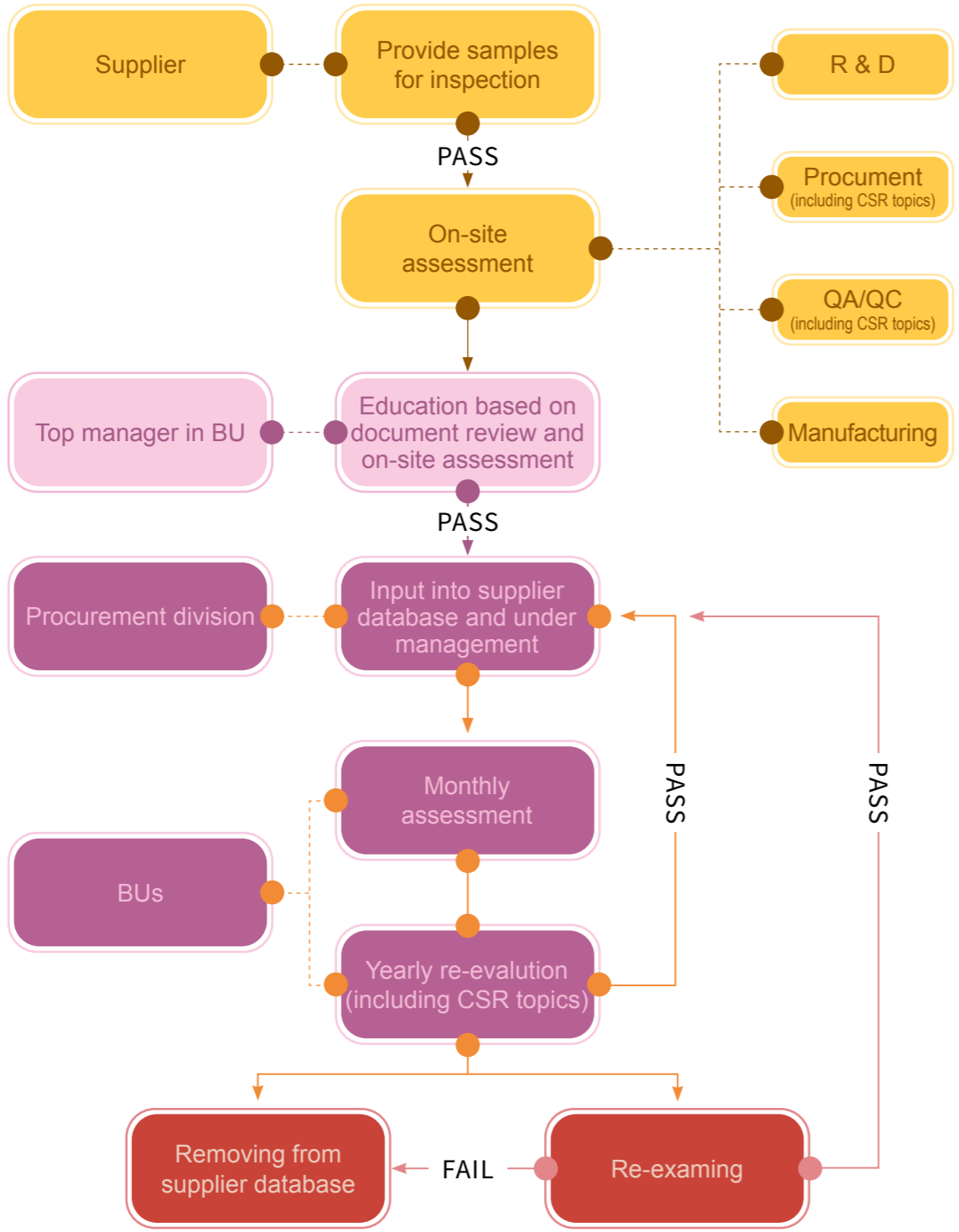
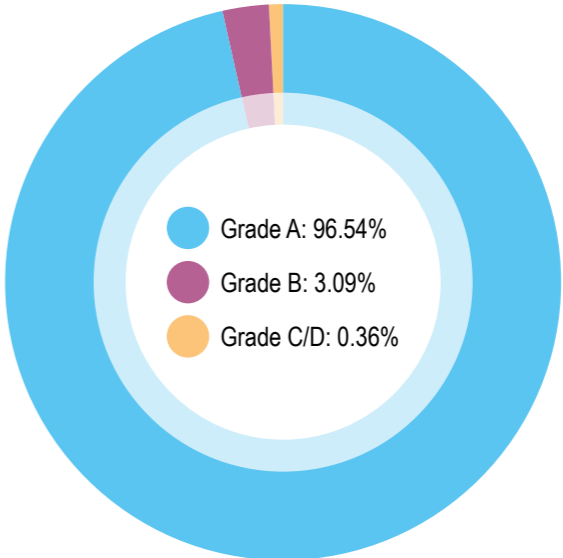
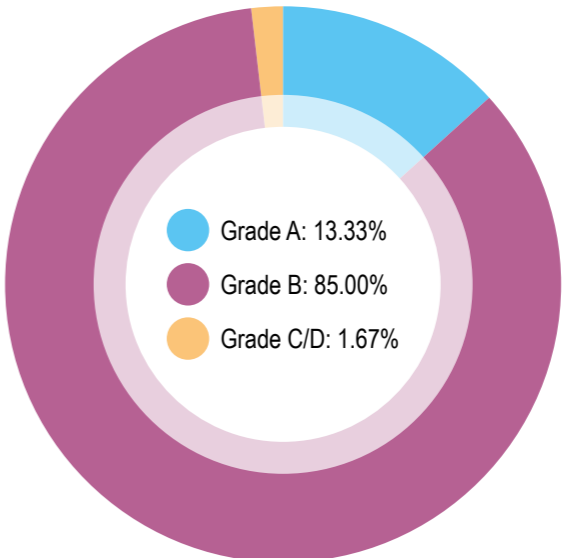


Figure 4.1-3 Supplier introducing and managing procedures (Category I)



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

Figure 4.1-4 Result of suppliers' monthly assessment in 2021



Note: Grade A and B are qualified suppliers; Grade C is failed from annual re-evaluation. If BU managers require them to be re-examined, the failed suppliers have to be improved within limited time and to be re-examined again. The percentage for Grade C was 1.67%. The main reason is lack of document management, and it had been improved after the counseling and re-examined.

Figure 4.1-5 Result of suppliers' annual re-evaluation in 2021

## 4.2 Product Responsibility

DMA		Product quality and safety			
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary	Purpose of the management approach	Policies	Commitments
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.	Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co.	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.	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.	Tatung guarantees product safety and provides quality services.
Goals and targets	Responsibilities	Grievance mechanisms	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach
<p>Short-Term Targets:</p> <ol style="list-style-type: none"> <li>All the products are complied with product inspection and safety regulations as well as customer requirements.</li> <li>Strive for product awards or certification.</li> <li>Maintain ISO 9001 certification and TAF certified laboratories in the factories; establish Tatung Meter Laboratory and pass TAF certificate.</li> <li>Meet annual quality KPI.</li> </ol> <p>Mid-Long Term Targets:</p> <p>Treat zero defects as the only standard for management and operations.</p>	<ol style="list-style-type: none"> <li>Comply with national and international standards.</li> <li>Products that meet customer requirements.</li> <li>All home appliances of Tatung are covered by product liability insurance.</li> </ol>	<ol style="list-style-type: none"> <li>Tatung products: Customer service section on the official website (<a href="http://www.tatung.com.tw/Content/service.asp">http://www.tatung.com.tw/Content/service.asp</a>)</li> <li>Tatung home appliances: 0800-052-666</li> </ol>	<ol style="list-style-type: none"> <li>Each factory holds regular/irregular quality meetings to review internal and external quality issues within the factory. If any defects occur, an improvement plan will be proposed immediately and implemented.</li> <li>Audits the quality management status regularly of each factory by internal control.</li> <li>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.</li> </ol>	<p>Performances in 2021:</p> <ol style="list-style-type: none"> <li>All factories' ISO 9001 pass annual audit.</li> <li>No. of products violated product inspection and labeling regulations: 0.</li> <li>Smart IP66 Roller Table Motor (TENV) was won the 30th Taiwan Excellence Award.</li> </ol>	NIL

## 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.

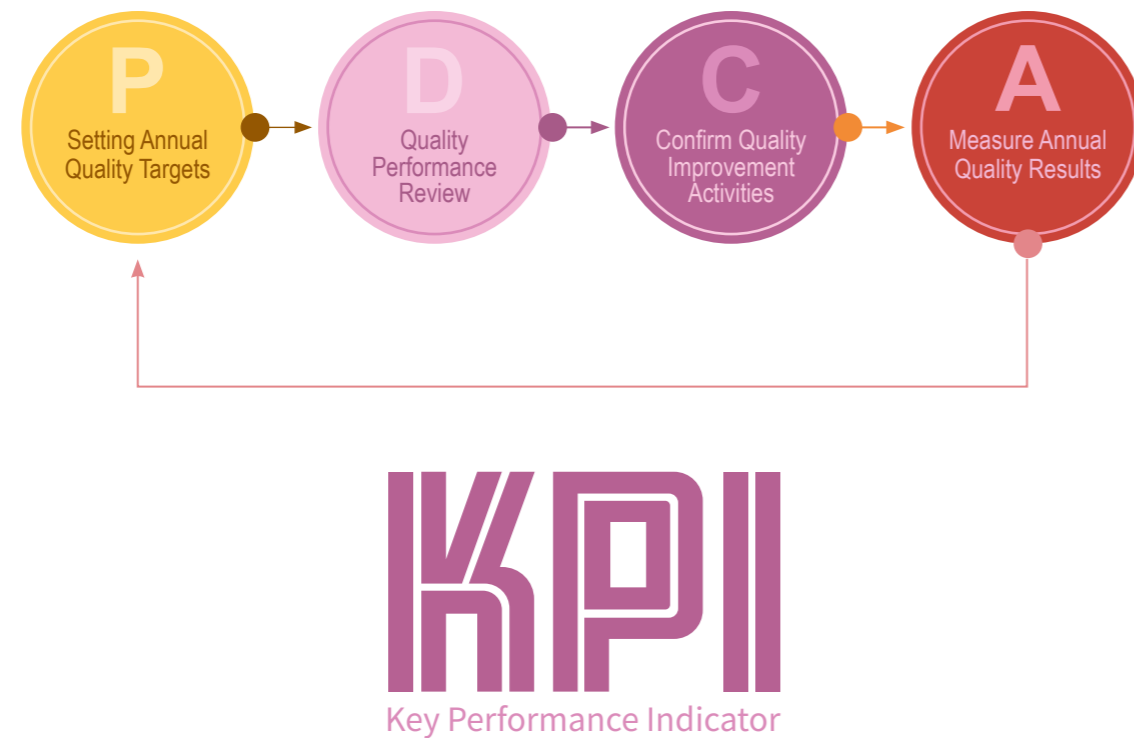


Figure 4.2-1 Quality KPI management flowchart

Table 4.2-1 Tatung products that acquired ISO 9001:2015	
Factories/Bus	Registered products
<b>Taoyuan 1st Plant</b>	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.
<b>San-Hsia Factory</b>	Generators (less than 10,560KVA), electrical motors.
<b>Tayuan Plant</b>	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.
<b>Taoyuan Wires and Cables Plant</b>	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.
<b>Meter Factory</b>	Design, manufacturing and sales of Electricity Meters.

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, and Tatung Meter Lab 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.



ISO 9001 certificates



Certificates of TAF certified laboratories

Table 4.2-2 Tatung's TAF certified laboratories			
Name	Certified No.	Testing Items	Register Date
Calibration Lab	0003	Measuring and calibrating of products	1990.06.01
Tatung Transformer Testing Lab	2306	Transformer testing	2010.12.27
Air Condition Facility Testing Lab	2270	Cooling Electrical Power Consumption Rate, Capacity and EER of Package Type Air-Conditioners and Water Chiller Unit.	2011.01.20
Tatung Switchgear Testing Lab	2308	Switchgear testing	2011.03.23
Tatung Generator Set Testing Lab	2442	Generator testing	2011.10.12
Tatung Motor Testing Lab	2613	Motor testing	2012.07.01
Tatung Taoyuan Wire and Cable Testing Lab	2964	Wires, cables, and busway testing.	2015.04.29
Tatung Meter Laboratory	3773	Meter Testing	2021.01.20

### 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<sup>3</sup> 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 2021 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.

Note 3: <https://safety.bsmi.gov.tw/wSite/mp?mp=65>

Figure 4.2-3 Tatung 3C dehumidifier replacement campaign in 2021

Table 4.2-3 Standards, certifications, and verifications adopted by Tatung	
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 4.2-2 Dehumidifiers that need to be recalled

### Product Labeling

In order to let consumers having accurate and sufficient amount of product information (e.g., energy efficiency information) and instruct consumers using products safely and correctly, Tatung labels the products (including ODM/OEM products) with required information on the products or its package in accordance to related regulations. In addition, Tatung also includes the instruction guide, maintenance guide and notice in the packages (as shown on Figure 4.2-4) to provide the consumers with sufficient information to use the products safely and correctly.

Taking Taoyuan 1st Plant as an example, for the management of product labeling, the responsible personnel checks the labeling content in the design and verification stage, relevant functional personnel will also be arranged to participate in the product labeling seminars to understand the latest regulatory requirements and ensure that product labeling is in line with regulations and customers. We also cooperate with the BSMI to conduct regular/irregular market spot checks to ensure the correctness of product labeling.

In 2021, we did not have any violations against product labeling related regulations. We will continue to aim to comply with the relevant regulations on product labeling and carry out relevant control operations.

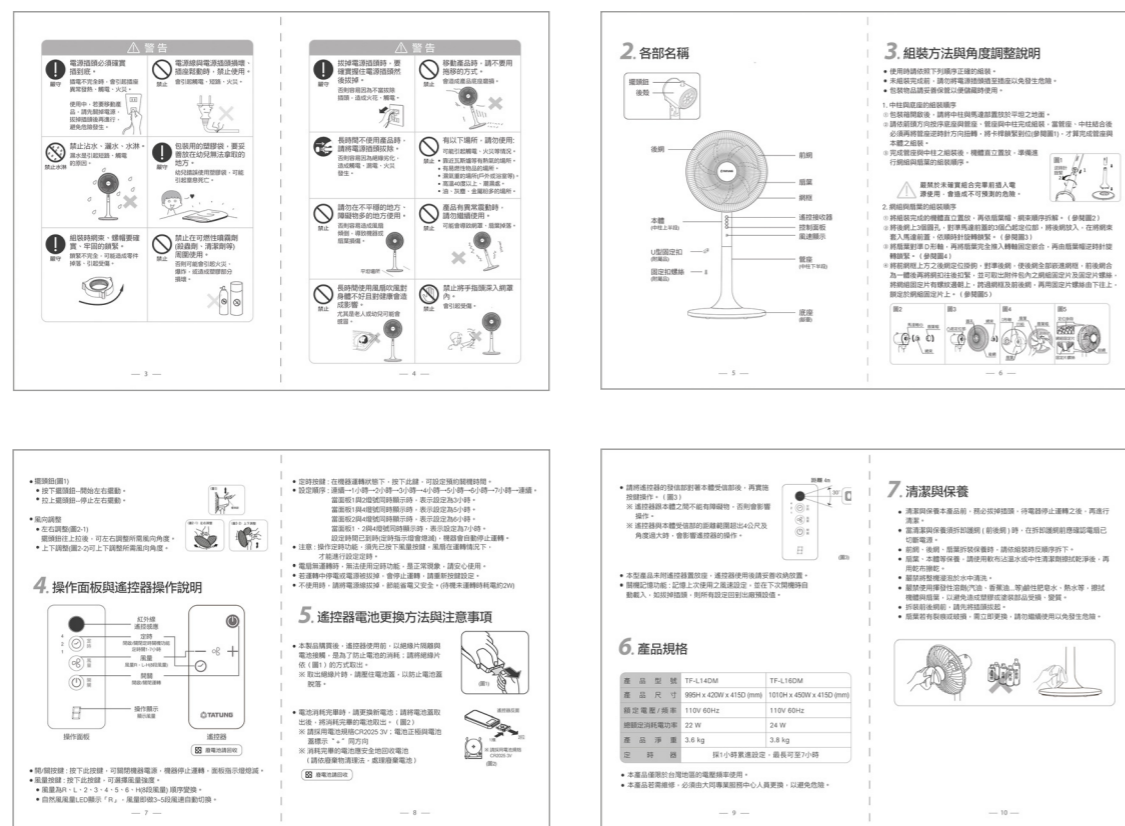


Figure 4.2-4 Product labeling and instruction (e.g. Electric Fans)

### Product Hazardous Substances Information

Tatung follows relevant regulations on hazardous substances in products and in accordance with our “Environmental Prohibited and Restricted Substances Management Procedures”, through effective management on the supply chain and production control, as well as reviews the content of hazardous substances in the products in the product development verification stage to ensure that the hazardous substances in the products meet the standards and protect the health and safety of consumers. In addition to fully disclosing the contents of hazardous substances in the product manuals (Figure 4.2-5), we also disclose such information on Tatung’s official website “Hazardous substances in products”<sup>4</sup> section (Figure 4.2-6), which fully protects consumers’ right to know.

Note 4: <https://www.tatung.com/Content/csr-product-restrict.asp>

#### 10. 限用物質含有情況標示

限用物質含有情況標示  
Declaration of the Presence Condition of the Restricted Substances Marking

設備名稱：一般家用電扇 型號(型式)：TF-L14DM、TF-L16DM

單元	限用物質及其化學符號					
	鉛 (Pb)	汞 (Hg)	鎘 (Cd)	六價鉻 (Cr <sup>VI</sup> )	多溴聯苯 (PBB)	多溴二苯醚 (PBDE)
馬達組	○	○	○	○	○	○
電路板組	-	○	○	○	○	○
遙控器組	○	○	○	○	○	○
塑膠元件	○	○	○	○	○	○
金屬元件	○	○	○	○	○	○
電源線組	○	○	○	○	○	○
配件組	○	○	○	○	○	○

備考 1. “○”係指該項限用物質之百分比含量未超出百分比含量基準值。  
備考 2. “-”係指該項限用物質為排除項目。

Figure 4.2-5 Hazardous substances containing information (e.g. Electric Fans)

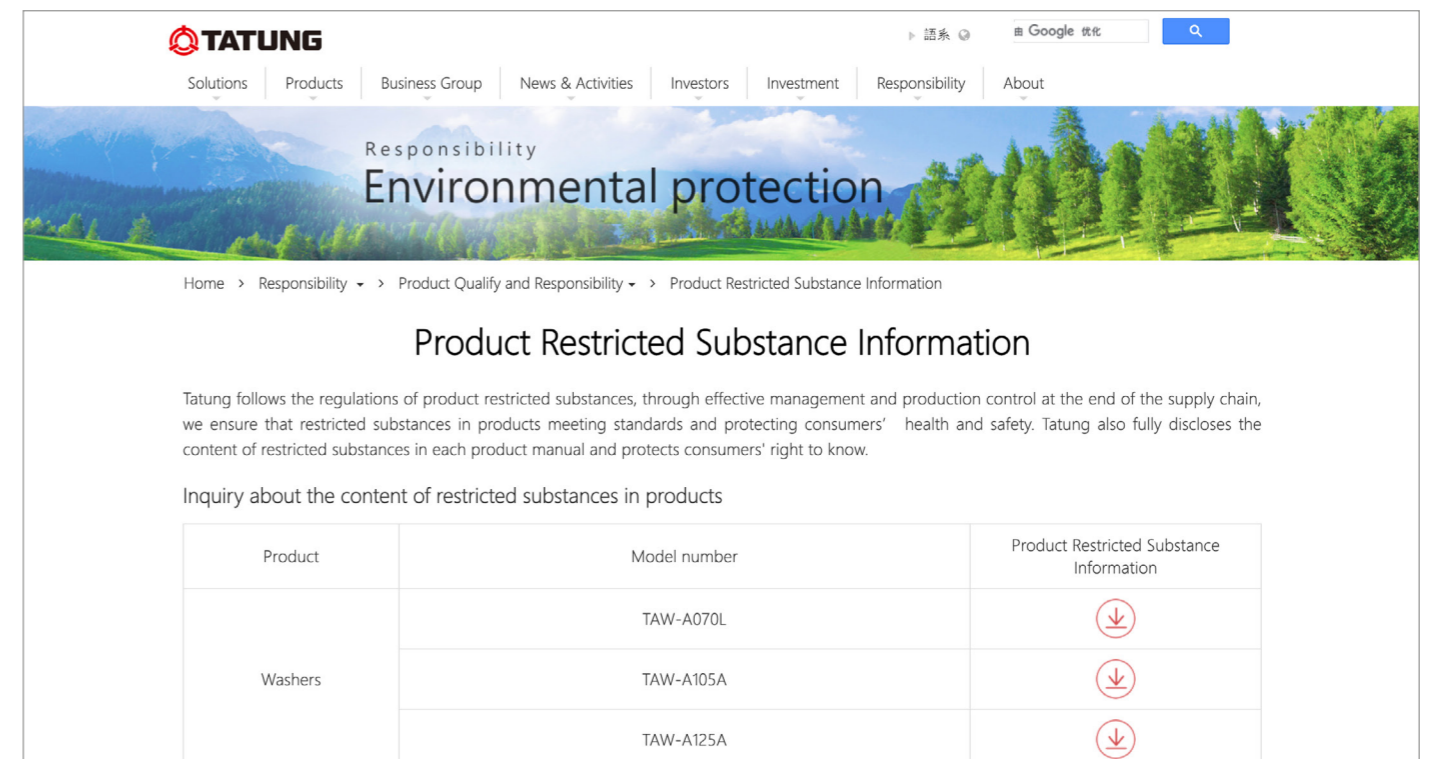


Figure 4.2-6 Hazardous substances in products section on the official site



### 4.3 Sales and customer information management

DMA		Customer privacy management					
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary material topic	Purpose of the management approach	Policies	Commitments	Goals and targets	Responsibilities
<ul style="list-style-type: none"> <li>Comply with regulations (especially Personal Data Protection Act).</li> <li>Tatung takes great concern on it.</li> </ul>	Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co. and TCPC (including Tatung 3C Stores and etungo).	Enhance the security of personal data maintenance and management to prevent personal data from being stolen, altered, damaged, lost and leaked.	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.	Uninterrupted service, no loss of information, personal information not leaked, and enterprise sustainable operation.	Ensure the confidentiality, integrity, availability and compliance of each service.	Related business departments.
Resources	Grievance mechanisms	Specific actions		Mechanisms for evaluating the effectiveness of the management approach		Results of the evaluation of the management approach	Related adjustments to the management approach
In accordance to ISO 27001:2013 / BS 10012:2017 / Personal Data Protection Act / GDPR	Tatung Customer No.: 0800-052-666.	<ul style="list-style-type: none"> <li>New employees need to sign a confidentiality and non-competition agreement.</li> <li>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.</li> <li>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.</li> <li>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.</li> <li>When customers join membership, they will be notified in accordance with Articles 8 and 9 of the "Personal Data Protection Act".</li> <li>Set up a contact window to provide the parties with the right to exercise their personal data or file related complaints and consultations.</li> </ul>		<ul style="list-style-type: none"> <li>Established Tatung Information Security and the Personal Information Protection Committee and hold monthly meeting.</li> <li>Conducts information security and personal information protection education and testing regularly.</li> <li>Conducts internal audit regularly.</li> <li>Introduces outsourcing consultants to counsel and improve.</li> <li>Conducts management review meeting every year.</li> </ul>		<ol style="list-style-type: none"> <li>No. of incidents in regarding to violating customer privacy in 2021: 0.</li> <li>No. of complaints in regarding to violating customer privacy in 2021: 0.</li> </ol>	NIL.

### Fair Trade and Anti-Trust Behavior

Companies engaging in business activities shall comply with fair trade laws and relevant regulations, and shall not fix prices, rig bids, limit production and quotas, or share or divide the market by allocating customers, suppliers, operating areas or business types. Directors or managers shall treat the company’s purchase (sale) customers, competitors and employees fairly, and shall not use manipulation, concealment, misuse of information they have collected based on their duties, misrepresentation of important matters or other unfair dealing methods. Tatung has relevant regulations in “Ethical Corporate Management Best Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” to prevent such activities. In addition, through contract control, it is clearly stipulated that Tatung and its distributors shall not conduct malicious price-cutting competition or intentional damage to the image, so as to ensure that there is no anti-competitive behavior. In 2021, Tatung has no violation against fair trade or sales related laws and regulations.

### Protecting Consumer Rights

Tatung has a policy to protect the rights and interests of consumers. The policy has appropriate regulatory measures for customer health and safety, customer privacy, product marketing and labeling. If consumers are dissatisfied with Tatung’s products or services, Tatung provides channels for complaints and a special person will handle and reply to the consumer. In 2021, Tatung has no major customer complaints. Table 4.3-1 shows Tatung’s consumer rights protection measures.



Items	Descriptions
Customer health and safety	<ol style="list-style-type: none"> <li>1. When providing products or services, it should be ensured that the products or services meet the safety requirement that can reasonably be expected by the technology or professional standards at the time.</li> <li>2. If the use of products or services have the potential to endanger the life, body, health, or property of consumers, warning signs and emergency handling methods should be labeled at obvious places.</li> <li>3. When there are facts that confirm that the products or services provided by Tatung may endanger the safety and health of consumers, the products should be recalled and the services should be terminated immediately.</li> </ol>
Customer privacy	Tatung protects consumers’ privacy in accordance with the Personal Data Protection Act, collect, process and use consumers’ personal data in a legal, transparent and fair manner, and provide reasonable security protection measures.
Product marketing and labeling	<ol style="list-style-type: none"> <li>1. Advertising contents and marketing information shall be clear and shall not conduct misleading, fraudulent or unfair commercial, advertising and marketing activities.</li> <li>2. Providing consumers with channels and methods for terminating or canceling contracts, returning products and refunds.</li> <li>3. If the terms of the contract stipulate that the consumer must pay cancellation money when canceling the contract, the amount should be proportional to the damage that may be caused by the cancellation of the contract.</li> <li>4. If the trial period of products or services is provided, consumers should be clearly and fully informed about the trial period, relevant discounts and possible charges after the trial ends. If there are charges, consumers should be notified in advance and their consent should be obtained.</li> <li>5. Product labeling is handled in accordance with the relevant regulations to protect the rights and interests of consumers.</li> </ol>
Complaint procedures	Consumers can provide valuable opinions on Tatung’s products and services through the “Customer Service” <sup>5</sup> and “Stakeholders” <sup>6</sup> on the company’s official website, which will be properly handled by special personnel, and the results will be replied to the consumers.

Note 5: <https://www.tatung.com/Content/service.asp>  
 Note 6: <https://www.tatung.com/b5/appeal.asp>

### 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 152 Tatung 3C Stores<sup>7</sup> (including 5 Appliance Branding Stores) spreading from cities to countries, providing professional recommendations on purchasing house appliances and repairing services. In addition, TCPC launched “etungo”<sup>8</sup> online shopping website and Tatung Fans App to provide wide variety of product in 3C, house appliances, and living products. Besides, Tatung runs Tatung Fans<sup>9</sup> site and Tatung Rice Cooker Fans site<sup>10</sup> on Facebook to provide instant news and living tips.



Note 7: As of 2022.03.10  
 Note 8: [www.etungo.com.tw/](http://www.etungo.com.tw/)  
 Note 9: <https://www.facebook.com/tatung.tw/>  
 Note 10: <https://www.facebook.com/ricecooker50/>



etungo online shopping website



FB for Tatung fans



FB for Tatung Rice Cooker fans

Due to market trends and the COVID-19 epidemic, it restricted the scope of people’s activities, and shopping behaviors may occur online and offline at any time and it also inspired us to develop this mobile app. Therefore, we integrating services such as online shopping, recipes, and smart appliances allows users to enjoy a seamless and complete digital life experience. We hope to help the world and make users enjoy a convenient life. In 2021, we were awarded the “2021 Digital Transformation Model Award” by the TEEMA Electronics Association.



In order to provide a more convenient customer service, TCPC has online service<sup>11</sup> that the consumers can access to official website making service request (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 progress by assessing online webpage<sup>12</sup> (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-line<sup>13</sup> and an online feedback service<sup>14</sup> which customers can ask questions, express their opinions and give positive feedbacks to us (Figure 4.3-3).

Figure 4.3-1 Product online service form

Figure 4.3-2 Inquiry page for repairing progress

Figure 4.3-3 Online feedback form

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 2021 are 97.2% satisfied for shipping service and 95.7% satisfied for repairing service. The set targets were achieved. Tatung will continue to listen to the voices of consumers, respect and serve customers.

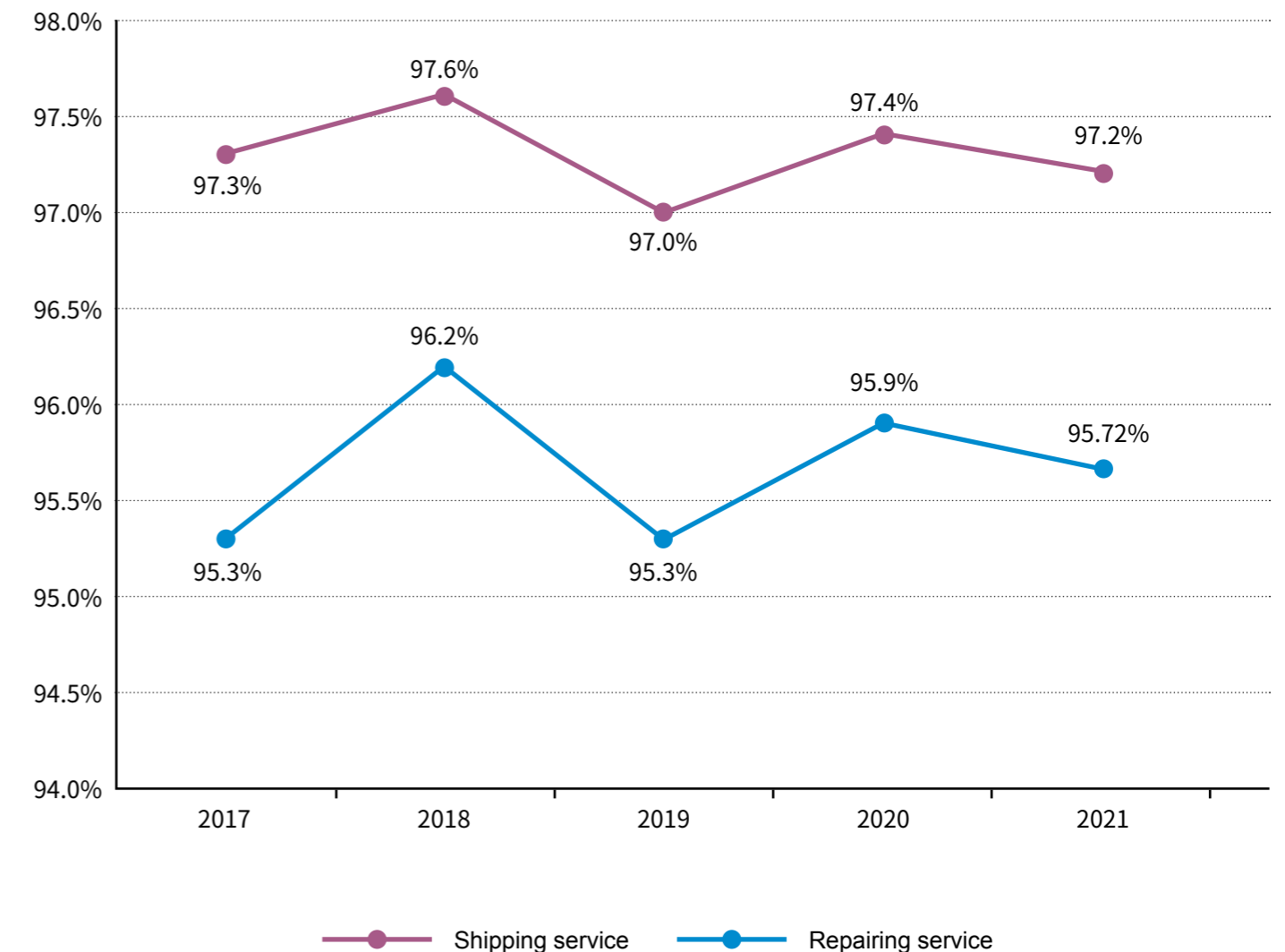


Figure 4.3-4 Results of consumer satisfaction

Note 11: [http://tcpcvm01.tatung.com.tw/tatungcp/agent/cust\\_100.asp](http://tcpcvm01.tatung.com.tw/tatungcp/agent/cust_100.asp)

Note 12: [http://tcpcvm01.tatung.com.tw/tatungcp/agent/cust\\_200.asp](http://tcpcvm01.tatung.com.tw/tatungcp/agent/cust_200.asp)

Note 13: Free service phonenumber: 0800-052-666. For mobile phone, please dial: 02-2591-5068.

Note 14: <http://www.tatung.com.tw/home/suggestion>

## 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, continuously obtained BSI third-party certification, passed the ISO 27001 information security management system verification (Validity period of the certificate: 2020.12.31~2023.12.30), 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 Information Security Annual 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 will be held 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 2021, 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.

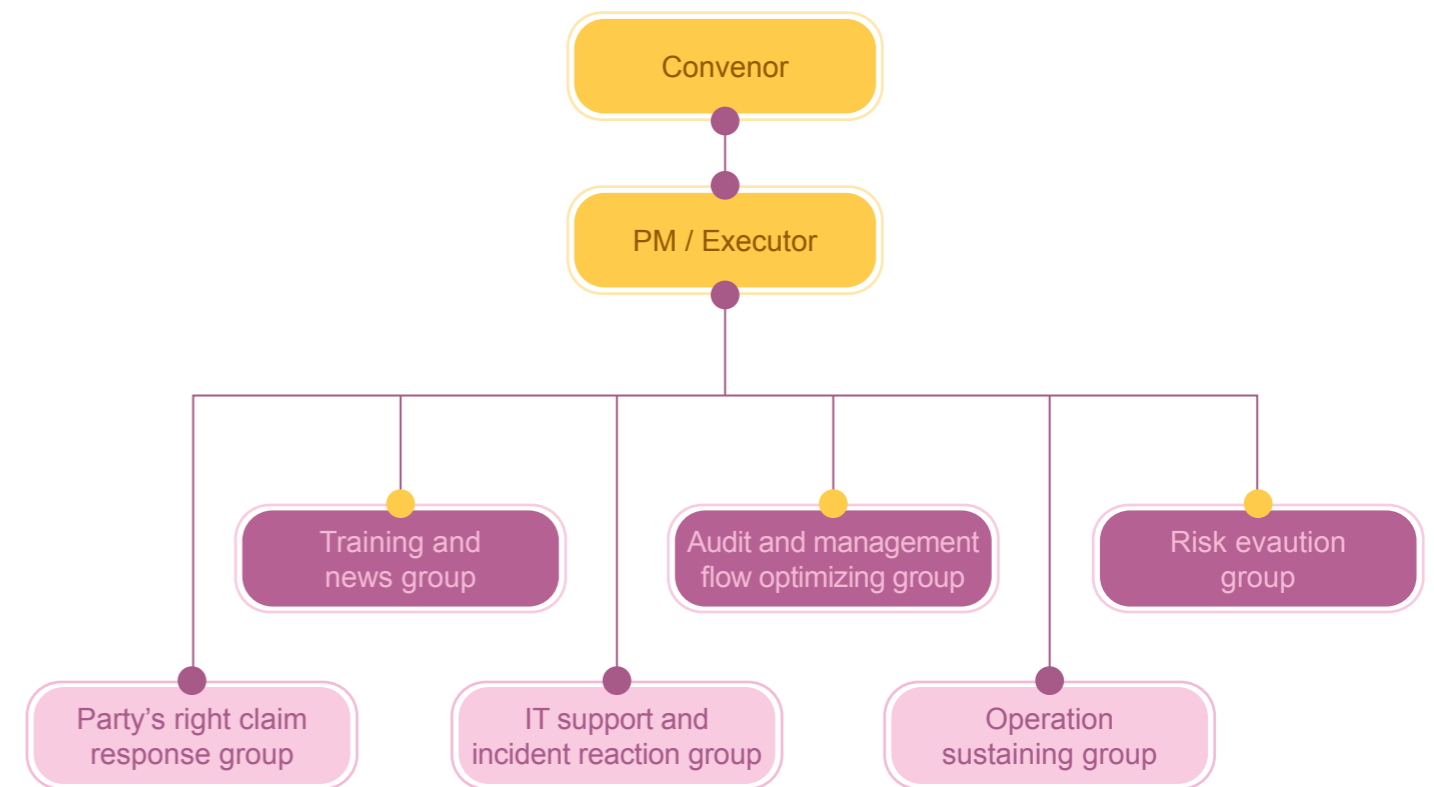


Figure 4.3-5 Structure of Tatung Information Security and the Personal Information Protection Committee

Table 4.3-2 Key personal data protection management and control measures

<b>Management systems</b>	Tatung has passed ISO 27001 certification and complies with the BS 10012 personal data protection standard.
<b>Management and control measures</b>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> <li>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.</li> </ol>



CH 5

# Happy workplace and social participation

EMPLOYMENT	HUMAN RIGHTS, EQUALITY AND NON-DISCRIMINATIONS	MARKET PRESENCE	EMPLOYEE PERFORMANCE MANAGEMENT	EDUCATION AND TRAINING	HEALTH AND SAFETY
<p><b>TARGETS</b></p> <ul style="list-style-type: none"> <li>Short-Term Target:                             <ol style="list-style-type: none"> <li>The retention rate of new recruits after the 3-month trial period is over 80%.</li> <li>No major labor dispute.</li> </ol> </li> <li>Mid-Term Target:                             <p>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.</p> </li> <li>Long-Term Target:                             <p>Follow labor-related laws and regulations, continue to work hard to create a happy working environment, and care all employees equally.</p> </li> </ul> <p><b>PERFORMANCE IN 2021</b></p> <ol style="list-style-type: none"> <li>The retention rate of Tatung's new recruits after the 3-month trial period is 84.16%, which has reached the target.</li> <li>No major labor dispute.</li> </ol>	<p><b>TARGETS</b></p> <ul style="list-style-type: none"> <li>Short-Term Target:                             <p>Tatung against employment discrimination, and provides equal job opportunities for all job seekers and disadvantaged groups.</p> </li> <li>Mid-Term Target:                             <p>Tatung continue to work hard to create a happy working environment, and care all employees equally.</p> </li> <li>Long-Term Target:                             <p>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.</p> </li> </ul> <p><b>PERFORMANCE IN 2021</b></p> <p>No violation against Act of Gender Equality in Employment.</p>	<p><b>TARGETS</b></p> <ul style="list-style-type: none"> <li>Short-Term Target:                             <p>Continue to ensure the basic salary is better or equal to legal salary</p> </li> <li>Mid-Long Term Target:                             <p>Designs a reasonable organizational structure and deploy talents of all levels according to the company's strategic development direction.</p> </li> </ul> <p><b>PERFORMANCE IN 2021</b></p> <p>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 1:1.04; for staffs is from 1.25~1.50:1 based on different job types, specialty and qualifications.</p>	<p><b>TARGETS</b></p> <ul style="list-style-type: none"> <li>Short-Term Target:                             <p>Through performance review to ensure that employees pay attention to correct performance projects and review the daily work performance to link with company strategies.</p> </li> <li>Mid-Term Target:                             <p>Giving rewards for outstanding personnel; coaching personnel with poor performance for improvement.</p> </li> <li>Long-Term Target:                             <p>Using long-term performance review system to identify potential talents, and link with promotion or salary adjustment.</p> </li> </ul> <p><b>PERFORMANCE IN 2021</b></p> <p>95.83% of employees was conducted with performance review (employees in probation period, leave of absence, and short-term contract were not included).</p>	<p><b>TARGETS</b></p> <ul style="list-style-type: none"> <li>Short-Term Target:                             <p>The total training time is more than 28,000 hours and training satisfaction higher than 90%</p> </li> <li>Mid-Term Target:                             <p>To enhance the inheritance of professional knowledge, technology and experience of each business department and unit. Continue to strengthen the course training related to organizational management and development to create a competitive advantage for growth and appreciation of talent assets.</p> </li> <li>Long-Term Target:                             <p>Optimize the behavior, ability and attitude of the employees through training, make every effort to exert their strengths in the job position, drive the improvement of organizational performance, and assist in the achievement of the company's business goals and the practice of vision and mission.</p> </li> </ul> <p><b>PERFORMANCE IN 2021</b></p> <ol style="list-style-type: none"> <li>Total training hours was 21,026 hours due to the severe COVID-19 and work-from-home measures.</li> <li>Education and training satisfaction was 92.40%.</li> </ol>	<p><b>TARGETS</b></p> <ul style="list-style-type: none"> <li>Short-Term Target:                             <ol style="list-style-type: none"> <li>All 4 factories pass ISO 45001 annual re-audit.</li> <li>At least 95% correction rate for non-conformities found in Accident Prevention Pays Program.</li> <li>FR and SR are reduced by 10% each year.</li> </ol> </li> <li>Mid-Long Term Target:                             <p>Zero disaster.</p> </li> </ul> <p><b>PERFORMANCE IN 2021</b></p> <ol style="list-style-type: none"> <li>Factories with ISO 45001 passed annual certification.</li> <li>The correction rate of Accident Prevention Pays Program is 100%.</li> <li>FR is reduced by over 10%, however, SR for male employees is risen.</li> </ol>

## 5.1 Building a friendly working place

DMA → Employment							
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary	Policies	Commitments	Responsibilities	Purpose of the management approach	Goals and targets
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.	Tatung Co. and its subsidiaries.	Performance disclosure is limited to Tatung Co.	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.	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.	<ol style="list-style-type: none"> <li>1. Establish and implement the protection of complainants and the prevention of illegal infringements in the performance of their duties.</li> <li>2. Establish a workplace environment that values human rights.</li> </ol>	<ol style="list-style-type: none"> <li>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.</li> <li>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.</li> </ol>	<p><b>Short-Term Targets:</b></p> <ol style="list-style-type: none"> <li>1. The retention rate of new recruits after the 3-month trial period is over 80%.</li> <li>2. No major labor dispute.</li> </ol> <p><b>Mid-Term Targets:</b></p> <p>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.</p> <p><b>Long-Term Targets:</b></p> <p>Follow labor-related laws and regulations, continue to work hard to create a happy working environment, and care all employees equally.</p>
Resources	Grievance mechanisms	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach		
<ol style="list-style-type: none"> <li>1. Approval of Company Rules to the competent authority in accordance with the law, and disclose within the company.</li> <li>2. Establish the personnel rules in the Company Rules and relevant methods.</li> </ol>	Tatung has set up "Regulations of Processing Employees' Complaints" to quickly and satisfactorily handle disputes caused by the employees during their work.	<ol style="list-style-type: none"> <li>1. Broaden recruitment channels.</li> <li>2. Optimize the salary and remuneration system.</li> <li>3. Expand employee welfare measures.</li> </ol>	Performance disclosure is limited to Tatung Co.	<p><b>Performances in 2021:</b></p> <ol style="list-style-type: none"> <li>1. The retention rate of Tatung's new recruits after the 3-month trial period is 84.16%, which has reached the target.</li> <li>2. No major labor dispute.</li> </ol>	NIL	<ol style="list-style-type: none"> <li>3. The company recruits a wide range of 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, and attaches great importance to provide a safe and health working environment to protect all employees, and actively implements various welfares.</li> </ol>	

### 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 2021.

### 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 95% of local employees and 1.74% of disable employees which is more than the requirement by the regulation.

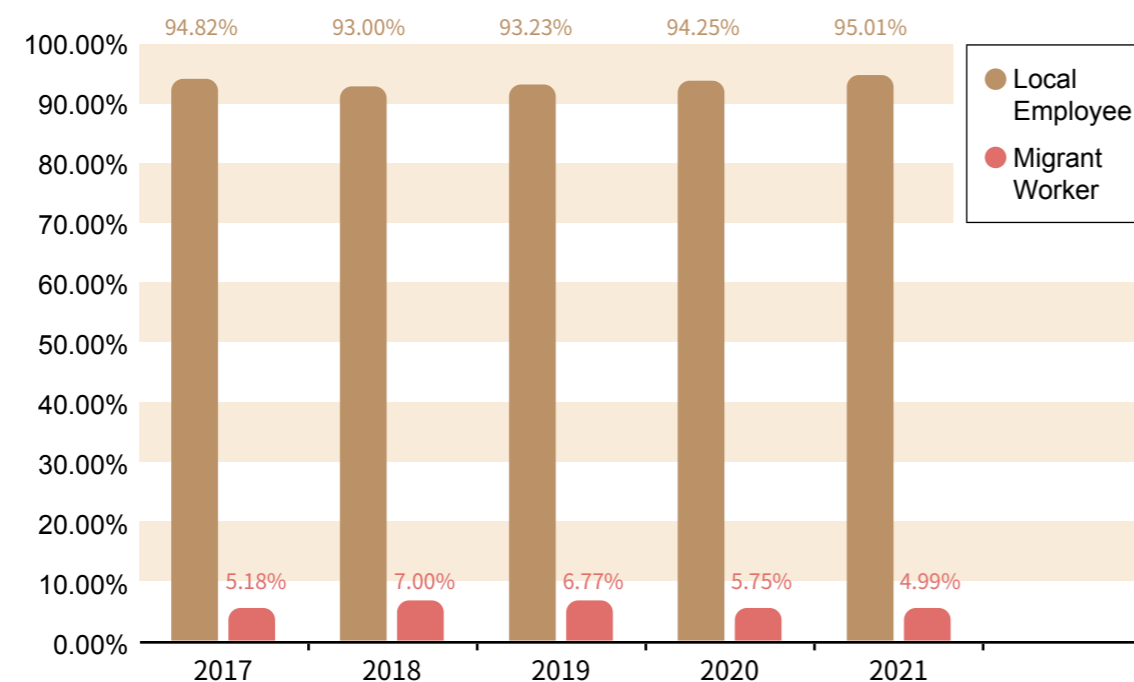
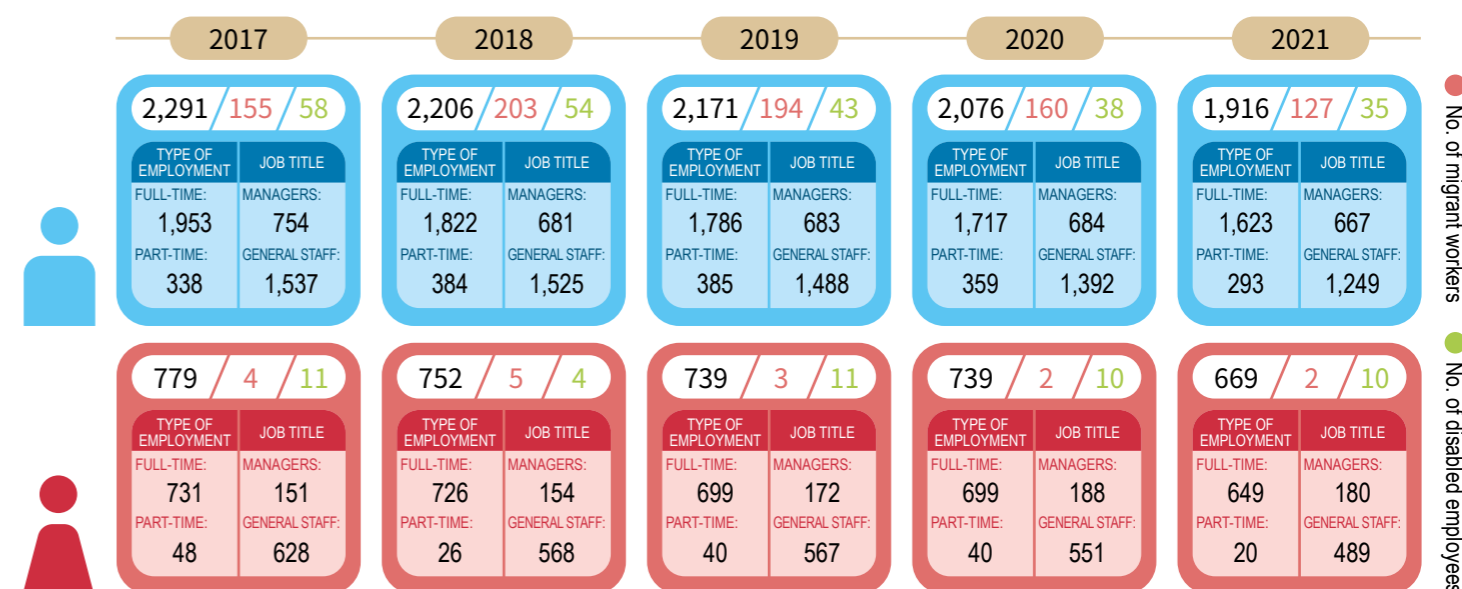


Figure 5.1-1 Percentages of local employee and migrant worker

Year		Younger than 30 years old		30~50 years old		Over 50 years old			Younger than 30 years old		30~50 years old		Over 50 years old	
		Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	Male	Female
2017	No. of Employees	279	112	1,342	460	670	207	No. of Managers	14	5	493	106	247	40
2018		273	105	1,289	439	644	208		8	6	448	105	225	43
2019		240	86	1,274	436	657	217		4	7	438	119	241	46
2020		209	78	1,218	436	649	225		4	7	438	130	242	51
2021		173	57	1,130	398	613	214		6	3	420	122	241	55
2017	Percentage of New Recruits (%)	5.80	1.27	4.92	1.30	0.94	0.16	Percentage of Employee Leaving (%)	4.72	0.85	6.25	1.50	2.54	0.75
2018		5.38	1.12	5.85	1.25	1.39	0.14		3.52	0.88	6.52	1.96	3.99	0.88
2019		2.58	0.62	5.12	1.65	1.48	0.34		2.58	0.69	5.81	2.41	3.26	0.69
2020		3.91	2.45	2.95	1.88	1.49	0.46		3.98	2.42	4.80	2.13	3.77	0.96
2021		1.90	0.46	2.28	0.89	2.13	0.15		2.28	0.85	5.38	2.48	6.34	1.47

Note: The retention rate of new recruits after the 3-month trial period is 84.16%.



Note: The members of senior managers (deputy plant/general manager and above) are all Taiwanese. There were 4 disabled employees who are in job title of managers in 2021 (0.50%).

Figure 5.1-2 Employee compositions (by genders)



### 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 emphasis 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 2021, 75.24% of employees are the members of labor unions (Figure 5.1-3).

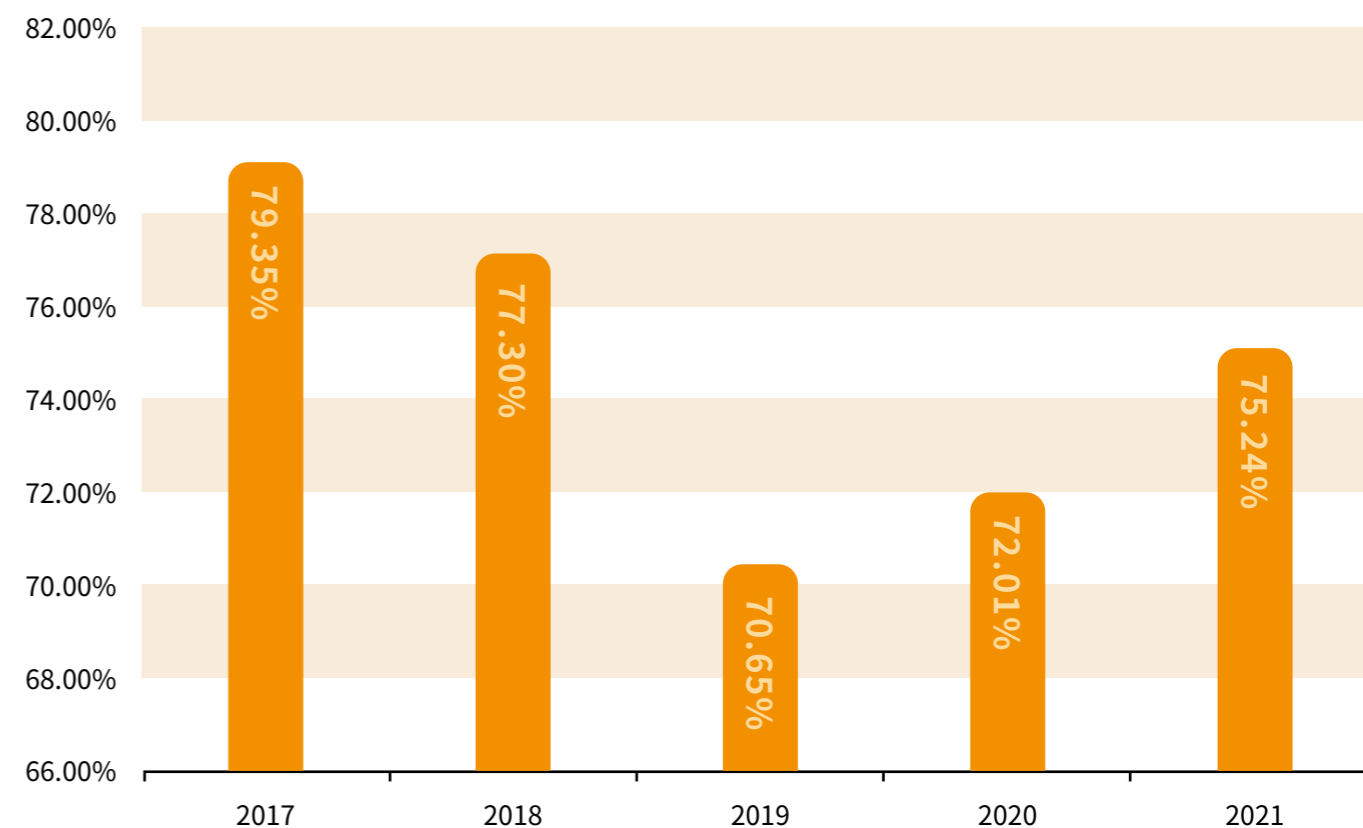


Figure 5.1-3 Percentage of employees who are labor union member

### 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 forced labor situation in 2021.

## 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.

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 2021.	2	10
	No. of employees that shall end parental leave in 2021.	2	5
	No. of employees who returned to work after parental leave ended in 2021.	1	3
	Return to work rate	50%	60%
Retention rate	No. of employees that applied and returned to work in 2020.	1	5
	No. of employees who returned to work after parental leave ended who were still employed 12 months after their return to work in 2020.	1	3
	Percentage of employees who returned to work after parental leave ended who were still employed 12 months after their return to work in 2020.	100%	60%

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

## 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 2021, 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.



Chartered train service for returning home during the Chinese New Year

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.

## 5.2 Good working conditions and career development

DMA		Market presence				
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary	Purpose of the management approach	Policies	Commitments	Goals and targets
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 select talents based on performance, and provide reasonable salary and benefits for employees.	Tatung Co. and its subsidiaries.	Performance disclosure is limited to Tatung Co.	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.	<ol style="list-style-type: none"> <li>1. Respect labor, protect labor rights, and fulfill social responsibilities.</li> <li>2. Tatung's labor management system must comply with labor-related laws and regulations and other requirements.</li> </ol>	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.	<p><b>Short-Term Targets:</b> Continue to ensure that the basic salary meets or exceeds the regulations.</p> <p><b>Mid-long Term Targets:</b> According to the strategic development direction, design a reasonable organizational structure and deploy talents of all levels.</p>
Responsibilities	Resources	Grievance mechanisms	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach
Building an equal workplace environment for equal pay for genders.	Tatung announces the appointment method of technicians and staffs with clearly statement of the initial salary standard internally.	Tatung has set up "Regulations of Processing Employees' Complaints" to quickly and satisfactorily handle disputes caused by the employees during their work.	<ol style="list-style-type: none"> <li>1. Optimizing the salary system to provide the best and most reasonable salary for the employees.</li> <li>2. Reviewing and revising the development of the company's business strategy, and recruiting suitable senior executives who meet the manpower needs.</li> </ol>	<ol style="list-style-type: none"> <li>1. The basic salary ratio of female employees to male employees.</li> <li>2. The ratio of each position to the legal salary.</li> <li>3. The proportion of senior managers who are hired from local.</li> </ol>	<p><b>Performances in 2021:</b></p> <ol style="list-style-type: none"> <li>1. 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 1:1.04; for staffs is from 1.25~1.50:1 based on different job types, specialty and qualifications.</li> <li>2. There are 69 senior managers (deputy plant/general manager and above) of the company are 100% Taiwanese.</li> </ol>	NIL

DMA Labor-management relations						
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary	Purpose of the management approach	Policies	Commitments	Responsibilities
Tatung upholds the corporate value – employee harmony to formulate work specifications, benefits, salaries, allowances, etc., in accordance to regulations and review employees’ performances year by year. Employees can get paid with reasonable compensation, so that all the employees can feel at ease and satisfied with their jobs.	Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co.	Provide employees and job seekers with a working environment that complies with laws and regulations, and take appropriate preventive, corrective, disciplinary and handling measures to protect the rights and interests of the parties, and continue to strive towards employee harmony.	Employees are one of the company’s important assets. Human rights, equality, and anti-discrimination are important core values in our labor policies.	Tatung’s labor and management relation is harmony. The employees and the company work together, coexist and prosper. The employees contribute to their own company and factory, and the employees and management are well coordinated.	<ol style="list-style-type: none"> <li>1. Establish and implement the protection system on the employees who make complaint.</li> <li>2. Establish a workplace that values human rights.</li> </ol>
Goals and targets	Resources	Grievance mechanisms	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach
<p><b>Short-Term Targets:</b> Through performance review to ensure that employees pay attention to correct performance projects and review the daily work performance to link with company strategies.</p> <p><b>Mid-Term Targets:</b> Giving rewards for outstanding personnel; coaching personnel with poor performance for improvement.</p> <p><b>Long-Term Targets:</b> Using long-term performance review system to identify potential talents, and link with promotion or salary adjustment.</p>	Relevant measures for gender equality are clearly defined within the Company Rules.	<ul style="list-style-type: none"> <li>● Tatung has “Chairman Mailbox” and “HR e-mail” for the employees to communicate with management level.</li> <li>● Organizing Labor-management Meetings to communicate with the employees and solve the problems.</li> <li>● Tatung has “Measure of processing employees’ complaints” and other practices in place for the employees to complain about any dispute and provides a channel to deal with.</li> <li>● HR is the unit responsible for re-appealing of labor incidents such as sexual harassment and labor relations cases.</li> </ul>	<ul style="list-style-type: none"> <li>● All departments use 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.</li> <li>● Employees have the right to apply for the parental leave and return to work after the expire of the parental leave in accordance to relevant regulations.</li> </ul>	<ul style="list-style-type: none"> <li>● Organizing Labor-management Meetings regularly or additional meetings when it is necessary.</li> <li>● Audit by the authorities.</li> </ul>	<p><b>Performances in 2021:</b></p> <ul style="list-style-type: none"> <li>● Held 12 Labor-management Meetings among 3 BUs; audited by the authorities 6 times; administrative penalty 0 time.</li> <li>● No. of significant labor-management disputes.</li> </ul>	NIL.

### 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 1:1.04; for staffs is from 1.25~1.50:1 (Figure 5.2-1) based on different job types, specialty and qualifications. In average salary, the female employee to male employee is 0.86~0.93:1 in 2021 (Figure 5.2-2); the average annual salary is NT\$730,052 and the median annual salary is NT\$645,306 for non-management employees<sup>1</sup> (2,572 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 2021 is 95.83%<sup>2</sup>.

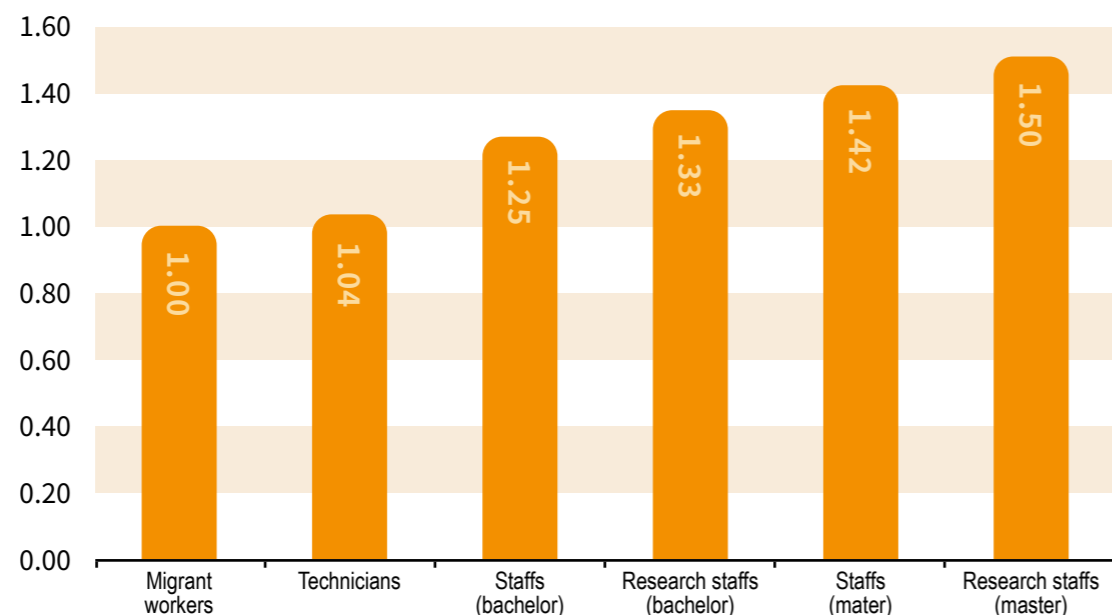


Figure 5.2-1 Ratio between basic salary and legal salary for different employment types

Note1: Directors and top level managers are not included.

Note2: Employees who were in probation period, leave of absence, and short-term contract were not included.

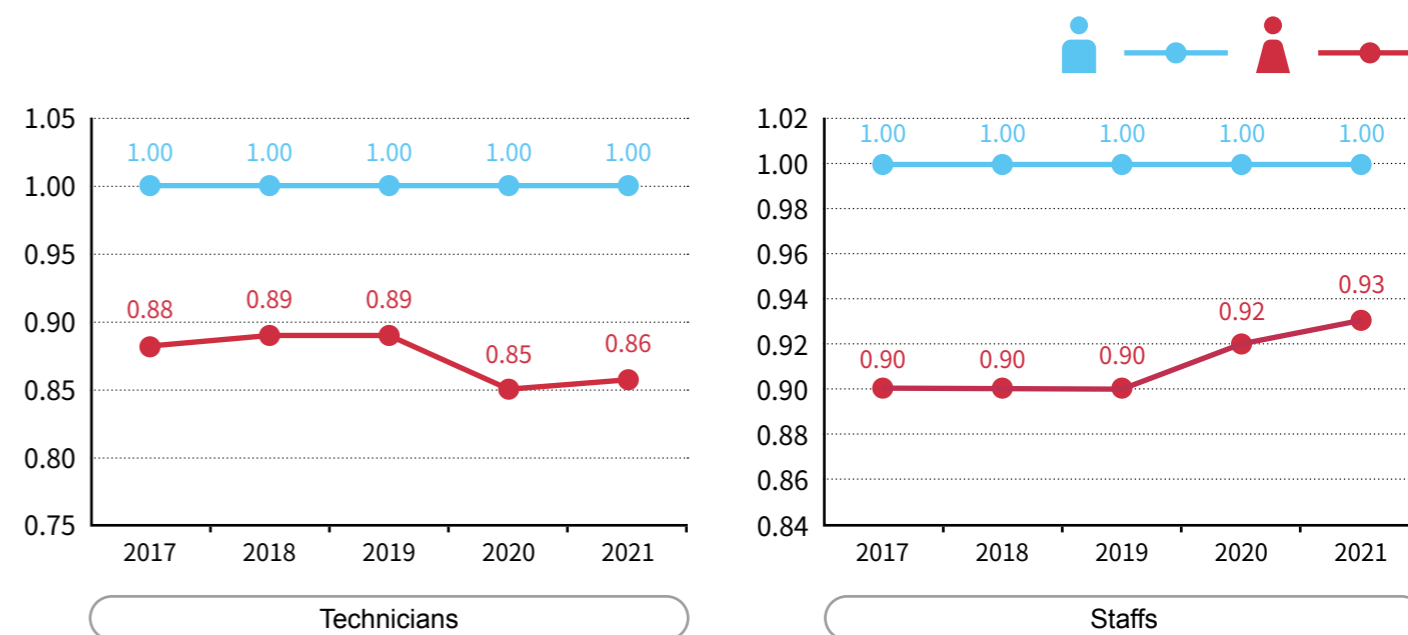


Figure 5.2-2 Salary ratio between female and male employees (by employment type)

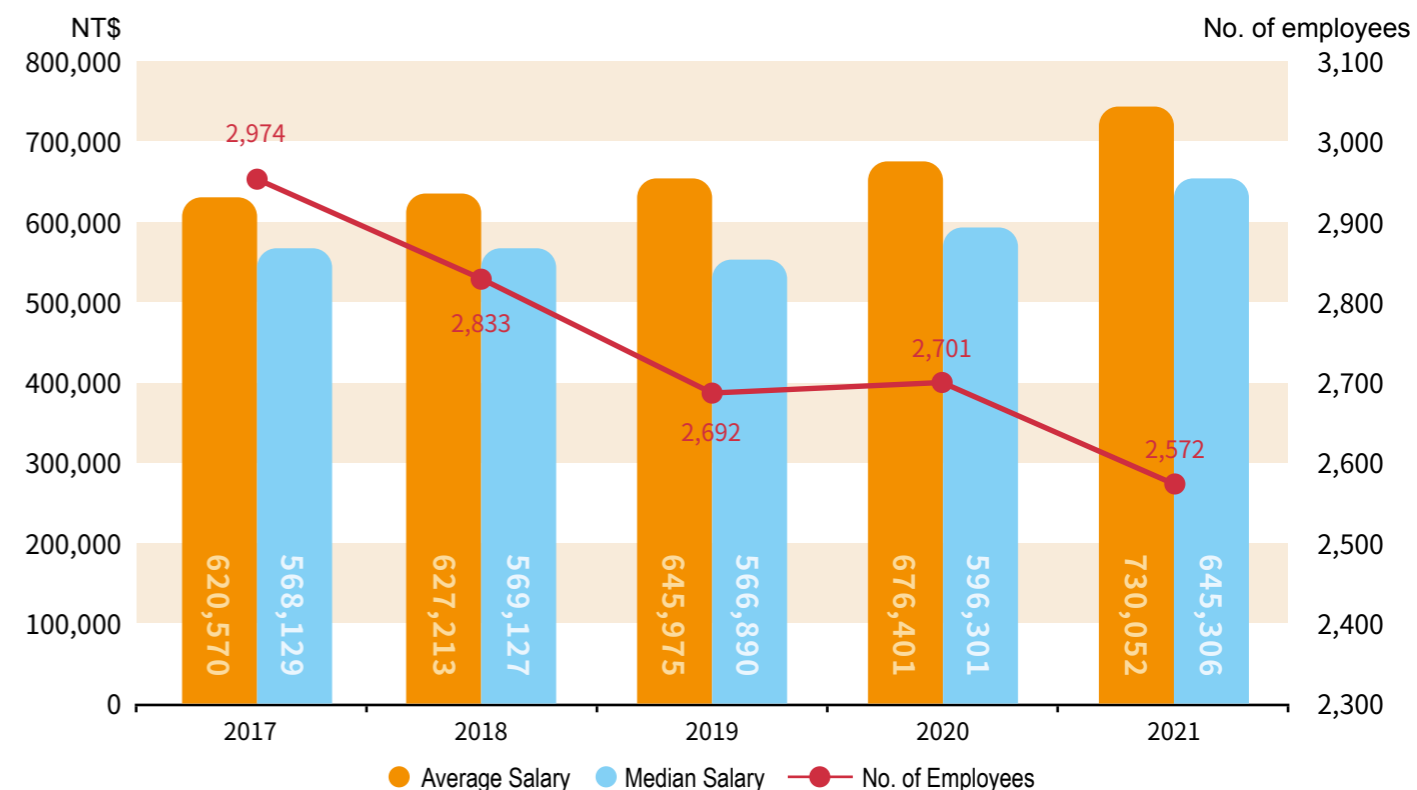


Figure 5.2-3 Number of non-management employees, average salary, and median salary

### 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. The cost of the pension contributions to the Labor Insurance Bureau for 2021 amounted to \$73,075 thousand.

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. As of December 31, 2021, Tatung’s contributions to the pension funds which amounted to \$1,411,473 thousand were deposited with Bank of Taiwan. For detailed post-employment benefits, please refer to Tatung 2021 Annual Report page 395~398.



### 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 2021.

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.

Table 5.2-1 The shortest notice period

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

## 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.



Education courses in season 4, 2021

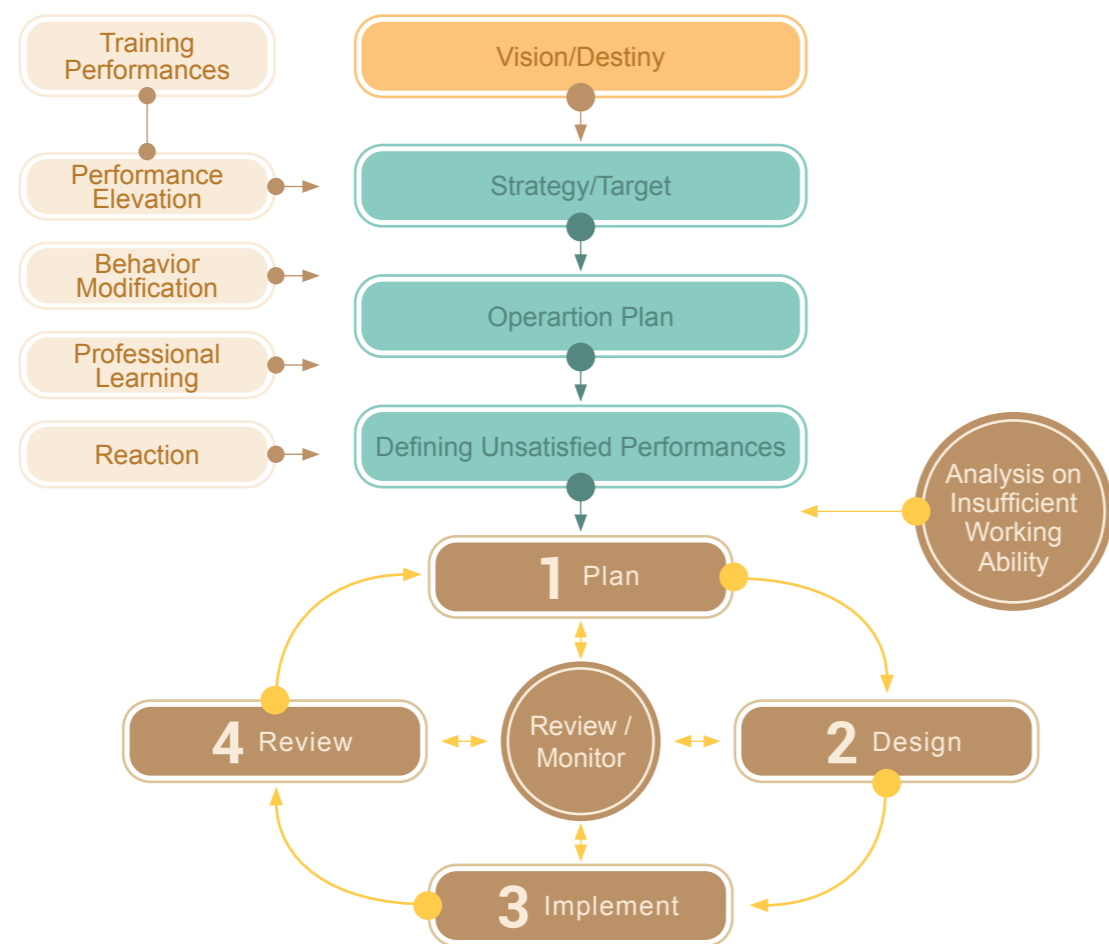


Figure 5.2-4 Tatung human resource strategic development system

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 2021, in addition to the professional courses offered by each BU, the H.Q., we have organized 28 general courses which covered from new recruits training, environmental protection, occupational health and safety, information safety, personal information protection, intellectual property and trademarks etc. For advanced courses we have organized 14 specialized courses in each field, 12 courses for managers (such as the reserved managers, supervisors, mid-level managers), and various of workshops and lectures.

In 2021, although the number of training hours was lower than previous years due to the severe COVID-19 and work-from-home measures, a total of 624 classes were still held, with a total training hours of 21,026 hours, and the average training hours per employee was 8.13 hours. The average satisfaction rate of personnel training is 92.40%.

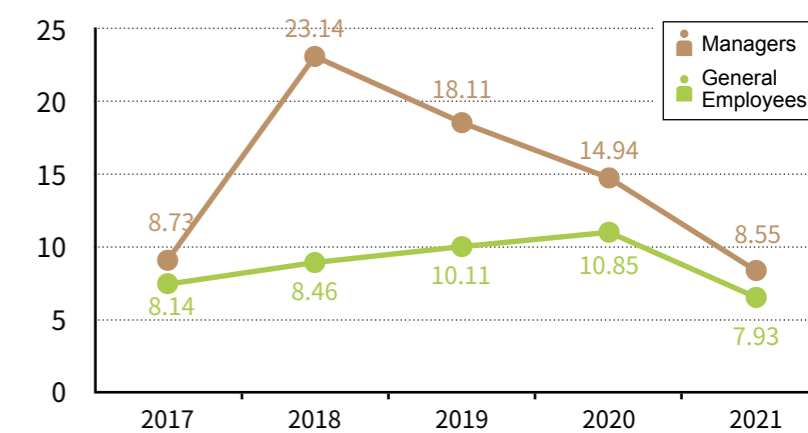
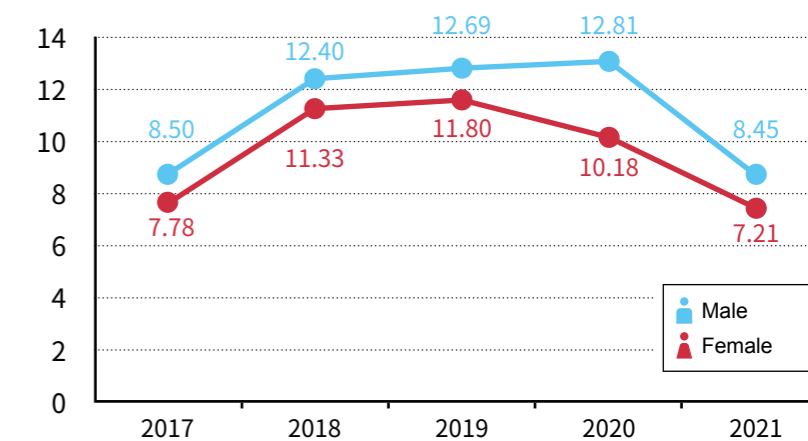


Figure 5.2-5 Training hours per employee

## 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 concreated 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

Tatung works with Health Center of Zhongshan District of Taipei City to organize Health examination fair on a yearly basis. In 2021, the specialists from Taipei City Hospital are invited to the company to do high blood pressure, hyperlipidemia and high blood sugar screening, oral cancer screening, cervical smear, breast cancer screening, colorectal cancer screening, and lung function testing. 131 employees participated in the fair. Tatung also arranges high-quality health check annually in order to find out any premature diseases and treat them in advance to protect employees' health.



### 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.

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. The implementation measures to counter Covid-19 are below:

- Depending on the situation of the pandemic, the emergency response team will hold meetings from time to time and record them.
- Before entering the company and the factories, everyone is measured the body temperature with far infrared rays and require to sterile hands with 75% alcohol and wear a mask.
- The daily body temperature must be declared on the company's internal website. The health center will follow up and care for abnormal reports.
- When employees have fever or acute respiratory symptoms, they are recommended to seek medical treatment and rest at home or work from home.
- Strengthen the promotion of personal protective measures, observe cough etiquette and keep hands clean and maintain good hygiene habits.
- Strengthen the environmental disinfection of public areas such as work areas, reception rooms, elevators, and restaurants and maintain indoor air circulation.
- Avoid large conferences and indoor activities where crowds gather.
- Guests, visitors, and manufacturers must fill in the health declaration form and measure their body temperature. If they have a travel history in the pandemic area and have a fever, they will be refused to enter the company and the factories.
- The employees returning to Taiwan or foreign customers entering the company or the factories must hold a negative PCR certificate within 3 days of the date of entry before they can enter.
- Provide the employees with the latest pandemic prevention information in real time on the internal website or by email.
- Check the inventory of anti-epidemic materials every month.
- Activate the zoning/diversion/work-from-home mechanism if necessary.
- According to the pandemic situation, the employees are prohibited from moving across factories or units.
- In line with the government's school suspension measures, "Epidemic Prevention and Care Leave" will be granted.
- Cooperate with the CDC to promote and encourage the employees to get vaccinated against the Covid-19.



YATUNG 聯人每日健康快報		姓名	職別	廠區	樓層	日期
姓名	職別	廠區	樓層	日期	健康狀況	備註
張三	工程師	台北廠	3樓	2021/10/26	良好	
李四	工程師	台北廠	3樓	2021/10/26	良好	

健康狀況：( ) 良好 ( ) 發燒 ( ) 咳嗽 ( ) 喉痛 ( ) 呼吸困難 ( ) 嗅覺/味覺減退 ( ) 其他症狀

備註：( ) 如有發燒、咳嗽、喉痛、呼吸困難、嗅覺/味覺減退等症狀，請即通知健康中心。

Body temperature declaration system on the company's internal website.



Promote Covid-19 pandemic prevention information by e-mail



Table 5.2-2 Health promotion and disease prevention activities in 2021

Time	Activities	Locations	Time	Activities	Locations
<b>ALL YEAR</b>	Covid-19 prevention measures promotion.	All company			
<b>1 Jan.</b>	Blood donation activities – 150 bags in total. Medical Skin Care Seminar Conduct special job health check.	H.Q. H.Q. MacKay Memorial Hospital	<b>9 Sept.</b>	<b>Ergonomics Hazard Prevention Program</b> Aiming at 80 employees to fill in the musculoskeletal symptom questionnaire, 5 employees with obvious symptoms were screened out, and the on-site occupational doctor was asked for evaluation. Health and safety education for new recruits Anti-smoking propaganda. <b>Blood Donations</b> - 78 bags in total. <b>Health Seminar</b> Communication Skills to Enhance Parent-Child Relationship to AI Generation. <b>Blood Donations</b> - 87 bags in total. Health check for cafeteria staffs	Taoyuan 1st Plant San-Hsia Factory San-Hsia Factory Taoyuan Wires & Cables Plant Tayuan Plant Tayuan Plant CH. Health Service
<b>3 Mar.</b>	CPR+AED and fire prevention training Health seminar – Noise hazard and prevention Blood donation activities – 68 bags in total. Noise tracking check Covid-19 prevention measures and tsutsugamushi disease promotion. Blood donation activities – 59 bags in total.	H.Q. Tayuan Plant San-Hsia Factory Taoyuan Wires & Cables Plant San-Hsia Factory Taoyuan Wires & Cables Plant	<b>10 Oct.</b>	<b>Blood Donations</b> - 96 bags in total. Health tracking and interview health education for abnormal values after health checkup. Stress relief activities. <b>Health Promotion</b> - Stroke	San-Hsia Factory San-Hsia Factory Taoyuan Wires & Cables Plant Taoyuan 1st Plant
<b>4 Apr.</b>	Health seminar – Stroke. Health Fair <b>Health Seminar</b> Health education promotion and CPR+AED. <b>Health Seminar</b> Health diet and weight control. Covid-19 prevention measures. Covid-19 prevention measures.	H.Q. H.Q. Tayuan Plant San-Hsia Factory San-Hsia Factory Taoyuan 1st Plant	<b>11 Nov.</b>	Conduct annual health check and special job health check. Influenza vaccination <b>Health Promotion</b> Relieve the pain of plantar fasciitis Influenza vaccination Influenza vaccination	Tayuan Plant Tayuan Plant Taoyuan 1st Plant San-Hsia Factory Taoyuan 1st Plant
<b>6 June</b>	Covid-19 prevention measures. Covid-19 prevention measures.	San-Hsia Factory Taoyuan 1st Plant	<b>12 Dec.</b>	<b>Health Seminar</b> - Metabolic syndrome. <b>Health Promotion</b> - Good things to keep warm during low temperature days. Conduct annual health check <b>Health Seminar</b> - Cardiovascular diseases. Conduct annual health check	Taoyuan Wires & Cables Plant San-Hsia Factory Taoyuan Wires & Cables Plant San-Hsia Factory Taoyuan 1st Plant
<b>7 July</b>	Promotion on COVID-19 vaccination operation, willingness registration and reservation system operation information.	San-Hsia Factory			
<b>8 Aug.</b>	Conduct annual health check and special job health check. Health and safety education for new recruits <b>Blood Donation Activities</b> - 134 bags in total.	San-Hsia Factory San-Hsia Factory H.Q.			

### 5.3 Health, safety, and disaster free

DMA Occupational health and safety						
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic Boundary	Purpose of the management approach	Policies	Commitments	
Practice occupational health and safety in the work places is Tatung's responsibility.	Tatung Co. and its subsidiaries.	Performance disclosure is limited to Tatung Co.	Implement occupation health and safety in the workplace.	Reduce occupational disasters and achieve the goal of "Zero Disaster".	Work hard to achieve the goal of "Zero Disaster".	
Goals and targets	Responsibilities	Resources	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach
<b>Short-Term Target:</b> 1. All 4 factories pass the ISO 45001 annual certification. 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.  <b>Mid-Long Term Target:</b> 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. Accident, Prevention, Pays Program. 2. Internal audit under Internal Control System.	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.	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.	<b>Performances in 2021:</b> 1. Factories with ISO 45001 passed annual certification. 2. The correction rate of Accident Prevention Pays Program is 100%. 3. FR is reduced by over 10%, however, SR for male employees is risen.	NIL

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 affecting 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.

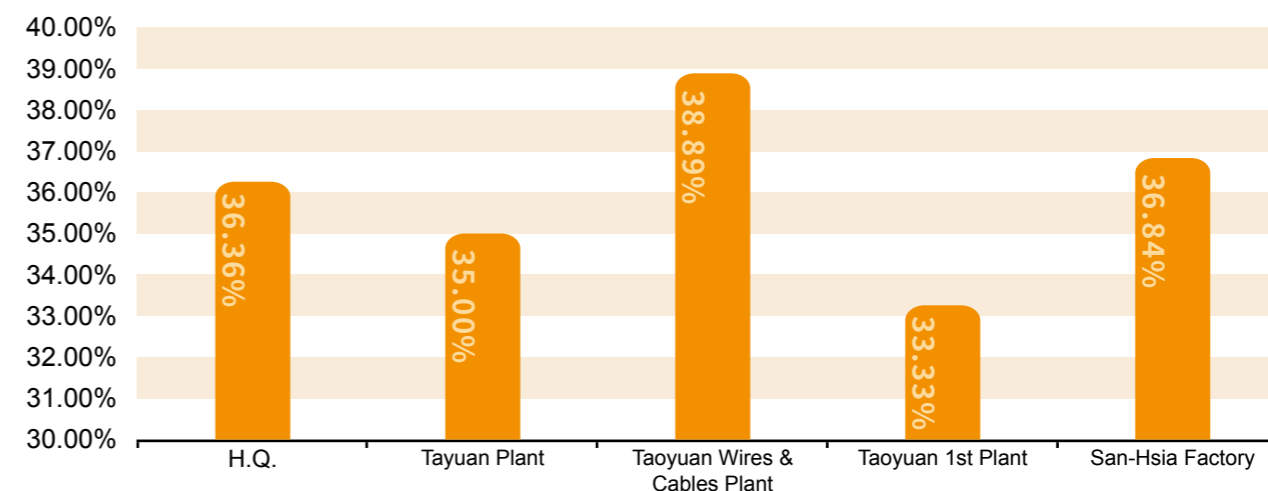


Figure 5.3-1 Percentage of labor representatives in Health and Safety Committees

## 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 factories have established ISO 45001 and passed the certification. San-Hsia Factory has also established CNS 45001 (TOSHMS) and passed the certification. Table 5.3-1 shows the status of occupational health and safety management systems.

	Name of management systems.	The percentage of all employees covered by management systems	The percentage of workers who are not employees* covered by management system	Effective and expiry date
Tayuan Plant	ISO 45001	100%	0%	2020.08.10 ~2023.08.09
Taoyuan Wires and Cables Plant	ISO 45001	100%	0%	2020.07.09 ~2023.07.08
Taoyuan 1st Plant	ISO 45001	100%	0%	2022.03.04 ~2025.03.03
San-Hsia Factory	ISO 45001	89.22%	10.78%	2020.01.09 ~2023.01.09
	CNS 45001 (TOSHMS)			2020.01.09 ~2023.01.08

Note: Workers who are not Tatung's employees but whose work and/or workplace is controlled by Tatung.



San-Hsia Factory ISO 45001 certificate



Taoyuan 1st Plant ISO 45001 certificate

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.

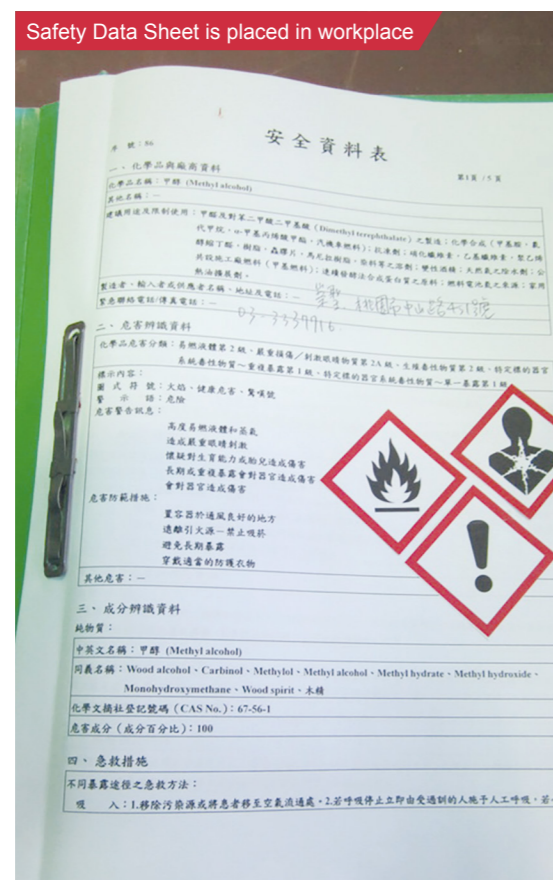
Tatung has set the target of non-conformities improvement rate over 95% from Accident, Prevention, Pays Program onsite audit. For the items that have not been improved in the current year, we will continue to track them and list them as non-conformities in the next year's evaluation. 64 non-conformities were found in 2021's Accident, Prevention, Pays Program on-site audit. The non-conformities were mostly due to imperfect prevention measures for electric shock disasters, lack of shields or covers on the mechanical equipment which has risk of coiling hazards, and or failure of fire evacuation and emergency response equipment. By the end of 2021, all the non-conformities have been corrected and the target has been achieved. For 2022's Accident, Prevention, Pays Program, we will not only continue to check the compliance with the occupational health and safety laws, but also strengthen the protection measures for workers' physical and mental health, as well as the implementation of the monitoring plan for the working environment of workers, and the enhancement of workers' health implementation service plans.



### 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.

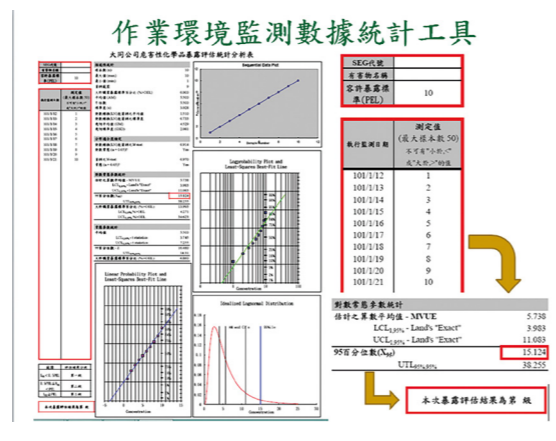
In addition, in order to let the employees to correctly understand the hazard information of chemicals, Tatung has established a "Hazard Communication Program". For containers containing hazardous chemicals, they are labeled classification, hazard diagrams and formats, and added hazard warning messages 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.



Safety Data Sheet is placed in workplace



The labeling of containers with hazardous chemicals



Tatung chemical grading evaluation table

### 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. The 2021's seminar publicized the key points of the amendments of the occupational health and safety regulations and the implementation measures for the protection of female labor motherhood.

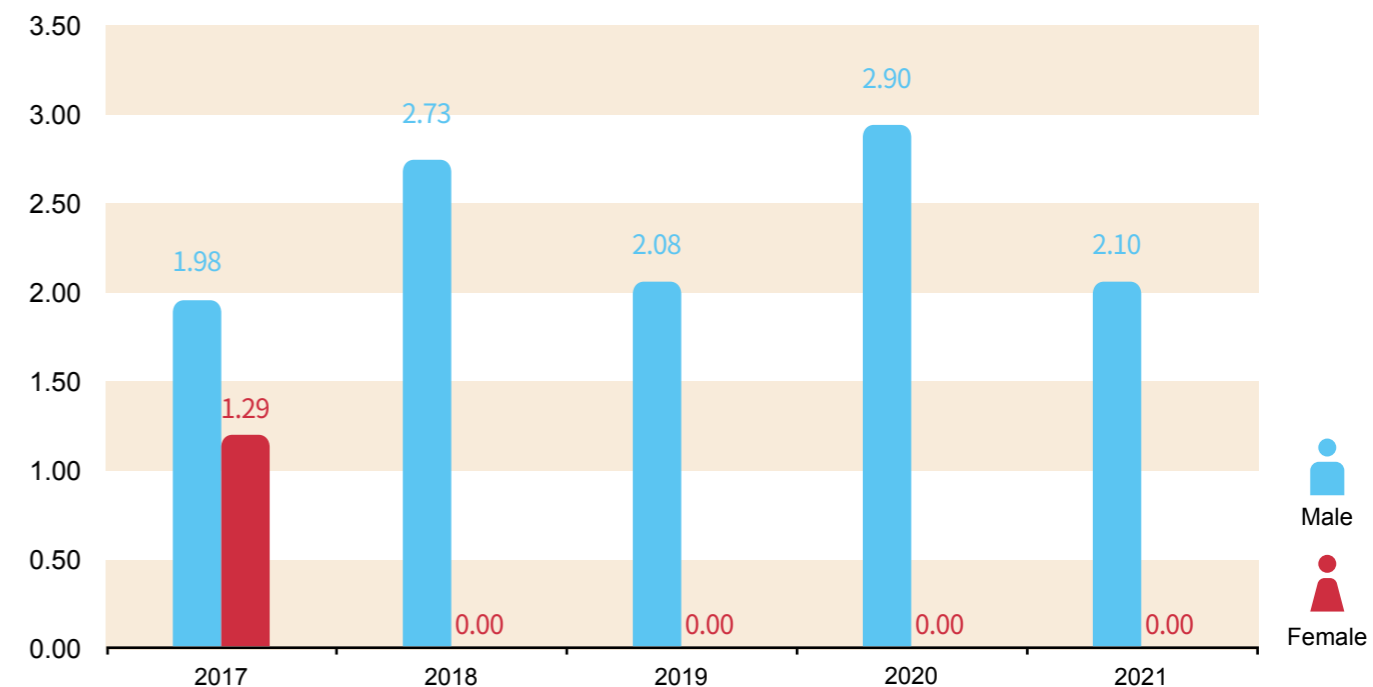
Topics	2018 No. of participants	2019 No. of participants	2020 No. of participants	2021 No. of participants	2022 Target numbers
Health and Safety Training Class (general employees and managers)	1,226	1,239	1,046	662	850
Emergency Training Class	1,121	1,163	913	526	600
Stationary Cranes Training Class (including re-training)	69	351	158	0	340
Health and Safety Training Class (construction contractors)	16	16	20	12	20
First-Aid Class (including re-training)	11	125	93	27	60
Forklifters Training Classes (including re-training)	110	134	100	42	60
Training Class for Preventing Workplace Violence	66	342	131	137	100
Occupational Health and Safety Business Supervisor Training Class	0	0	20	60	40

### 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 2021, there was no occupational disease case and death incident; however there was 1 non-compliance and fined NT\$60,000. The reason for the non-compliance was that when the employer made workers perform the operation with the risk of oxygen-deficiency, the workers entering and leaving the site should be confirmed or registered by name. The non-compliance has 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.

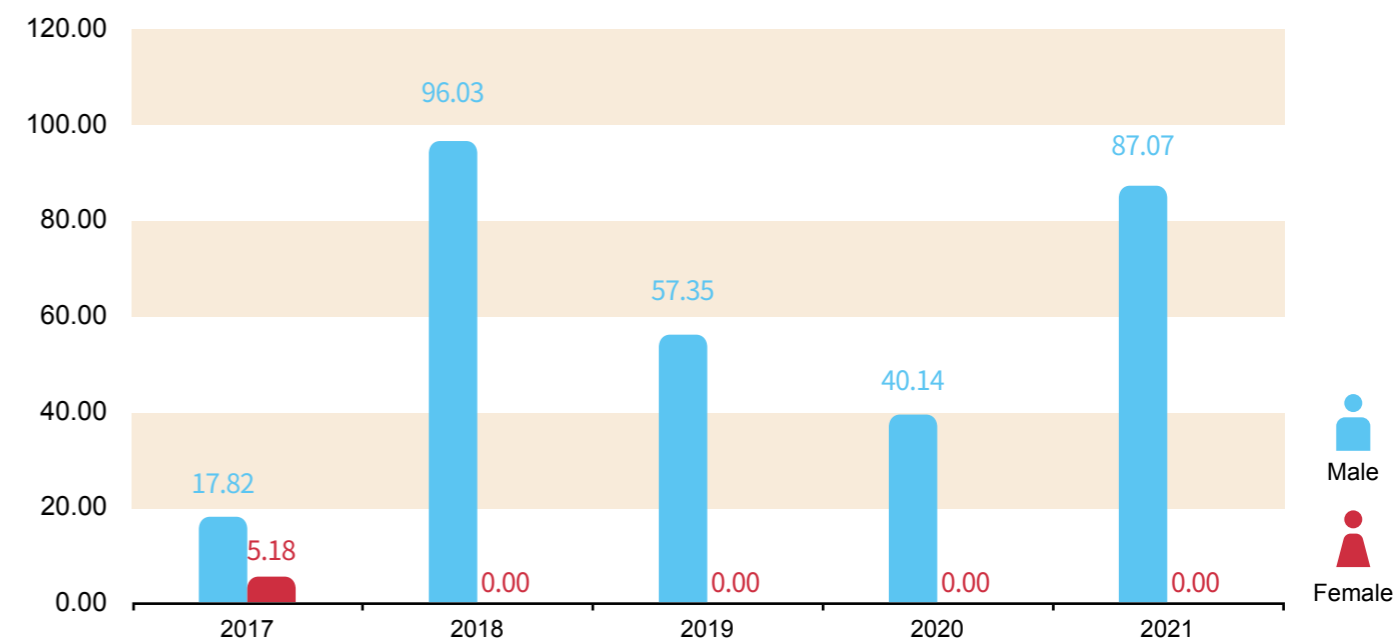
In terms of health and safety indicators, from Figure 5.3-2 and Figure 5.3-3, it can be found that female employees have not experienced occupational accidents for 4 consecutive years, and the Disabling Frequency Rate (FR) for male employees in 2021 is lower than in 2020. However, the Disabling Severity Rate (SR) is increased. The main reason is that a male employee had a traffic accident while going out to have lunch, resulting in intracranial hemorrhage and more days of recuperation. In terms of workers who are not employees, there was no occupational accidents in 2021.

In 2021, Tatung has achieved the target of reducing the FR by 10% per year, but the SR has not reached the target. We will continue to strengthen the traffic safety advocacy and request 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

## 5.4 Participation and benefits to the society

### Supporting in traditions and arts

As a local corporation, Tatung supports Taiwanese traditional craftsmanship. Tatung has been collaborated with Mr. X. F. Hong, a renowned master of paper carving art, in bringing the art into the creation of Tatung Boy Chinese Zodiac lanterns. The year of 2021 marked the 10th consecutive year for such sponsorship. The hand-held paper-carving lanterns were allocated to Tatung 3C's stores given free to the consumers as a collector's item for Tatung brand.



Tatung Boy Chinese Zodiac lanterns

### Help the disadvantaged and achieve social justice

Tatung attaches great importance to education. In 2021, it responded to the "Vulnerable Children Scholarship Program" of the Taiwan Fund for Children and Families. With NT\$ 100 per person, children can go to school safely and have their dreams. The corporate totally fundraised NT\$359,500 and donated to TFCF; Tatung and Tatung 3C together donated inverter washing machine to "Holy Word Children's Home", so that the children of the organization can replace the old machines with a long service life and improve a safe and comfortable living environment; Tatung has always been committed to public welfare. In 2021, Tatung Employee Welfare Committee continued to order the "Biscuit Gift Box" from Children Are Us Foundation as a gift for employees during the Mid-Autumn Festival, which not only benefits the recipients, but also gives full play to the kindness and righteousness of Tatung employees. Tatung also won "No. 1" organizations and companies that support the purchase of sheltered workshops by Taipei City Foreign and Disabled Labor Office.



Tatung received the gratitude certificate from Children Are Us Foundation



Tatung received the gratitude certificate from Taiwan Fund for Children and Families



Tatung donated home appliance to Holy Word Children's Home



CH 6

# Sustainable Environment

## ENVIRONMENTAL MANAGEMENT & 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 environmental regulation remains 0.

### PERFORMANCE IN 2021

1. Correction percentage was 92.2% and the target was not achieved.
2. All the factories' ISO 14001 passed annual certification.
3. Zero violation against environmental regulations.

## ENERGY AND GHG MANAGEMENT

Energy intensity of represented products in 2023 will be 6% less than in 2018 and 1% less than the previous year.

### PERFORMANCE IN 2021

4 out of 7 represented products have met the target. The target achieve rate was 57.14%.

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.

### PERFORMANCE IN 2021

Tayuan Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory have passed ISO 50001 annual certification.

Energy saving rate will be at least 1% in the headquarters and the factories from 2019~2022.

### PERFORMANCE IN 2021

The average energy saving rate in the factories and the headquarters was 2.26%.

Carry out ISO 14064-1 GHG inventory.

- Short-Term: Carry out GHG inventory based on ISO 14064-1 every year among all company.
- Mid-Long Term: Carry out GHG inventory every year among the company and the subsidiaries since 2025.

### PERFORMANCE IN 2021

Completed ISO 14064-1 GHG inventory (year 2020) 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.

### PERFORMANCE IN 2021

Compared with 2020, the amount of wastes was 14.66% increased, which failed to meet the target.

## GREEN PRODUCTS MANAGEMENT

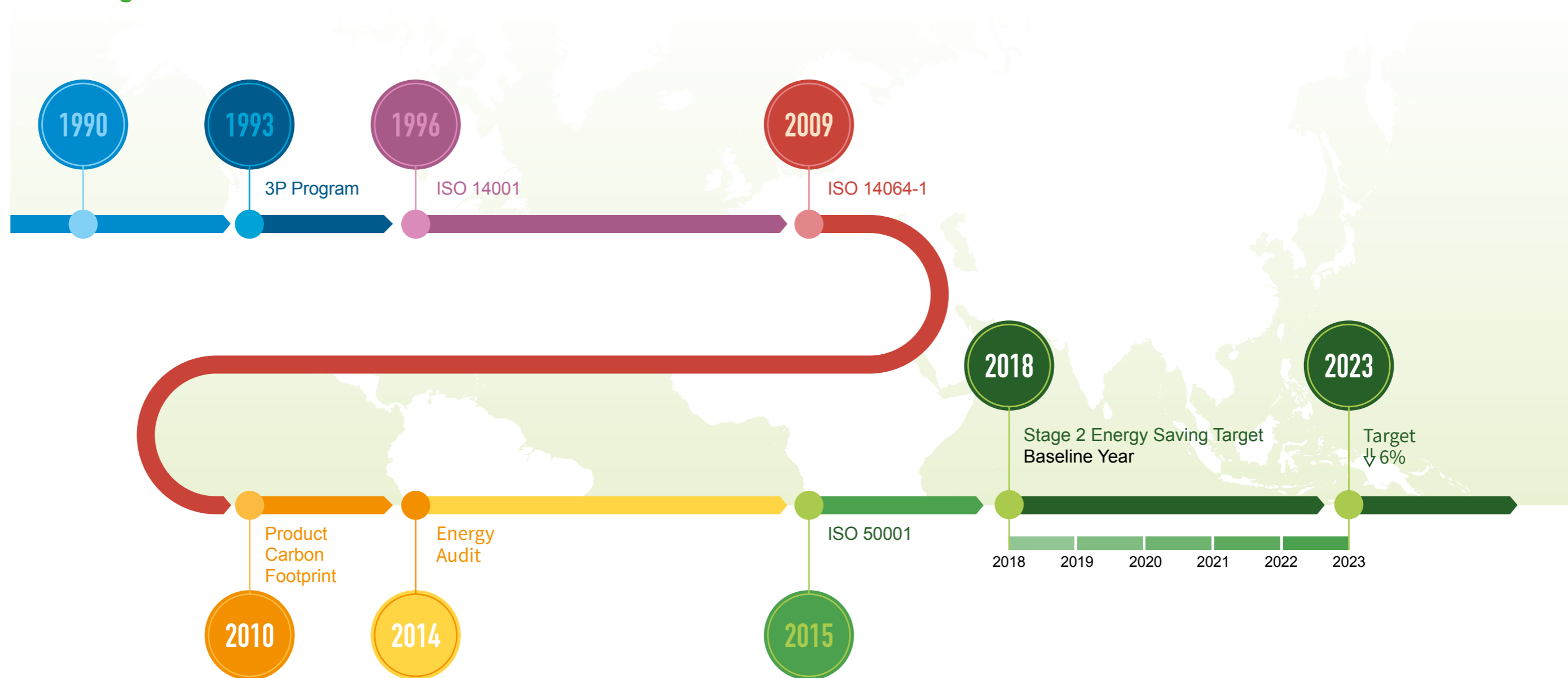
### TARGETS

1. Continue to seek for PV system cases and aim to have 312 MWp capacity by then end of 2022.
2. Continue to produce environmental friendly, energy saving, and water saving products and apply for Green Mark, Energy Label, or Water Label.

### PERFORMANCE IN 2021

1. The total installed capacity was 211 MWp by the end of 2021.
2. New applied Green Mark: 13 models,  
Energy Label: 99 models,  
Water Label: 8 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.

Tatung environmental management roadmap



### 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 2021 (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 2021, there were 64 non-conformities that are requested to be corrected and 59 of these have been corrected by the end of year. The correction rate was 92.2% and did not meet the target.

Aspects	Measures	Descriptions	Performances
Product design 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 2021, we acquired Green Mark: 13 models; Energy Label: 99 models; Water Label: 8 models.
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 2021, 75.59% of industrial wastes were reused.
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 92.2% in 2021.

### 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. Table 6.1-2 shows the implementation status of ISO14001 in the factories.

Factories	Implementation year	Effective and expiry date
Tayuan Plant	1998	2020.08.10~2022.08.05
Taoyuan Wires and Cables Plant	2000	2021.09.17~2024.09.16
Taoyuan 1st Plant	1998	2019.09.01~2022.08.31
San-Hsia Factory	1999	2020.09.05~2023.09.05

### 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 addition, we implement mechanisms such as ISO 14001, internal control system on-site audit, and 3P Program on-site evaluation in the factories (Figure 6.1-1), in result, there was no incident of violation of regulations and significant spill in 2021.

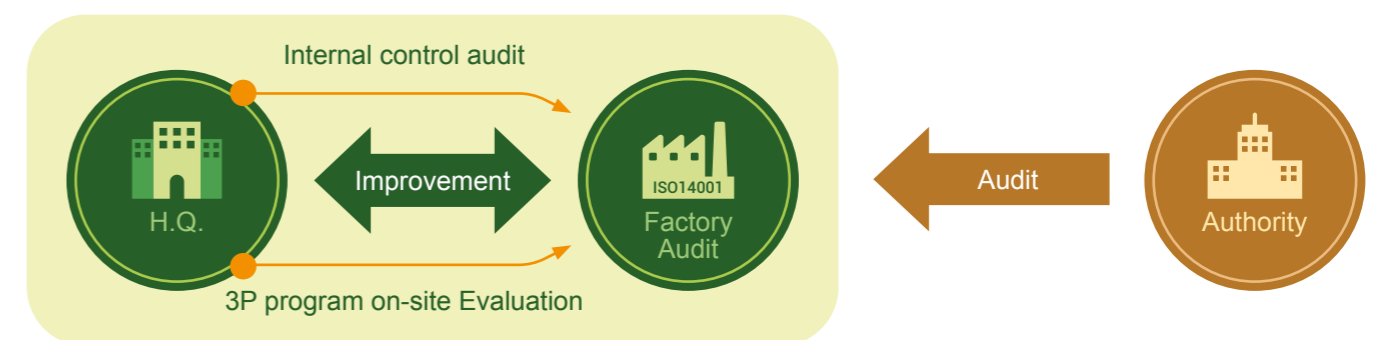


Figure 6.1-1 Measures practiced to ensure the compliance

## 6.2 Energy consumption and GHG management

DMA → Energy consumption and GHG management					
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic boundary	Purpose of the management approach	Policies	Commitments
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.	Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co.	Reduce energy consumption and GHG emissions.	Actively promote environmental protection, energy saving and carbon reduction to reduce the impact to the environment.	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.
Goals and targets	Responsibilities	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach
<p><b>Short-Term Targets:</b></p> <ol style="list-style-type: none"> <li>1. Use ISO 14064-1: 2018 to carry out GHG inventory since 2022.</li> <li>2. Implement ISO 14064-1 in H.Q., Tayuan Plant and Meter Center.</li> <li>3. Factories with ISO 50001 pass annual certification.</li> <li>4. Energy saving rate will be at least 1% each year in the headquarters and the factories.</li> </ol> <p><b>Mid-Term Targets:</b> Energy intensity of represented products in 2023 will be 6% less than in 2018.</p> <p><b>Long-Term Targets:</b> Implement ISO 50001 in Taoyuan 1st Plant and pass certification.</p>	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.	Annual energy audit.	Tracking energy intensity status through the annual energy audit.	<p><b>Performances in 2021:</b></p> <ol style="list-style-type: none"> <li>1. Completed ISO 14064-1 GHG inventory (year 2020) and passed the verification for Taoyuan Wires and Cables Plant, Taoyuan 1st Plant, and San-Hsia Factory.</li> <li>2. Tayuan Plant, Taoyuan Wires and Cables Plant, and San-Hsia Factory have passed ISO 50001 annual certification.</li> <li>3. 57.14% of the represented products have met the energy intensity target.</li> <li>4. The average energy saving rate in the factories and the headquarters was 2.26%.</li> <li>5. Tayuan Plant won “Energy Conserving Award – Gold Award” by Bureau of Energy.</li> </ol>	NIL.

### 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 2021 is 162,181.34 GJ. The details are shown on Figure 6.2-1 and Figure 6.2-2. The most consumed energy in 2021 was purchased electricity and the amount was 138,812.36 GJ (85.59%) which equaled to 38,558.99 kkw-hr; followed by Diesel with 12,218.98 GJ (7.53%) which equaled to 348 kL. The total amount of energy consumption in 2021 was 1,588.89 GJ less than in 2020, which was 0.97% reduction.

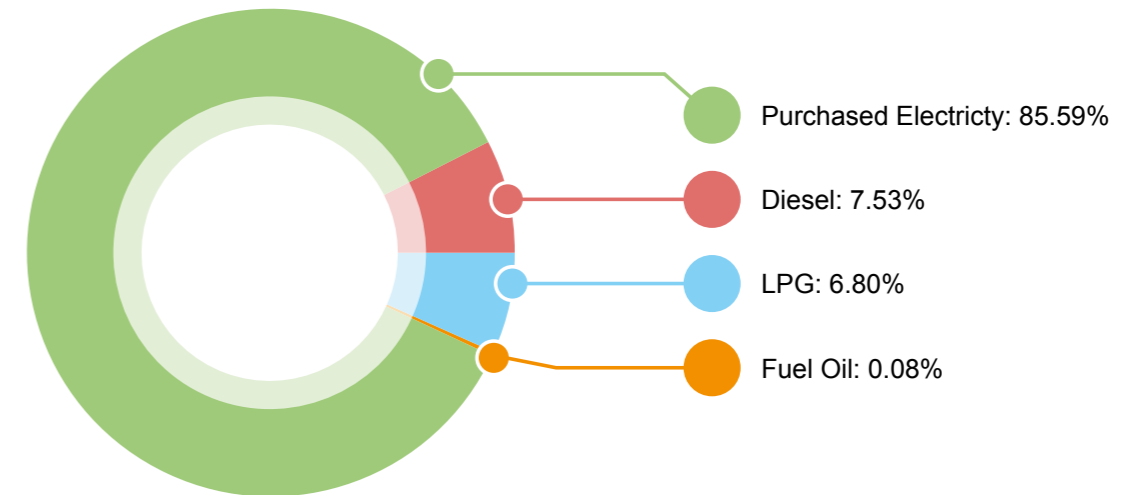
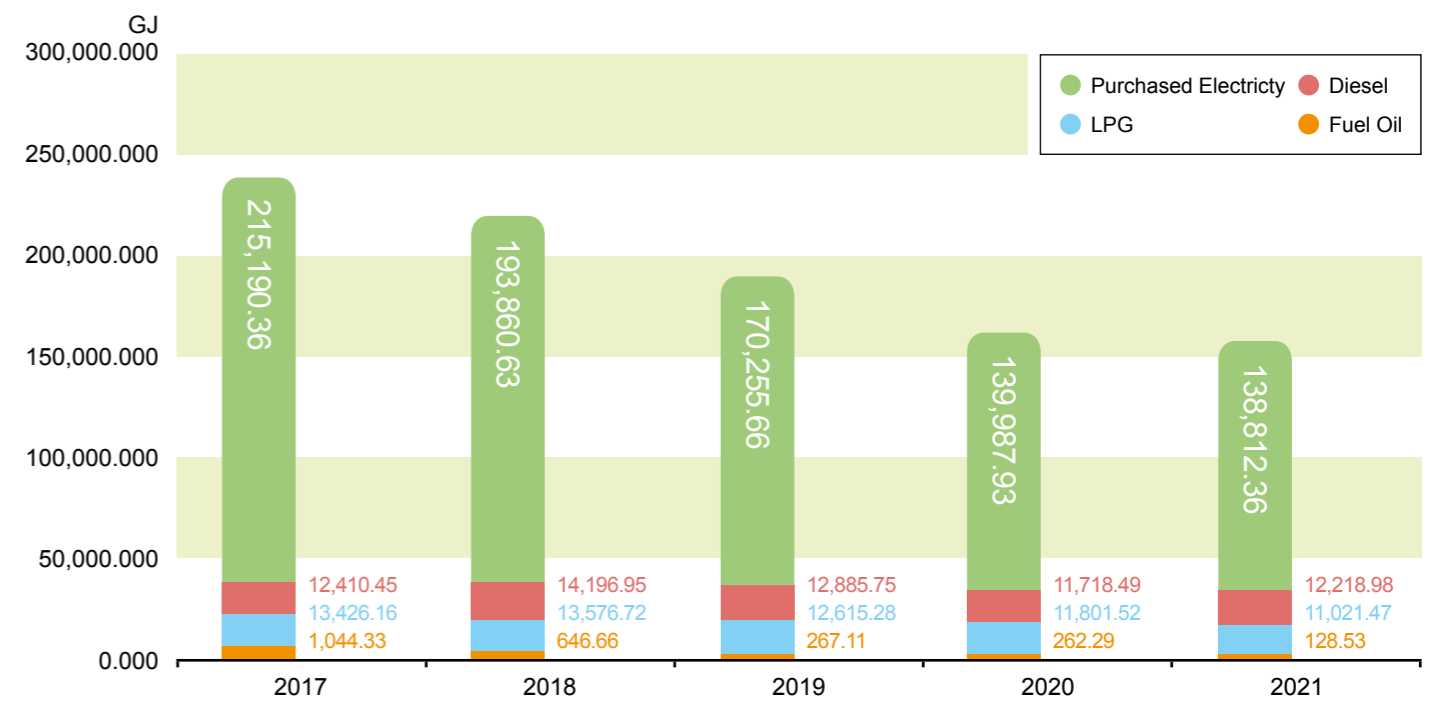


Figure 6.2-1 Energy consumption breakdown in 2021 (by energy types)



Note: The energy data in 2020 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 2021 was collected based on the same method however has not been verified yet. The energy data from H.Q., Tayuan Plant, and Meter Center 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. From 2022 onwards, we have begun to work out the greenhouse gas emissions of the H.Q., Tayuan Plant, and Meter Center in accordance with ISO14064-1, and have a complete grasp of the company's greenhouse gas emissions.

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 H.Q., Tayuan Plant, and Meter Center have not implemented ISO14064-1, the GHG emissions (Types of GHG: CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O; 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 2020 can be found in Annex 4 or MOP. The total GHG emission in 2021 was 20,973.13 tons CO<sub>2</sub>e (Figure 6.2-3) which is 186.34 tons CO<sub>2</sub>e (0.09%) reduction than in 2020. The emissions from Scope 1 (diesel, LPG and fuel oil) were 1,616.52 tons CO<sub>2</sub>e, and from Scope 2 (purchased electricity) were 19,356.61 tons CO<sub>2</sub>e (Figure 6.2-4).

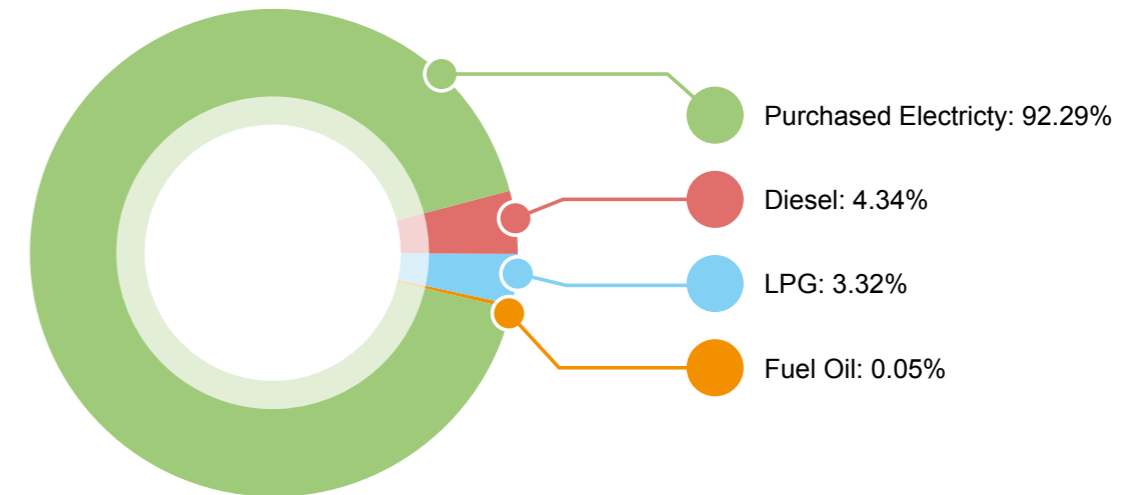
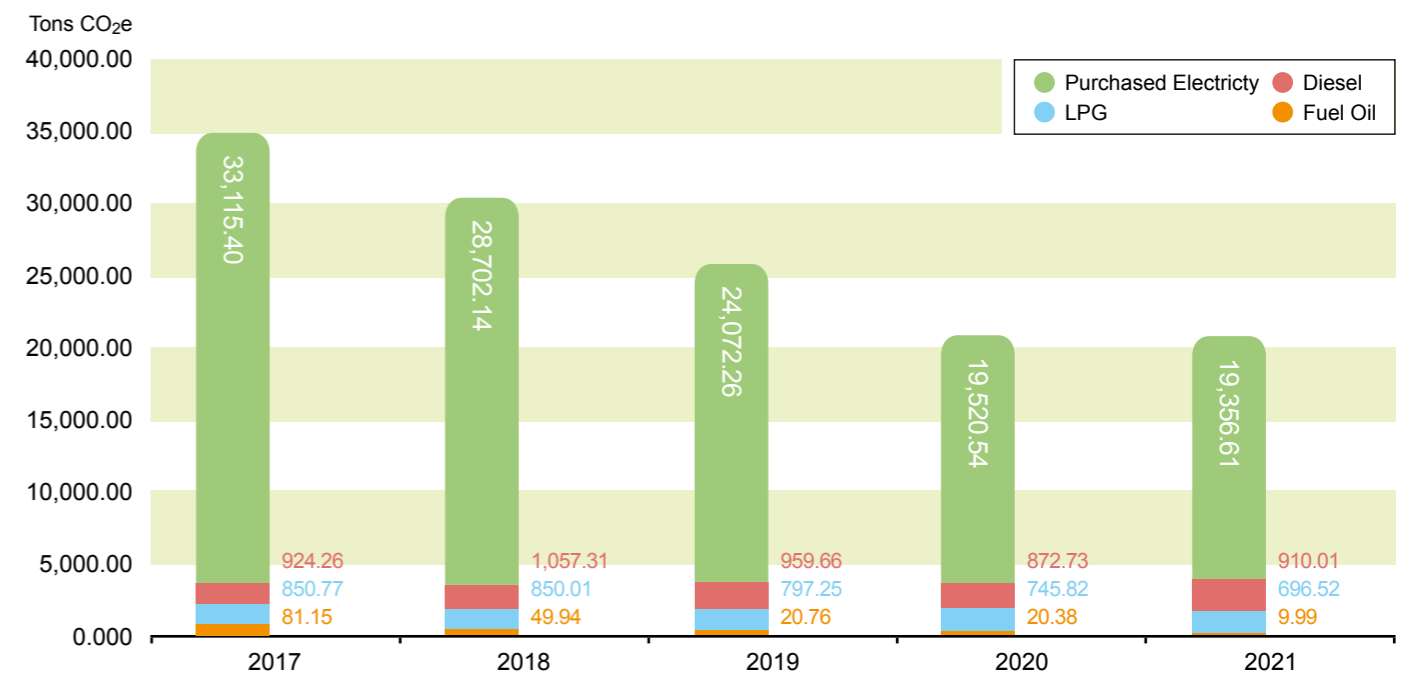


Figure 6.2-3 GHG emission percentage in 2021 (by sources)



Note: 1. The energy data in 2020 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 2021 was collected based on the same method however has not been verified yet. The energy data from H.Q., Tayuan Plant, and Meter Center was collected from power bills and other energy receipts. 2. This report also modified the emission factor of electricity for year 2020 (0.502 kg/kwh) and use that emission factor to calculate GHG emission for year 2021 due to the authority has not released the latest emission factor before the publishing date of this report.

Figure 6.2-4 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 2021, Tatung reduced about 969,514 kwh of purchased electricity consumption via 4 dimensions (Table 6.2-2) which equals to 3,490.25 GJ. The saved electricity contributed as much as 486.70 tons CO<sub>2</sub>e reduction. Figure 6.2-5 shows carbon reduction results for the past 5 years.

Factory	Implementation year	Effective and expiry date
Tayuan Plant	2016	2020.01.05~2023.01.05
Taoyuan Wires and Cables Plant	2016	2020.01.13~2022.12.27
San-Hsia Factory	2015	2021.12.24~2024.12.24



Tayuan Plant  
ISO 50001 certificate



Taoyuan Wires and Cables  
Plant ISO 50001 certificate



San-Hsia Factory  
ISO 50001 certificate

Energy saving projects (by categories)	Amount of electricity saved (kwh)	Amount of electricity saved (GJ)	GHG reduction (tons CO <sub>2</sub> e)
Optimized manufacturing process to reduce operation time.	335,262	1,206.94	168.30
Replaced with higher energy efficient and energy saving equipment.	479,891	1,727.61	240.91
Centralized operating areas and shut down unnecessary air conditioners and lightings.	50,034	180.12	25.12
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.	104,327	375.58	52.37
<b>Total</b>	<b>969,514</b>	<b>3,490.25</b>	<b>486.70</b>

Note: 1 kwh of electricity emits 0.502 kg CO<sub>2</sub>e.

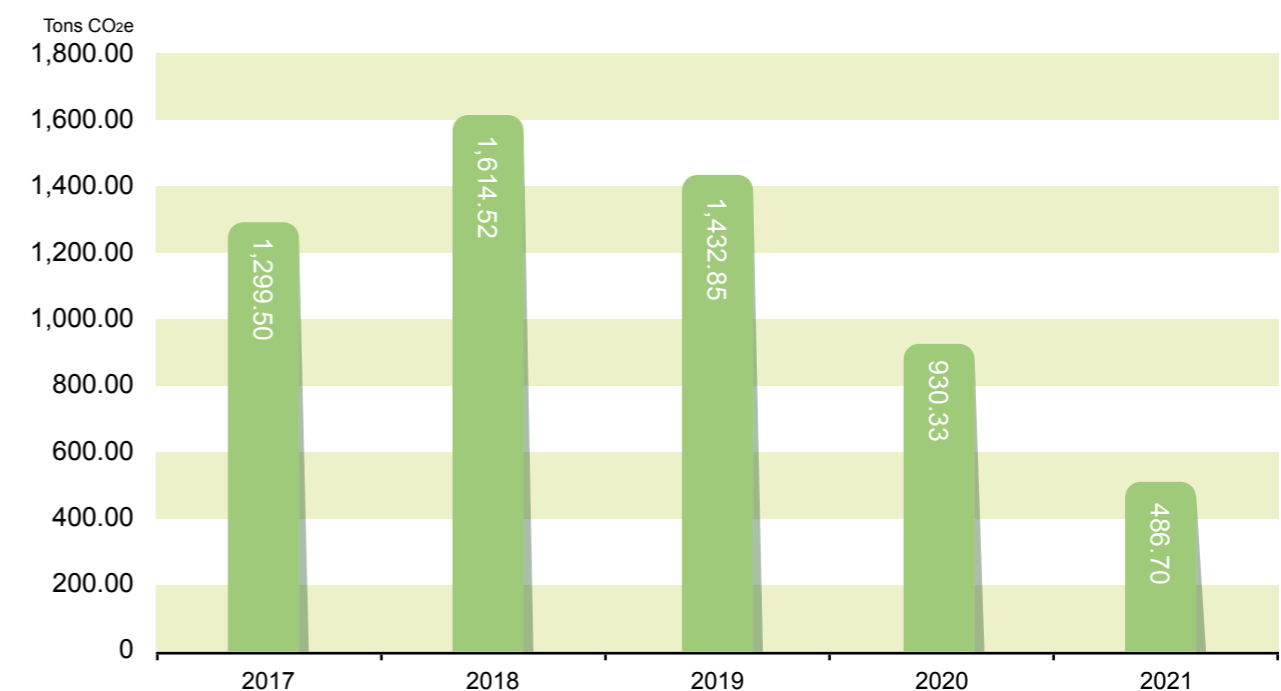


Figure 6.2-5 Amount of GHG reduction

The energy intensity of represented products in 2021, 4 of the 7 represented products reached the target of reducing energy intensity by 3%, 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 Power cable.

The energy intensity of Tatung's operations is shown in terms of revenues; the energy intensity in 2021 is 1,002.60 GJ/100 million dollars. In terms of electric saving rate, the individual electric saving rate of the H.Q. and all factories exceeds 1%, and the average electric saving rate of the whole company is 2.26%, which has achieved the target. The summary of our energy saving plan in 2022 is as follows:



Tayuan Plant will introduce the temperature monitoring of ice water and cooling water for the 300RT ice water host group of the central air-conditioning system, and use the data of the temperature difference between the inlet and return water to establish an energy baseline, and effectively find the idle/heavy load period of the equipment to adjust the cooling temperature to achieve the maximum power saving on factory air conditioners. To promote energy conservation and carbon reduction, the Ministry of Economic Affairs will hold the "2022 Ministry of Economic Affairs Energy Conserving Award Seminar" to cultivate energy conservation technology personnel to serve the industry's energy conservation solutions, and through energy conservation experience sharing and on-site case observation will help the visiting companies to achieve the target of saving 1% of electricity.



In order to increase production capacity and achieve the effect of saving electricity, the 100B collecting machine and the CCV3 extruder in the wire and cable manufacturing process will be replaced this year. The new mold set will improve product yield, maintain quality and reduce the number of reworks and material waste. The load capacity will be re-planned to reduce excess horsepower. High-efficiency motors and inverters will be purchased and installed. It is estimated that 420,000 kWh of electricity can be saved per year. In response to the "Renewable Energy Development Act", major electricity users are requested to set up renewable energy for their own use. It is expected to complete a nearly 500kW photovoltaic system within three years and working with the government and other corporates to reduce carbon emissions.



A set of 5,000KVA high-voltage transformers will be replaced to conserve electricity. The lighting, 200 mercury lamps (500W), in the production area, testing area and assembly area of motor products have been replaced with LED energy-saving lamps. Such improvement can not only reduce electricity from air conditioning but also reduce peak demand by about 50kW or more.

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	Energy intensity in 2021	Target achievement status in 2021 (↓ 3%)
Motor/Generator	51.8 MJ/HP	48.45 MJ/HP	42.25 MJ/HP	39.75 MJ/HP	✓
Electric cooker	35.22 MJ/Unit	34.03 MJ/Unit	34.31 MJ/Unit	33.44 MJ/Unit	✓
Commercial air conditioner	55.78 MJ/KW	53.05 MJ/KW	40.14 MJ/KW	42.85 MJ/KW	✓
Transformer/Switchgear	7,389.51 MJ/MVA	7,257.80 MJ/MVA	8,057.57 MJ/MVA	9,059.99 MJ/MVA	✗
Watt-hour meter (Mechanical and digital)	8.85 MJ/Unit	7.40 MJ/Unit	7.33 MJ/Unit	6.61 MJ/Unit	✓
Lan cable*	0.13 MJ/Meter	0.14 MJ/Meter	0.14 MJ/Meter	0.15 MJ/Meter	✗
Power cable	15.59 MJ/Meter	11.48 MJ/Meter	16.34 MJ/Meter	16.66 MJ/Meter	✗

Note: The baseline year is 2018. ✓ represents the result meets the target, ✗ represents the result does not meet the target.  
\* We adjusted the energy intensity of Watt-hour meter 2018. The reason is that the energy intensive figure in 2018 was mainly contributed from mechanical watt-hour meters. Later, in line with the government policy, the production of mechanical watt-hour meters was reduced and the production of digital watt-hour meters was increased. Therefore, the baseline year figure in 2018 was adjusted to both mechanical and digital watt-hour meters.

### 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 materials and the percentage from local purchase.

Main materials	Amount of consumption	Local purchased percentage (by purchase values)
Steel (including silicon steel)	6,001 tons	100%
Copper	5,875 tons	99%
Aluminum	731 tons	100%
Insulation oil	2,360 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 537,322M<sup>3</sup> (Figure 6.3-1) of water in 2021 which was 46,959M<sup>3</sup> less than the consumption in 2020. 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 will continue to conduct water saving projects in order to 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 rest 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.

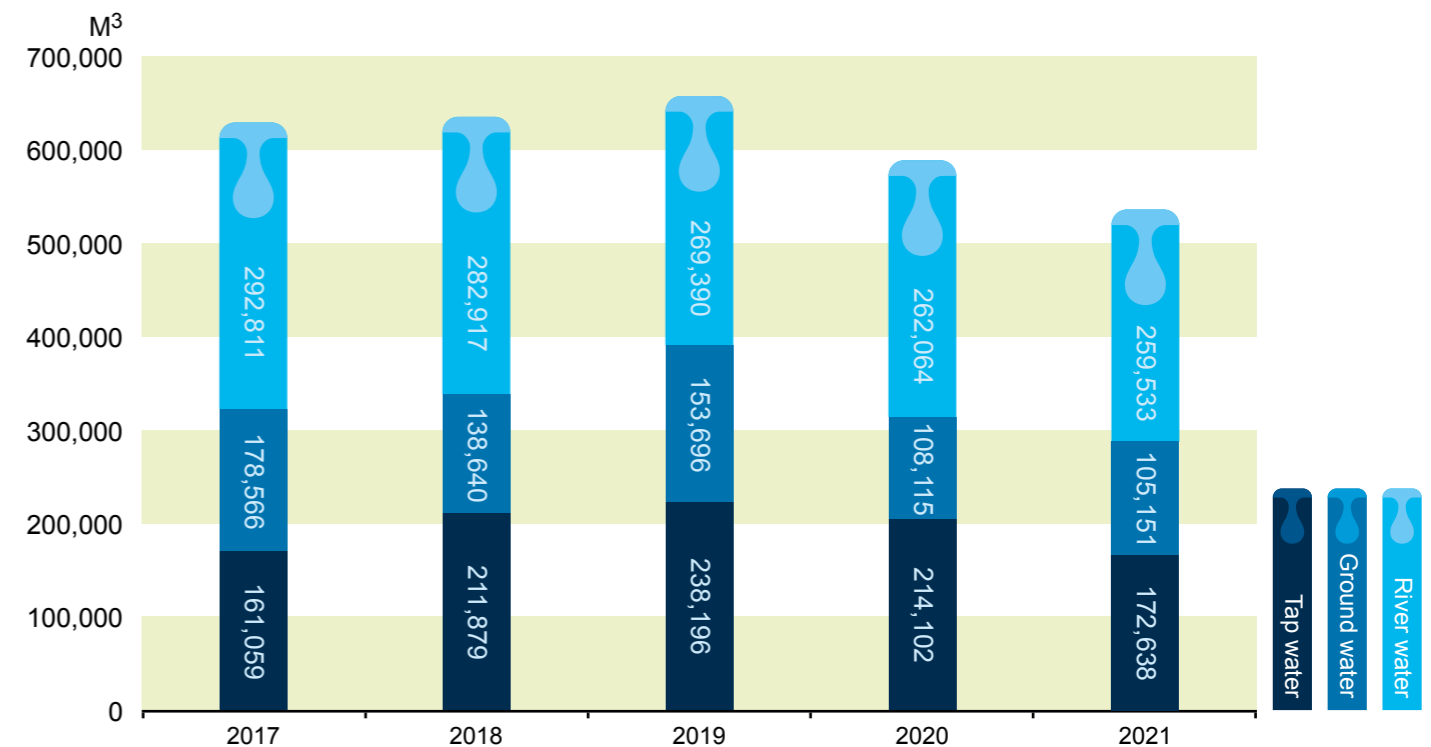


Figure 6.3-1 Amount of water consumption (by sources)

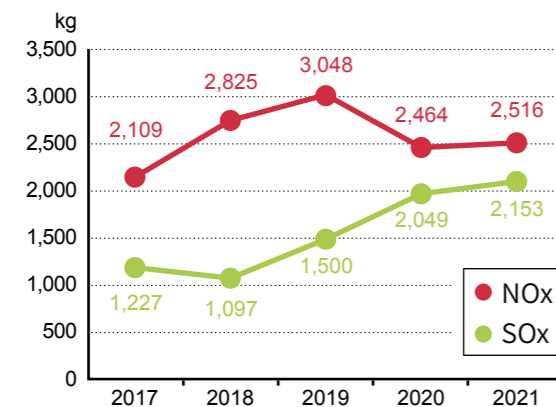
Factory	Treatment method	Average COD concentration (mg/L)	Average Suspended substances concentration (mg/L)	Amount of effluent (M <sup>3</sup> /year)	Recipient water body	Effluent reused by others
San-Hsia Factory	Factories setup wastewater treatment facilities in accordance to the requirements of regulations.	22.73	7.68	4,257	Heng River	None
Tayuan Plant		6.60	2.85	1,689	New Street River	
Taoyuan Wires and Cables Plant		9.72	10.85	16,733	New Street River	
Taoyuan 1st Plant		11.30	10.90	7,562	Old Street River	
<b>Total</b>				<b>30,241</b>		

Note: 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

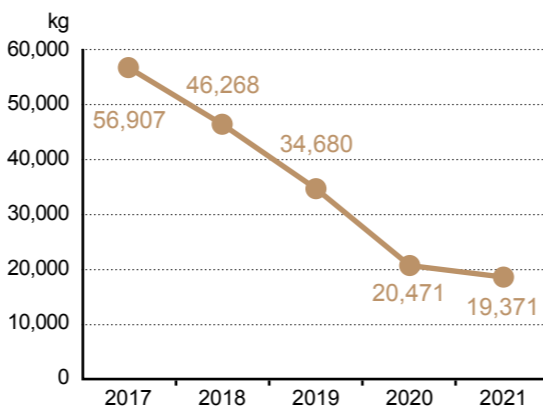
The main air pollutants from the factories are NOx, SOx, and VOC. Tatung declares the amount of emissions and pays air pollution control fees to the authority. From Figure 6.3-2 and Figure 6.3-3 we can see the emissions of VOC have reduced gradually year by year and the emissions of SOx have slightly 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.



Note: Data is from EPA Air pollutant declaration system.

Figure 6.3-2  
Amount of NOx and SOx emissions



Note: Data is from EPA Air pollutant declaration system.

Figure 6.3-3  
Amount of VOC emissions

### 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 2021, Tatung generated 2,944.78 tons of industrial wastes, of which 2,937.31 tons were general industrial wastes and 7.47 tons were hazardous industrial wastes (Figure 6.3-4). Compared with the amount of wastes in 2020, the amount was increased by 14.66% and failed to meet the target (5% reduction each year). The reason is that San-Hsia Factory updated production equipment, lighting equipment and iron beds in the dormitory, and hence removed a large number of iron pipes, equipment and iron frames. We will continue to work hard to reduce the amount of wastes in the future.

Six methods were used for wastes treatment in 2021 (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. 2,226.04 tons of wastes were reused (75.59% of total wastes) in 2021.



Wastes clean up and treatment flowchart

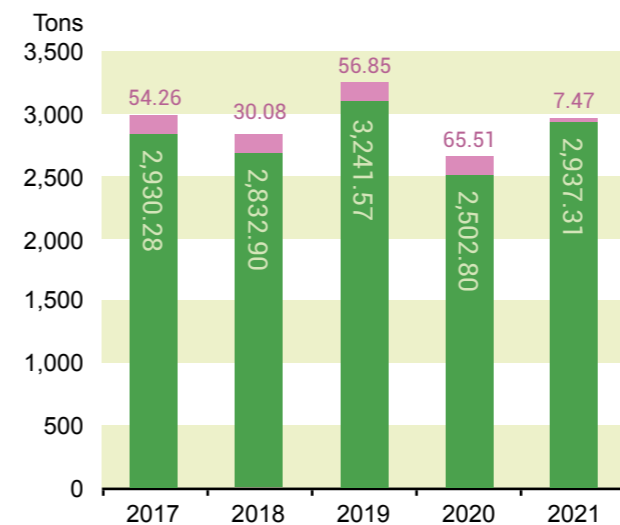


Figure 6.3-4 Amount of wastes generated

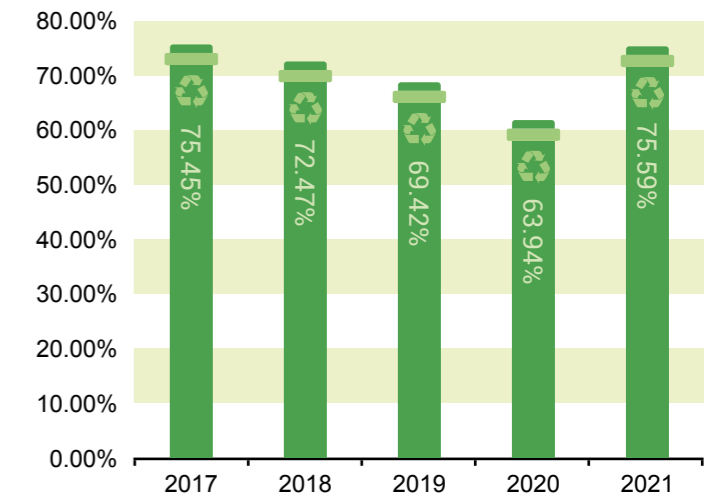


Figure 6.3-5 Waste reuse percentages

Table 6.3-3 Waste treatment methods in 2021

	Reuse	Incinerate	Solidify	Physical treatment	Heat treatment	Chemical treatment	Total
General industrial wastes (tons)	2,226.04	522.42	0.00	149.28	39.57	0.00	2,937.31
Hazardous industrial wastes (tons)	0.00	3.93	2.03	0.00	1.45	0.061	7.47
Percentage of each treatment method (by weight)	75.59%	17.87%	0.07%	5.07%	1.39%	0.00%	100.00%



## 6.4 Green products for a better earth

DMA		Promotion and management on environmental friendly products			
An explanation of why the topic is material	Boundary for the material topic	Specific limitation regarding the topic boundary	Purpose of the management approach	Policies	Commitments
Following the trend of energy saving and carbon reduction, Tatung has strengthened the development of environmentally friendly, energy saving, and high energy efficiency green products, as well as installing solar PV systems. In addition to slowing climate change, it can also create business opportunities.	Tatung and its subsidiaries.	Performance disclosure is limited to Tatung Co., TCPC (Tatung 3C Stores), and solar PV system related subsidiaries.	Assist enterprises and the country to achieve goal of net zero emission with energy saving, energy creation and energy storage.	Actively promote environmental protection, energy saving and carbon reduction to reduce the impact to the environment.	Provide high-quality products with innovative technology, realize energy saving, environmental protection, and healthy life, and fulfill the responsibilities of global citizens.
Goals and targets	Specific actions	Mechanisms for evaluating the effectiveness of the management approach	Results of the evaluation of the management approach	Related adjustments to the management approach	
<ol style="list-style-type: none"> <li>Products are awarded with Green Mark, Energy Label, or Water Label.</li> <li>Complete the solar photovoltaic power systems with capacity of 312MWp accumulatively by the end of 2022.</li> </ol>	<ul style="list-style-type: none"> <li>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.</li> <li>Apply for EPA's Green Stores and promote energy saving and environmental friendly products.</li> <li>Respond to green procurement and encourage all units of the company to take environmentally friendly products into consideration when purchasing items.</li> <li>Install solar PV systems.</li> </ul>	Encourage the factories and subsidiaries to develop environmental friendly products through 3P Program evaluation.	<ul style="list-style-type: none"> <li>In 2021, we had 13 models awarded with Green Mark, 99 models awarded with Energy Label, and 8 models awarded with Water Label.</li> <li>By the end of 2021, Tatung has completed the solar PV power systems with capacity of 211MWp.</li> </ul>	NIL.	

### 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 2021, Tatung has completed over 1,100 solar photovoltaic power systems with capacity of 211MWp, which can generate nearly 246.45 million kilowatt-hours of electricity per year, with a carbon reduction of 123,718 tons/year, which is equivalent to the annual carbon reduction of about 318 Daan Forest Park of carbon absorption.

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 2021, Tatung Forever Energy Company has won three "2021 Public Construction Commission Golden Quality Award". Sheng Yang Energy Co. has won two "2021 Top Solar System Award by Bureau of Energy, MOEA."

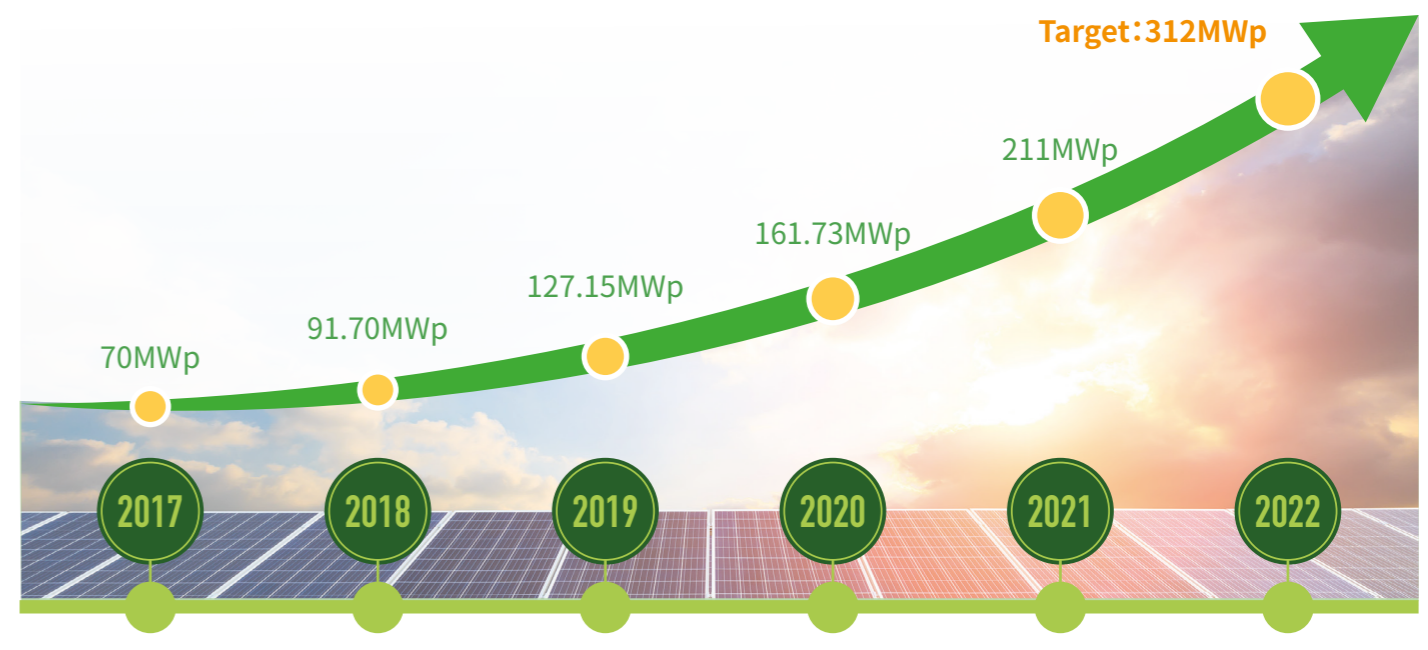
Looking forward to the future, Tatung will adhere to the sustainable development strategy and actively promote the energy transformation in line with the government's green energy policy. The goal is to complete 312MWp of solar PV systems accumulatively by the end of 2022. We are aiming to lead the solar 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: <https://www.tatung.com/en/solution/detail/16>



2021 Public Construction Commission Golden Quality Award

2021 Top Solar System Award by Bureau of Energy, MOEA

Note 1: Calculated with emission factor: 0.502kg CO<sub>2</sub>/kwh.  
Note 2: One Daan Forest Park can absorb 389 tons of CO<sub>2</sub> per year.



Total PV solar systems installed and our target in 2022

### 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 13 models awarded with Green Mark, 99 models awarded with Energy Label, and 8 models awarded with Water Label in 2021. Please refer to Table 6.4-1 and Figure 6.4-1 for more details.

Table 6.4-1 Green products within the validity period			
Products	Energy Label	Green Mark	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 2022/4/6.

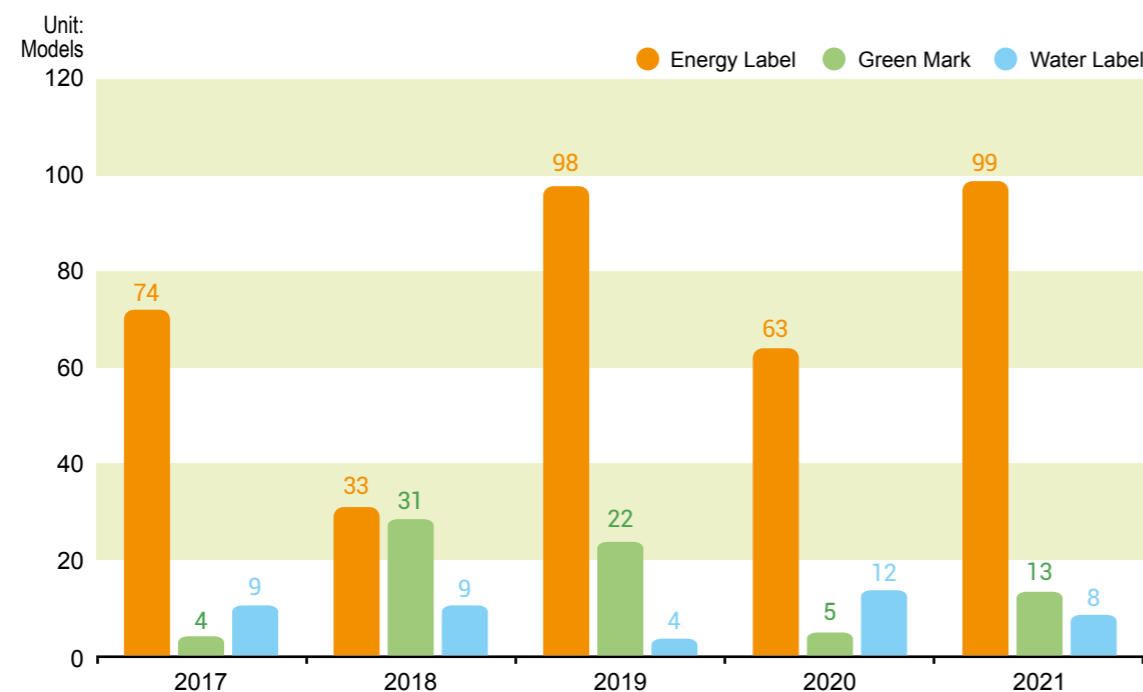


Figure 6.4-1 No. of new certified or renewed green products

### 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 29 Tatung 3C Stores<sup>3</sup> been registered as Green Store<sup>4</sup> 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.

Note 3: As of 2022/3/10.

Note 4: <https://greenliving.epa.gov.tw/newPublic/Eng/Application/GreenStore>



Tatung 3C energy saving products promotions

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"> <li>Registered as EPA's Green Stores</li> <li>Holds energy-saving and environmental-friendly products promotion activities from time to time.</li> </ul>

### 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 2021, the average recycling rate for electric/electronic<sup>5</sup> and information devices was 74.94%<sup>6</sup>. In addition to paying fees, Tatung proactively informs consumers of the recycling information of large home appliances<sup>7</sup> 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.

Note 5: Refrigerators, washing machines, TVs, air conditioners, and electric fans.

Note 6: <https://recycle.epa.gov.tw/ConvenienceServices/Downloads>

Note 7: Refrigerators, washing machines, TVs, and air conditioners.

## Annex

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

Name investor	Name of investee	Scope of business	Percentage of ownership	
			Dec. 31, 2021	Dec. 31, 2020
The Company, Chunghwa Electronics Investment Co., Ltd., Chih Sheng Realty	Chunghwa Picture Tubes, Ltd. ("CPT")	Manufacture, research and sale of picture tubes and TFTLCD products	39.67%	39.67%
The Company, Shan-Chih Investment Co., Ltd. and Shan-Chih Asset Development Co.	Tatung System Technologies Inc. ("TSTI")	Software and hardware service and system integration	43.34%	43.34%
The Company, and Chunghwa Electronics Investment Co., Ltd	Forward Electronics Co., Ltd. ("FD")	Manufacture and sale of electronics	18.48%	18.48%
The Company	Taiwan Telecommunication Industry Company Ltd.	Telecommunication devices	100%	100%
The Company and Chunghwa Electronics Investment Co., Ltd.	San-Chih Semiconductor Co., Ltd. ("SCSC")	Manufacture and sales of semiconductors and chips	70.14%	70.14%
The Company	Central Research Technology Co.	EMCIRF testing and certification services	100%	100%
The Company	Tatung Consumer Products (Taiwan) Co., Ltd.	Sales of home appliances and digital computer products	100%	99.10%
The Company, Chunghwa Electronics Investment Co., Ltd. and Chih-Sheng Investment Co., Ltd.	Tatung Fine Chemicals Co., Ltd. ("TFC")	Industrial coatings, electrocution coatings resistor coatings, photocatalyst, inkjet ink	54.63%	54.63%
The Company	Shan-Chih Asset Development Co. ("SCAD")	Development and leasing of real estate	100%	100%
The Company, SCAD and Chih Sheng Investment Co., Ltd.	Chunghwa Electronics Investment Co., Ltd.	Professional investment holding	100%	99.99%
The Company	Tatung DIE Casting Co.	Manufacturing and sales of casting mold	51.00%	51.00%

Name investor	Name of investee	Scope of business	Percentage of ownership	
			Dec. 31, 2021	Dec. 31, 2020
The Company	Tatung (Thailand) Co., Ltd.	Manufacturing and sales of IT products, home appliances and AI meter	99.99%	99.99%
The Company	Tatung Co. of Japan, Inc.	Sales and purchase of electronic parts, home appliances and IT products	100%	100%
The Company	Tatung Electronics(S) Pte. Ltd.	Purchases, sales and services of raw material	90%	90%
The Company	Tatung Information (Singapore) Pte. Ltd.	Professional investment holding	100%	100%
The Company	Tatung Electric (Singapore) Pte. Ltd.	Professional investment holding	100%	100%
The Company	Tatung Electric Company of America, Inc.	Manufacture and sales of motor products in the U.S.	100%	100%
The Company	Tatung Netherlands B.V	Sales of electronic products	100%	100%
The Company	TATUNG CZECH s.r.o	Manufacture of IT products	100%	100%
The Company	Tatung Medical Healthcare Technologies Co., Ltd.	Design and sales of medical instruments.	95.85%	95.85%
The Company	Toes Opto-Mechatronics Co.	Manufacture of data storage and process equipment	100%	86.05%
The Company	Chih Sheng Investment Co., Ltd.	Professional investment holding	100%	100%
The Company and Chunghwa Electronics Investment Co., Ltd.	Shan Chih Investment Co., Ltd.	Professional investment holding	100%	100%
The Company	Absolute Alpha Limited	Professional investment holding	100%	100%

Name investor	Name of investee	Scope of business	Percentage of ownership	
			Dec. 31, 2021	Dec. 31, 2020
The Company	Tatung Forever Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Tungyang Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Chih Kuang Energy Co., Ltd.	Solar energy related business	- %	100%
The Company	Shanshin Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Yau Yang Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Ting Shin Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Zhi Shin Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Tung Kuang Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Tung Shin Energy Co., Ltd.	Solar energy related business	100%	100%
The Company	Chuang Shih Neng Co., Ltd.	Solar energy related business	100%	100%
The Company	Cizhi Power Co., Ltd.	Energy storage service related business	100%	- %
CPT	Chunghwa Picture Tubes (Bermuda) Ltd. ("CPTB")	Investment holding and sales of TFT-LCD	100%	100%
CPTB	Chunghwa Picture Tubes (Malaysia) Sdn. Bhd. ("CPTM")	Manufacture and sale of CRT	100%	100%
CPTB	CPTF Optronics (Shen-Zhen) Co., Ltd.	Investigation of market information	100%	100%

Name investor	Name of investee	Scope of business	Percentage of ownership	
			Dec. 31, 2021	Dec. 31, 2020
Forward Electronics Co., Ltd.	Forward Development Co., Ltd.	Investment holding	100%	100%
Forward Development Co., Ltd.	Forward Electronics Equipment(Dong Guan) Co., Ltd.	Factory leasing business	100%	100%
Forward Development Co., Ltd.	Suzhou Forward Electronics Technology Co., Ltd.	Manufacture and sale of backlight unit for TFT-LCD, switch and electronic table.	100%	100%
SCSC	Greater Power Limited	Investment holding	100%	100%
SCSC	Chih De Investment Co., Ltd.	Investment holding	100%	100%
Tatung Fine Chemicals Co. and Shang Chih International Chemical Industry Co., Ltd.	Tatung Coatings (Kunshan) Co., Ltd.	Manufacture and sale of industry coating and electrodeposition coating	100%	100%
Tatung Fine Chemicals Co.	Huaian Tatung Advanced Technology Materials Co., Ltd.	Manufacture and sale of positive, printer ink, electrodeposition high performance coating.	100%	100%
Tatung Fine Chemicals Co.	Shang Chih International Chemical Industry Co., Ltd.	Investment holding	100%	100%
Shang Chih International Chemical Industry Co., Ltd.	Dongguan Tongli Trading Co., Ltd.	Wholesale of painting, coating and chemical products.	100%	100%
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%	100%

Name investor	Name of investee	Scope of business	Percentage of ownership	
			Dec. 31, 2021	Dec. 31, 2020
Tatung Information (Singapore) Pte. Ltd. and Shan-Chih International Holding Corporation	Tatung Compressors(ZHONGSHAN) Co., Ltd.	Manufacture and sales of reciprocating compressors.	100%	100%
Tatung Electric (Singapore) Pte. Ltd. And Shan-Chih International Holding Corporation	Tatung (Shanghai) Co., Ltd	Manufacture and sales of motors, generators and transformers	100%	100%
Shan Chin Investment Co. Ltd	Shan-Chih International Holding Corporation	Investment holding	100%	100%
TSTI	Chyun Hwei Business Technology Inc.	Information software Service	100%	100%
TSTI	Tisnet Technology Inc.	Software design and development	100%	100%
TSTI	TSTI Technologies (Shanghai) Co., Ltd.	Information software Service	100%	100%
Chih Sheng Investment Co., Ltd.	Chih Sheng Investment (BVI) Co., Ltd.	Investment holding	100%	100%
Chih Sheng Investment (BVI) Co., Ltd	Chih Sheng Holding Co., Ltd.	Investment holding	100%	100%
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%	100%
Absolute Alpha Limited	Tatung Information Technologies Corp.	Sales of electronic products	- %	100%

Name investor	Name of investee	Scope of business	Percentage of ownership	
			Dec. 31, 2021	Dec. 31, 2020
Shan-Chih Asset Development Co. 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.	Taipei Industry Corporation	Manufacturing sale of construction related material and property rental business.	50.61%	50.61%
Shan-Chih Asset Development Co.	Chih Sheng Realty Co., Ltd.	Realty management	100%	100%
Shan-Chih Asset Development Co.	Shan-Chih Asset International Holding Corporation	Investment holding	100%	100%
Shan-Chih Asset International Holding Corporation	Tatung Management Consultant(Shanghai) Co., Ltd.	Realty and Leasing Service	100%	100%
Shan-Chih Asset International Holding Corporation	Shan-Chih Asset International (Hong Kong) Holding Limited	Realty and Leasing Service	100%	100%
Tatung Forever Energy Co., Ltd.	Sheng Yang Energy Co., Ltd.	Solar energy business	- %	100%
Tatung Information (Singapore) Pte. Ltd.	Tatung Myanmar JV Holding Co., Ltd.	Investment holding	100%	100%
Tatung Medical Healthcare Technologies Co., Ltd.	Insured Pharmaceuticals Co., Ltd.	Pharmaceuticals and warehousing and transportation service	- %	100%
Tatung (Shanghai) Co., Ltd	Tatung Xinji (Guangdong) Technology Co., Ltd.	Electrical engineering system installation service	100%	100%

## Annex 2: Products and services provided by Tatung

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 50 years of technical experience, this business unit has been specializing in manufacturing and selling the various wires, cables, fiber optic cables and busways which are widely used in telecommunication, power transmission, power distribution, solar photovoltaic(PV) power generation system & various industrial equipment, household appliances, IT network, wiring harness kits for electric vehicles and electronic components, etc.	
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 equipments and plant power equipments system engineering projects to serve a variety of industries.	
Smart Meter BU	Smart Meter BU provides various types of smart meters and AMI systems. Products including single-phase electric meters, three-phase electric meters, CT-type electric meters, communication modules, HES, and MDMS. The self-developed AMI meters have successfully obtained international certifications including ANSI, IEC, MID and Japanese JIS. Tatung has the ability of integrating the systems of smart meter infrastructure and integrating different communication technologies to develop smart meter application functions to meet customer needs and improve system performance. In order to strengthen the supply and competitiveness in the international market, Tatung has set up meter factories in Taiwan and Thailand to meet the growth of smart meter business.	

Products and services provided by Tatung		
Business Units	Products and Services	Important Certifications
Appliance BU	<p>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), co-branding rice cookers, Smart 4K TFT displays, the new stylish juicer, electric teapots and other small appliances.</p> <p>We actively participated in product design campaigns to enhance the brand's exposure in the globe. We have successively obtained major international design awards such as German iF Industrial Design Award, Reddot Design Award, Japanese Good Design, and Taiwan Excellence Award in the recent years.</p> <p>To pursue the blooming AIoT trend, we developed smart home appliances for smart energy saving and living applications. Through sensing and Internet of Things technology, a variety of terminal devices can be connected to provide smart living solutions according to user's needs, such as power consumption management, remote control, scheduling control, and personalized situational services, etc. In addition, voice control function has also been integrated in the smart home system to provide the advanced digital life experience to the users.</p>	
Advanced Electronics BU	<p>The Advanced Electronics Business Unit (AEBU) focuses on providing design and manufacturing products &amp; 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.</p> <p>The IoT product line includes IP &amp; streaming camera, smart energy management and sensing-&amp;-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.</p>	

Products and services provided by Tatung		
Business Units	Products and Services	Important Certifications
System Integration BU	<p>System Integration BU is committed to specializing in the fields of information and communication systems as well as electromechanical systems.</p> <p>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 &amp; 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.</p>	-
	<p>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:</p> <ol style="list-style-type: none"> <li>1. Provide power plants, large substations, transmission &amp; distribution systems, solar power generation and motor related electromechanical integration services.</li> <li>2. Residential and factory-built electromechanical engineering, including planning as well as construction for smart building.</li> <li>3. Sewage (waste water) treatment, which has reached the industrial waste water Zero Discharge standard.</li> <li>4. Traffic mechanical and electrical engineering for Rails and roads as well as sign control systems.</li> </ol> <p>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.</p>	

Products and services provided by Tatung		
Business Units	Products and Services	Important Certifications
Solar Energy BU	<p>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.</p> <p>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.</p>	-
Smart Energy BU	<p>Smart Energy BU (SEBU) consists of technical and sales teams for business of micro-grid &amp; energy storage system and AIoT-based energy management system. Dedicated in energy management system development and energy storage system integration, the BU specializes in design, implementation, and system integration of ancillary service and micro-grid system integrated with renewable and traditional energy sources. Micro-grid system can operate independently or work with the main grid to reduce fuel consumption and ensure the stability of regional energy supply. Large-scale energy storage systems can be applied to Taipower's automatic frequency control ancillary service to help maintain grid stability and power quality when large amounts of renewable energy are connected to the grid. AIoT-based real-time data collection and cloud infrastructure provides the micro-grid and energy storage system with the functions of data monitoring, analyzing, visually presenting, and facility predictive maintenance.</p>	-



### Annex 3: Factories and subsidiaries participated in 3P Program and Accident Prevention Pays Program in 2021

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 2020 (verified based on ISO 14064-1)

Factory	Amount of GHG emissions (Unit: tons CO <sub>2</sub> e) in 2020	
	Scope 1	Scope 2
Taoyuan Wires and Cables Plant	413.3034	4,137.4689
San-Hsia Factory	1,179.6503	6,501.7931
Taoyuan 1st Plant	15,470.2490	1,451.4467
Total	17,063.2027	12,090.7087

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 2021 will be disclosed on "2023 Tatung Sustainability Report".

### Annex 5: GRI Standards content index

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>GRI 101: Foundation</b>			
<b>GRI 102: General Disclosures</b>			
Organization profile	102-1 Name of the organization	22, 23	
	102-2 Activities, brands, products, and services	22, 154~157	
	102-3 Location of headquarters	22	
	102-4 Location of operations	22, 23	
	102-5 Ownership and legal form	22	
	102-6 Markets served	22, 23	
	102-7 Scale of the organization	23	
	102-8 Information on employees and other workers	93	
	102-9 Supply chain	52, 53	
	102-10 Significant changes to the organization and its supply chain	-	No significant change
	102-11 Precautionary Principle or approach	49~57	
	102-12 External initiatives	25	
	102-13 Membership of associations	24	
Strategy	102-14 Statement from senior decision-maker	2, 3	
	102-15 Key impacts, risks, and opportunities	2, 3	
Ethics and integrity	102-16 Values, principles, standards, and norms of behavior	46, 47, 58, 59	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>GRI 101: Foundation</b>			
<b>GRI 102: General Disclosures</b>			
Governance	102-18 Governance structure	35	
	102-19 Delegating authority	59	
	102-20 Executive-level responsibility for economic, environmental, and social topics	40, 41, 59	
	102-21 Consulting stakeholders on economic, environmental, and social topics	8~11	
	102-22 Composition of the highest governance body and its committees	37, 38, 40	
	102-23 Chair of the highest governance body	37	
	102-24 Nominating and selecting the highest governance body	36	
	102-25 Conflicts of interest	36	
	102-26 Role of highest governance body in setting purpose, values, and strategy	36, 37, 41	
	102-27 Collective knowledge of highest governance body	37	
	102-28 Evaluating the highest governance body's performance	41	
	102-29 Identifying and managing economic, environmental, and social impacts	40, 59	
	102-31 Review of economic, environmental, and social topics	40, 59	
	102-32 Highest governance body's role in sustainability reporting	1, 12	
	102-35 Remuneration policies	38, 39	
	102-36 Process for determining remuneration	38, 39	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>GRI 101: Foundation</b>			
<b>GRI 102: General Disclosures</b>			
Stakeholder engagement	102-40 List of stakeholder groups	8, 9	
	102-41 Collective bargaining agreements	-	Tatung has not signed any collective bargaining agreements.
	102-42 Identifying and selecting stakeholders	8, 9	
	102-43 Approach to stakeholder engagement	8, 9	
	102-44 Key topics and concerns raised	10, 11	
	Reporting practice	102-45 Entities included in the consolidated financial statements	148~153
102-46 Defining report content and topic Boundaries		1, 18, 19	
102-47 List of material topics		15, 16, 17	
102-48 Restatements of information		1	
102-49 Changes in reporting		131, 133	
102-50 Reporting period		1	
102-51 Date of most recent report		1	
102-52 Reporting cycle		1	
102-53 Contact point for questions regarding the report		1	
102-54 Claims of reporting in accordance with the GRI Standards		1	
102-55 GRI content index		159~167	
102-56 External assurance		170~172	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>Material topics</b>			
<b>Corporate governance and ethical practice</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 42, 43	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>Disclosure on non-financial information</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 44, 45	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
<b>Economic performance</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 26, 27	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 201 Economic performance	201-1 Direct economic value generated and distributed	29	
	201-2 Financial implications and other risks and opportunities due to climate change	52~57	
	201-3 Defined benefit plan obligations and other retirement plans	104	
<b>Market presence</b>			
GRI 202 Market presence	103-1 Explanation of the material topic and its Boundary	18, 19, 98, 99	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 202 Market presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	102, 103	
	Disclosure 202-2 Proportion of senior management hired from the local community	93	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>Material topics</b>			
<b>Customer privacy management</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 78, 79	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 418 Customer privacy	418-1 Substantial complaints concerning breaches of customer privacy and losses of customer data	86	
<b>Product quality and safety</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 68, 69	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 416 Customer health and safety	416-1 Assessment of the health and safety impacts of product and service categories	74~77	
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	76	
<b>Occupational health and safety</b>			
GRI 403 Management Approach	403-1 Occupational health and safety management system	112, 113, 114	
	403-2 Hazard identification, risk assessment, and incident investigation	112~116	
	403-4 Worker participation, consultation, and communication on occupational health and safety	112, 113	
	403-5 Worker training on occupational health and safety	112, 113, 117	
	403-6 Promotion of worker health	108~113	
	GRI 403 Topic-specific disclosures	403-8 Workers covered by an occupational health and safety management system	114
403-9 Work-related injuries		118, 119	
403-10 Work-related ill health		118	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>Material topics</b>			
<b>Employment</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 90, 91	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 401 Employment	401-1 New employee hires and employee turnover	93	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	97	
	401-3 Parental leave	96	
<b>Labor/ management relations</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 100, 101	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 402 Labor/ management relations	402-1 Minimum notice periods regarding operational changes	105	
<b>Management on energy and GHG emissions</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 128, 129	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302 Energy	302-1 Energy consumption within the organization	130, 131	
	302-3 Energy intensity	136, 137	
	302-4 Reduction of energy consumption	134, 135	
GRI 305 Emissions	305-1 Direct (Scope 1) GHG emissions	132, 133	
	305-2 Energy indirect (Scope 2) GHG emissions	132, 133	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>Material topics</b>			
<b>Promotion and management on environmental friendly products</b>			
GRI 103 Management Approach	103-1 Explanation of the material topic and its Boundary	18, 19, 142, 143	
	103-2 The management approach and its components		
	103-3 Evaluation of the management approach		
GRI 302 Energy	302-5 Reductions in energy requirements of products and services	144~147	
<b>GRI Content Index</b>			
GRI Standard	Disclosure	Pages/URL	Note
<b>Other topics</b>			
<b>Anti-competitive behavior</b>			
GRI 206 Anti-competitive behavior	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	80	
<b>Comply with social and economic regulations</b>			
GRI 419 Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	118	
<b>Supplier management</b>			
GRI 308 Supplier environmental assessment	308-1 New suppliers that were screened using environmental criteria	62~65	
GRI 414 Supplier social assessment	414-1 New suppliers that were screened using social criteria	62~65	

GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>Other topics</b>			
<b>Marketing and labeling</b>			
GRI 417 Marketing and labeling	417-1 Requirements for product and service information and labeling	76, 77	
	417-2 Incidents of non-compliance concerning product and service information and labeling	76	
	417-3 Incidents of non-compliance concerning marketing communications	80	
<b>Performance review and career development</b>			
GRI 404 Training and education	404-2 Programs for upgrading employee skills and transition assistance programs	106, 107	
	404-3 Percentage of employees receiving regular performance and career development reviews	102	
<b>Human rights, equality, and non-discriminations</b>			
GRI 405 Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	36, 92, 93	
	405-2 Ratio and basic salary and remuneration of women to men	102, 103	
GRI 406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	92	
GRI 412 Human rights assessment	412-1 Operations that have been subject to human rights reviews or impact assessment	94	
<b>Freedom of association and collective bargaining</b>			
GRI 407 Freedom of association and collective bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	95	
<b>Child labor, forced or compulsory labor</b>			
GRI 408 Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	95	
GRI 409 Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	95	


GRI Content Index			
GRI Standard	Disclosure	Pages/URL	Note
<b>Other topics</b>			
<b>Comply with environmental regulations</b>			
GRI 307 Environmental compliance	307-1 Non-compliance with environmental laws and regulations	127	
<b>Management on wastes</b>			
GRI 306 Waste	306-3 Waste generated	140, 141	
	306-5 Waste directed to disposal	140, 141	
<b>Management on water and resources</b>			
GRI 301 Materials	301-1 Materials used by weight or volume	138	
	301-3 Reclaimed products and their packaging materials	147	
GRI 303 Water and effluents	303-3 Water withdrawal	138, 139	
<b>Management on water and air pollutants</b>			
GRI 305 Emissions	305-7 NOx, SOx, and other significant air emissions	140	
GRI 303 Water and effluents	303-4 Water discharge	139	

## Annex 6: SASB Disclosure Index

Resource Transformation Sector: Electrical & Electronic Equipment				
Topic	Disclosure item	CODE	Page/URL	Note
Energy Management	1. Total energy consumed 2. percentage grid electricity 3. percentage renewable	RT-EE-130a.1	130, 131	1. Total energy consumption: 162,181.33 GJ. 2. The percentage of energy from grid electricity: 85.59%. 3. The percentage of energy from renewable sources: 0%.
Hazardous Waste Management	Amount of hazardous waste generated, percentage recycled.	RT-EE-150a.1	140, 141	The amount of hazardous waste was 7.47 tons and the percentage recycled was 0%.
	Number and aggregate quantify of reportable spills, quantity recovered.	RT-EE-150a.2	127	0
Product Safety	Number of recalls issued, total units recalled.	RT-EE-250a.1	-	0
	Total amount of monetary losses as a result of proceedings associated with product safety.	RT-EE-250a.2	80	-
Product Lifecycle Management	Percentage of products by revenue that contain IEC 62474 declarable substances.	RT-EE-410a.1	-	0.88%
	Percentage of eligible products, by revenue, that meet ENERGY STAR® criteria. (uninterruptible power supply products, heating and cooling and ventilation equipment, and lighting and fans.)	RT-EE-410a.2	-	Not Applicable
	Revenue from renewable energy-related and energy efficiency-related products.	RT-EE-410a.3	-	NT\$3.189 billions

Resource Transformation Sector: Electrical & Electronic Equipment				
Topic	Disclosure item	CODE	Page/URL	Note
Materials Sourcing	Description of the management of risks associated with the use of critical materials.	RT-EE-440a.1	-	1. Establish a management system for the introduction and assessment of suppliers, evaluate and actively develop new sources in order to avoid supply interruptions and reserve spot purchases to flexibly respond to production needs. 2. Collect raw material market conditions and business conditions, so as to propose countermeasures and respond early.
Business Ethics	Description of policies and practices for prevention of: 1. corruption and bribery 2. anti-competitive behavior	RT-EE-510a.1	46, 47, 80	-
	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption.	RT-EE-510a.2	-	0
	Total amount of monetary losses as a result of legal proceedings associated with anticompetitive behavior regulations.	RT-EE-510a.3	-	0
Activity Metric	Number of units produced by product category.	RT-EE-000.A	-	176 units (mainly are diesel engine generators).
	Number of employees	RT-EE-000.B	93	2,585 employees

## Annex 7: 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 2022 TATUNG Sustainability Report for the fiscal year 2021 ("Sustainability Report"). TUV Asia Pacific Sustainability 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. The reported financial data and information are based on data from the Company's Annual Report and Accounts, which are subject to a separate independent audit process. The review of financial data taken from the Annual Report and Accounts is not within the scope of our assurance activity.

**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 Sustainability Report for the fiscal year 2021 related to TATUNG Co. businesses (Headquarter, Tayuan Plant, Taoyuan Wires and Cables Plant, Taoyuan 1<sup>st</sup> 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 Sustainability Report is 01.2021 to 12.2021;
- 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 Sustainability 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 Sustainability Report provides an appropriate view of the Company's sustainability development programs and performances during fiscal year 2021.

The economic, social and environment performance indicators as mentioned in the Sustainability Report are represented appropriately. The sustainability 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 decided 11 material topics in Economic, Environment and Social aspect to be disclosure which was from 303 valid questionnaires from the identified stakeholders and discussion by Sustainability Development Committee. The company has well identified the stakeholders, report boundaries and explained how it has responded to their reasonable expectations and interests.

**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). For further report, disclosure comprehensive information regarding the Company's objective on sustainability development and the strategy relevance to SDGs would be more welcome.

**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 influence on value chain (such as: upstream and downstream entities) and the performance achievement on mid-term vs long-term quantitative goals could more address in the further report.

**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 Sustainability Report is reliable. The Company has a robust management system for obtaining objective evidences and data for the reporting in the Company's Sustainability 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 Sustainability Report. TUV Asia Pacific Ltd. Taiwan Branch was not involved in any manner with the said Company, when the latter was preparing the Sustainability 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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