

# 2023

## ESG REPORT

永續報告書

**Green choices for  
a net zero world**





# 2023 ESG REPORT

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# About This Report

## Overview of the Report

This is the third sustainability report released by Highlight Technology Co., Ltd. (hereinafter referred to as HTC or our Company). The reporting period spans from January 1, 2023, to December 31, 2023, aligning with the financial report. HTC consistently issues annual sustainability reports, making them available on the company's website to address stakeholders' sustainability concerns and reveal operational outcomes. Stakeholders are encouraged to access and download the reports. For any report content updates, kindly consult the company's website announcement.

Version		Publication time
first	2021 Sustainability Report	August 2022
Previous occasion	2022 Sustainability Report	August 2023
effective	2023 Sustainability Report	August 2024

## Principles of Report Writing

The company aligns its reporting with the most recent sustainability guidelines, the GRI Standards 2021 from the Global Sustainability Reporting Initiative (GRI), and adheres to the industry norms set by the Sustainability Accounting Standards Board (SASB). It elaborates on the sustainability disclosure criteria for the electronic components sector by referencing the indicators of the machinery and articles industry and the guidelines outlined in the Taiwan Stock Exchange's "Operation Measures for the Preparation and Submission of Sustainability Reports by Listed Companies." Further information can be found in the appendix's index table of this report.

## Reporting boundaries and coverage

The report primarily focuses on the parent company of HTC, encompassing its three factories in Taiwan: Tainan Head Office, Hsinchu Operation Center, and Taichung Office. It evaluates performance across three key areas: environment, society, and governance. Financial figures are presented in New Taiwan dollars and adhere to International Financial Reporting Standards (IFRSs). The report excludes subsidiary activities beyond financial performance captured in consolidated financial statements.

## Review of the report

The content presented in this report is collaboratively assembled by pertinent departments with jurisdiction, consolidated by the Operations Management Center, deliberated during an ESG gathering, and presented to the Sustainable Development Committee and the Board of Directors for assessment and endorsement prior to publication. Financial data is sourced from audited financial statements; environmental and occupational safety and health management are subjected to annual third-party validation according to ISO 14001 and ISO 45001 standards, with renewal and verification by TUV NORD scheduled for 2023.

## Contact details

If you have any suggestions or inquiries regarding this report, please reach out to us using the provided contact details.

- Telephone: +886-3-597-3325 ext. 3221
- Location: 32 Guangfu Road, Hukou Township, Hsinchu County (Hsinchu Operation Center)
- Email: [nita.wu@high-light.com.tw](mailto:nita.wu@high-light.com.tw)
- Company website: <https://www.htcvacuum.com/zh-tw>

# Message from the CEO

2023 proves to be a year marked by challenges and accomplishments for HTC. The relocation of the Tainan main factory to Tainan Shugu Park was executed successfully, contributing to eight consecutive years of revenue growth, culminating in a record high. I extend my heartfelt gratitude to each partner dedicated to HTC's sustainable progress, as well as to every colleague, customer, shareholder, and stakeholder who bolster our endeavors. Their unwavering support serves as the impetus propelling us forward to confront forthcoming challenges with a firm foundation.

A sustainable development committee was established in 2022 to raise awareness among department heads and colleagues about ESG concepts and to begin assessing the company's internal resources, ESG-related data, and activities. Initially, there are no specific goals for advancing ESG. To progress in the right direction, we adhere to the "Corporate Governance 3.0 Sustainable Development Blueprint (2021-2023)" issued by the relevant authorities and the "Sustainable Development Action Plan" introduced in 2023. Over the past two years, guided by corporate governance evaluation metrics and outcomes, we have consistently enhanced our practices to elevate corporate governance standards, consistently ranking among the top 6 to 20% of listed companies. We firmly believe that sound corporate governance serves as a crucial foundation for attaining sustainable development. In June 2024, the Sustainability Committee was elevated to board level to supervise the company's sustainable development efforts.

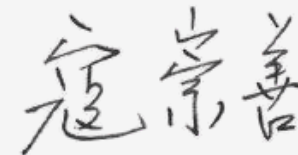
In recent years, climate issues have taken center stage in sustainable development. Countries have set forth net-zero emission goals for 2050 and introduced corresponding regulatory measures. This presents both a challenge and an opportunity for businesses. Committed to being a trusted ally to its customers, HTC is dedicated to addressing customer needs and supporting them in their journey towards low-carbon transformation as part of its strategic development approach. The company's focus in product development and design lies in enhancing equipment efficiency and minimizing carbon emissions and waste. This includes exhaust gas treatment systems for semiconductor and optoelectronic industry facilities, energy-efficient heating solutions, advanced cleaning technologies, dry ozone photoresist removal systems, and plasma-resistant coatings for semiconductor machinery, among others.

We have been contemplating HTC's sustainable development model. ESG encompasses all corporate activities, both direct and indirect, and is a significant area of focus. Nevertheless, companies encounter numerous operational hurdles, making it challenging to address all facets of ESG. To progress towards sustainable development, optimizing resource utilization to generate value and allocating more resources to sustainable development initiatives will establish a beneficial cycle. Consequently, corporate operations should embrace the notion of sustainable development and purposefully incorporate it into the company's strategic direction and goal formulation, thereby bolstering corporate competitiveness and societal worth.

The objective of sustainable development is not to strive for flawlessness but to persist in advancing in a dynamic era. Progress is not a straightforward path but a journey of ongoing experimentation, introspection, and adaptation, marked by periods of advancement and setbacks, complexities, and breakthroughs. Confronted with a multifaceted and ever-evolving landscape, upholding resilience and adapting flexibly are pivotal for companies to endure and thrive amidst forthcoming challenges. In July of this year, we assembled the executive team to deliberate on organizational metamorphosis, exploring ways to alleviate uncertainty stemming from change throughout the transformation process, ultimately enhancing organizational efficacy and expanding market prospects. This stands as a hurdle that demands our confrontation and triumph.

Due to our commitment to sustainability, we evolve, with each evolution aimed at advancing our goals. As the sun ascends, we will achieve greatly and journey thousands of miles towards sustainability.

CEO of HTC Technology Co., Ltd.



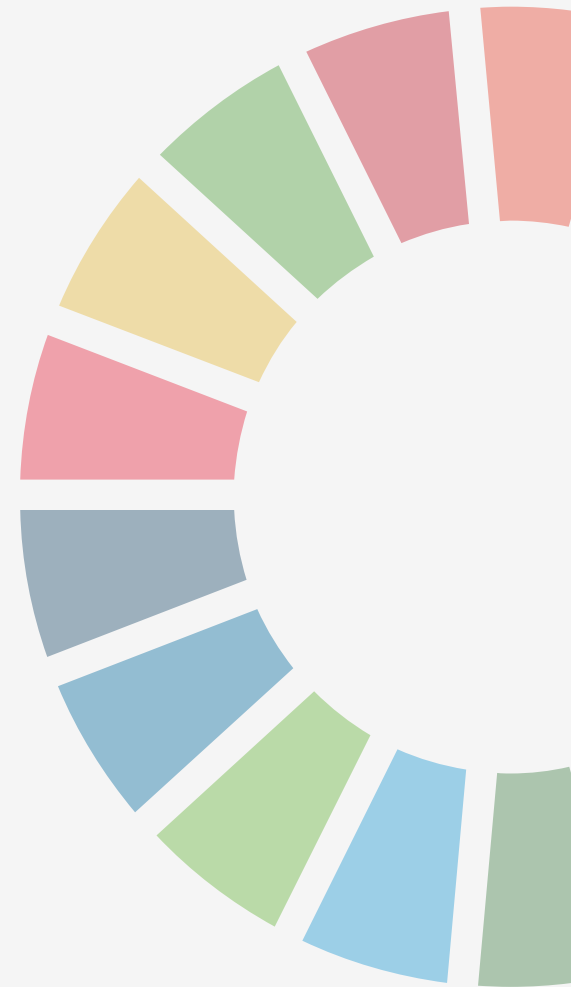
July 2024

# Implementation of SDGs

The United Nations unveiled the "2030 Sustainable Development Goals" in 2015, outlining 17 global sustainable development goals (SDGs) as the organization's guiding principles for international collaboration by 2030, aiming to accomplish this shared objective through worldwide influence.

This policy considers economic growth, environmental protection, and social care simultaneously, showcasing the ambition of global sustainable development.

The company's 2023 SDGs implementation is outlined below.



# Implementation of SDGs



## Environmental protection



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### The total consumption of tap water in 2023 is 31,666 m<sup>3</sup>.

- The primary water source utilized for production and operations in the factory is municipal water (tap water). Process water constitutes 70%, while domestic water makes up the remaining 30%. It is crucial to consistently monitor the water equipment for any signs of leakage. In the event of any irregularities, prompt analysis and improvement are necessary to efficiently decrease the company's operational expenses.
- Utilization of Recycled Water: Reuse air conditioning condensate and rainwater for toilet flushing and irrigation.

### The total electricity consumption in 2023 amounts to 27,535 GJ.

- Continue expanding the deployment of smart meters for energy consumption monitoring.
- Unit supervisors are required to monitor electricity usage during inspections and rectify any wastage identified.
- The power management unit conducts monthly electricity consumption statistics, analyzing and implementing improvements when abnormal power usage is detected.

### Environmental protection expenditures in 2023 will be 4,389 thousand, a decrease of 6,423 thousand compared with the previous year. The main reasons are:

- In the previous year, due to the initial construction of the Tainan Shugu Factory, more expenses were spent on tree planting and charging pile configuration projects in the factory. This year, only \$514,000 was spent on plantation and maintenance of the factory.
- Pollution prevention and control: waste water, waste pallets, waste oil and waste liquid treatment costs, total \$1,826,000.
- Set up smart meters to monitor energy consumption, total \$1,084,000.
- In 2023, the related expenses for applying for environmental permits, environmental management system certification, and environmental testing will total 965,000.

### The total carbon emissions in 2023 will be 3,997.58 tCO<sub>2</sub>e, of which:

- Scope1 (211.5 tCO<sub>2</sub>e) : The original Tainan Plant 1 and 2 were relocated to Shugu Plant. In addition to the original inventory items, official vehicles (diesel/gasoline), refrigerants, and wastewater anaerobic treatment were added.
- Scope2 (3,786.08 tCO<sub>2</sub>e) : Mainly for the purchase of Taipower Electric Power.

# Implementation of SDGs



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- By the conclusion of 2023, the workforce totaled 483 employees, marking a rise of 23 individuals compared to the preceding year. Among them, 345 were male (71.4%) and 138 were female (28.6%). The primary focus of our organization lies in the production and upkeep of machinery and equipment. Given the physical demands of on-site manufacturing tasks, the percentage of male staff surpasses that of female staff.
- The average salary of full-time employees in non-supervisory positions in 2023 is 953,000 per person, marking a 2.3% decrease from the previous year and a 25.6% increase compared to the same industry in the same year (electronic components industry: average 759,000 per person).
- In 2023, the shareholding trust will see 330 new employees joining, with the company allocating 10,652,000 in shareholding bonuses, marking a 2,228,000 increase from the prior year.
- The average training hours per employee in 2023 are projected to be 35.8 hours, reflecting a 1.7-hour increase from the preceding year.
- In 2023, there were no significant occupational injuries. Four commuting accidents, two entanglements, and one work-related injury due to contact with high/low temperatures were reported during the year.
- In 2023, 397 colleagues underwent general health examinations, with 141 undergoing health interviews and promotions conducted by occupational medical nurses. Additionally, 208 employees received special occupational health examinations, achieving a 100% examination rate with no abnormal cases of occupational diseases detected.
- In 2023, 8 female colleagues applied for childcare leave, with a return-to-work rate of 100%.
- We support and adhere to the Universal Declaration of Human Rights, Global Covenant, International Labor Organization Convention, and other international human rights treaties to eradicate any violations of human rights and discrimination.

# Implementation of SDGs



## Economic Growth



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- In 2023, the total revenue amounted to 4,205,436,000 and marking an 8% increase from the prior year. The net profit after tax totaled 418,227,000 reflecting a 26% decrease from the previous year.
- In 2023, an investment of 229,470,000 is allocated to research and development expenses, marking an 18% increase from the preceding year (constituting 5% of total revenue).
- As of June 14, 2024, the company possesses 144 valid patents (74 filed in 2023, 43 certified) and a total of 29 valid trademarks.
- In 2023, the "Employee Ethics and Business Secrets" training and promotion program took place, with 192 individuals successfully passing the course test to enforce the integrity management policy and enhance employees' understanding of integrity and legal compliance.
- HTC holds ISO 9001, ISO 14001, ISO 45001, and other international standard management system certifications. We has established supplier selection and evaluation procedures, conducts regular audits, and successfully implements the system to enhance customer satisfaction.
- In 2023, there will be a total of 792 supplier partners, with 90.9% being domestic and 9.1% foreign.
- In 2023, the regional revenue distribution from product sales will consist of 80.3% from domestic sales and 19.7% from foreign sales.
- In 2023, the technical service business unit is expected to achieve a customer satisfaction rate of 99.4% (target 96%).
- In 2023, the customer satisfaction rate for the vacuum system business unit is projected to achieve 100% domestically (target 90%) and 95.54% internationally (target 92%).



# 1. Stakeholders and major themes

1.1 Stakeholder Engagement

1.2 Identification of significant themes

1.3 Promotion of sustainable development



# 1.1 Stakeholder Engagement

## Identification of stakeholders

In 2022, our company established the "Sustainability Development Committee" to oversee the advancement of environmental, social, and governance (ESG) initiatives, ensuring the effective implementation of sustainability efforts. The ESG Committee, guided by international trends and industry characteristics, collaborates with personnel from various departments and leverages interactions with stakeholders to identify key stakeholders. After discussions and evaluations by the committee members, six main stakeholder groups were identified: customers, employees, suppliers, shareholders/investors, competitors, and banks/financial institutions.



## Stakeholder identification process

### Definition of Stakeholder Categories

Drawing from global trends and industry traits, the ESG Committee has deliberated on and identified 10 stakeholder categories following interactions among personnel from different departments and stakeholders. These categories encompass shareholders/investors, customers, suppliers, employees, government agencies, competing investors, banks/financial institutions, research institutions, academic institutions, and local communities.



### Evaluation of Stakeholder Significance

- Apply the AA1000 stakeholder standard, incorporating the principles of influence and dependence, and conduct individual assessments by ESG members and relevant supervisors.
- Influence: stakeholders with the ability to impact organizational strategies or make decisions.
- Dependence pertains to stakeholders who rely directly or indirectly on an organization's products, services, or related operations.



### Identifying key stakeholders

- Based on the integrated assessment by the ESG Committee, six main stakeholder groups were identified, in order of priority: customers, employees, suppliers, shareholders/investors, competitors, and banks/financial institutions.

# 1.1 Stakeholder Engagement

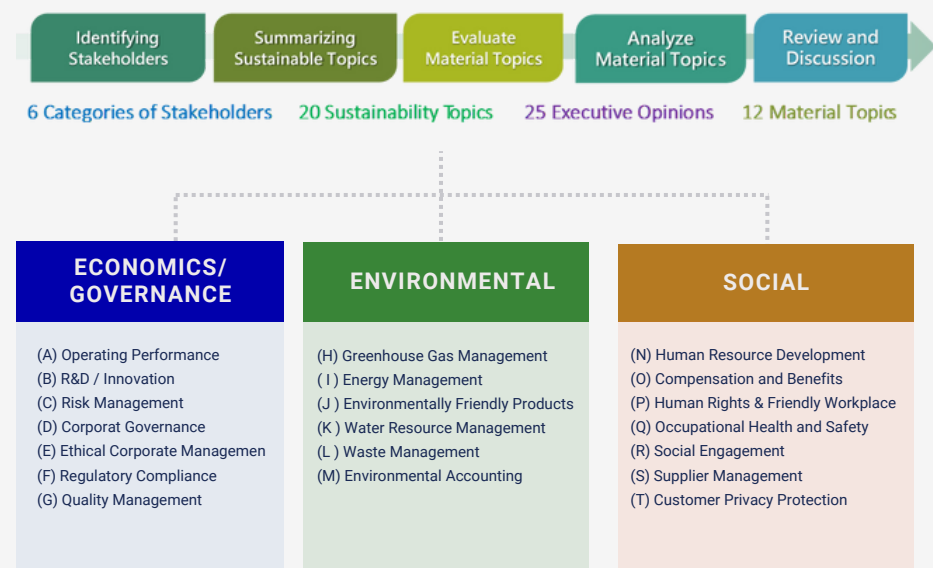
## Communication channels and major concerns

The company engages with stakeholders regarding pertinent issues through appropriate communication channels. Methods include questionnaire surveys, meetings, telephone communications, on-site surveys, etc. The company acknowledges and considers stakeholders' needs and suggestions. The communication channels and issues of concern between the company and its stakeholders are outlined as follows:

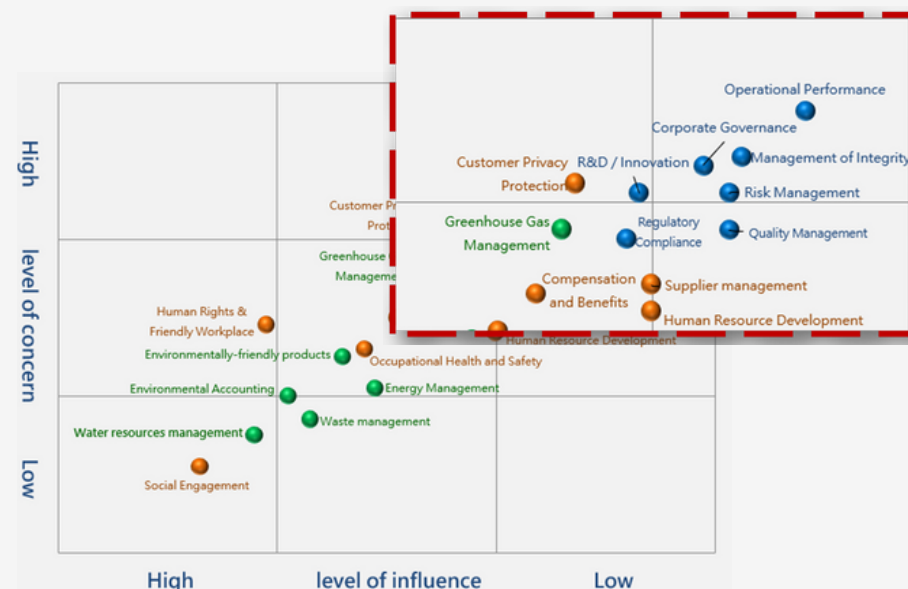
Stakeholders	Communication channels and methods of response	frequency	Prioritize concerns.	Contact section
Shareholders / Investors	<ul style="list-style-type: none"> <li>Public Information Observatory: Unveiling corporate information and significant news.</li> <li>Company website: Establish an "Investor Zone" to assist investors in comprehending the company's operational status.</li> <li>Regular shareholders' meeting: elucidate business objectives, heed shareholders' opinions, and disclose annual report.</li> <li>Legal entity briefing: provide an overview of operations and engage with investors.</li> </ul>	Irregularities Once/year as required.	<ul style="list-style-type: none"> <li>Corporate performance</li> <li>Corporate Governance</li> <li>Risk Mitigation</li> <li>Management of Integrity</li> </ul>	Investment Management Center Jiang Qingwei (CFO)
Employees	<ul style="list-style-type: none"> <li>The internal website disseminates real-time information and establishes a comment section to offer employees a platform to voice complaints and opinions.</li> <li>Conduct regular meetings with business unit managers and monthly department meetings.</li> <li>Meeting between labor and management.</li> <li>Committee for Occupational Safety and Health</li> <li>Employee health and medical consultation</li> <li>Social media (Facebook) communication, communication software, group communication</li> <li>ISO certification verification: ISO14001/ISO45001 certification</li> <li>Professional development and routine performance evaluation.</li> </ul>	Irregular 1 time/month 1 time/season 1 time/season Four times per month sporadically. 1 time/year 1 time/season	<ul style="list-style-type: none"> <li>Human Development and Talent Cultivation</li> <li>Compensation and perks</li> <li>Promote human rights and a welcoming work environment.</li> <li>Occupational Health and Safety</li> </ul>	Operations Management Center Shengxian Wu (COO)
Customers	<ul style="list-style-type: none"> <li>The company website has been configured with a "service area," a "contact us" section, and a business window to assist customers inquiring about products.</li> <li>Daily telephone communication, correspondence, and personal visits.</li> <li>Customer Satisfaction Survey: Customer Feedback</li> <li>Customer on-site audit or supplier evaluation of our company.</li> <li>Exhibition activities, advertising, and DM materials</li> </ul>	Irregularities Quarterly As required Sporadic	<ul style="list-style-type: none"> <li>Quality control</li> <li>R&amp;D/innovating</li> <li>Protection of Customer Privacy</li> <li>Management of Integrity</li> <li>Greenhouse Gas Management</li> </ul>	Business managers (service mailbox)
Supplier	<ul style="list-style-type: none"> <li>Supplier assessment</li> <li>Confirming daily visits and contacts, verifying daily purchases, issuing contracts, and ensuring timely payments.</li> </ul>	Occasionally	<ul style="list-style-type: none"> <li>Management of the supply chain.</li> <li>Management of Integrity</li> </ul>	Procurement Department Qiu Conghe (Manager)
Competitors	<ul style="list-style-type: none"> <li>Peer visits</li> <li>Industry-related exhibitions</li> <li>Trade association entity</li> </ul>	As needed	<ul style="list-style-type: none"> <li>Corporate performance</li> <li>R&amp;D/innovating</li> <li>Quality control</li> </ul>	Business managers (service mailbox)
Government	<ul style="list-style-type: none"> <li>Attend briefings, seminars, and other meetings organized by the relevant authority.</li> <li>Collaborate with the competent authorities in overseeing and inspecting.</li> <li>Daily written and verbal communication</li> </ul>	As per demand	<ul style="list-style-type: none"> <li>Compliance</li> <li>Corporate Governance</li> </ul>	CEO Office Yang Zhuji (Legal Manager)

# 1.2 Identification of significant themes

Our company gathers stakeholder concerns through various communication channels and uses GRI standards as the basis to identify key sustainability issues. In 2023, after discussions in the ESG meeting, we identified 20 sustainability topics: 7 economic, 6 environmental, and 7 social. Feedback was collected from 25 company executives via questionnaires to identify major topics and assess the importance of these issues to stakeholders and their impact on company operations. Based on the questionnaire results, we created a "Materiality Matrix," where topics in the top right corner indicate higher importance to both stakeholders and company operations. According to the Materiality Matrix, we identified 12 key topics: business performance, integrity management, corporate governance, risk management, quality management, R&D innovation, customer privacy protection, regulatory compliance, supplier management, greenhouse gas management, employee development and talent cultivation, and compensation and benefits. This report discloses information based on these key topics.



## Major theme analysis matrix

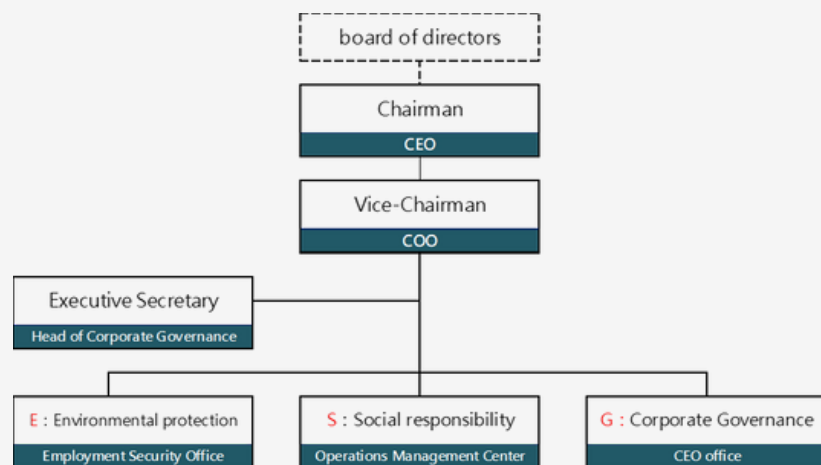


Rank	2022 ESG Topics	2023 ESG Topics	changes in rankings
1	Operational Performance	Operational Performance	-
2	Management of Integrity	Management of Integrity	-
3	Regulatory Compliance	Corporate Governance	↑ 4
4	Human Resource Development	Risk Management	↑ 6
5	Supplier management	Quality Management	↑ 4
6	Customer Privacy Protection	R&D / Innovation	↑ 2
7	Corporate Governance	Customer Privacy Protection	↓ 1
8	R&D / Innovation	Regulatory Compliance	↓ 5
9	Quality Management	Supplier management	↓ 4
10	Risk Management	Greenhouse Gas Management	↑ 2
11	Compensation and Benefits	Human Resource Development	↓ 7
12	Greenhouse Gas Management	Compensation and Benefits	↓ 1

# 1.3 Promoting sustainable development.

## ESG Committee Powers and Structure

In May 2022, our company's CEO assembled the management team to promote ESG sustainable development. In June, we established the Sustainability Development (ESG) Committee as the dedicated unit for driving sustainable development and created the "Sustainability Development Committee Charter" and "Sustainability Development Practice Code." These were submitted to the Board of Directors and approved in August. In June 2024, a revision was made to place the Sustainability Development Committee under the Board of Directors.



### Committee Duties

- Develop sustainability policies, systems, or related management guidelines.
- Establish sustainability goals, review implementation plans, and regularly evaluate performance.
- Oversee greenhouse gas inventory and verification planning.
- Review the Sustainability Report and disclose relevant information.
- Report implementation progress to the Board of Directors regularly (at least once a year).
- Handle other matters as directed by the Board of Directors.

## ESG Committee Activities in 2023

date	Execution emphasis
2023/6/16	<ul style="list-style-type: none"><li>• The first Sustainability Development Committee meeting of 2023 was held to identify stakeholders, determine key topics, and establish survey methods.</li><li>• The "2022 Sustainability Report" was planned and scheduled.</li></ul>
2023/7/21	<ul style="list-style-type: none"><li>• Each department compiled various ESG-related activities and completed the Sustainability Report (ESG Report).</li><li>• The second ESG Committee meeting of 2023 was held to present the 2022 ESG execution results and the Sustainability Report.</li></ul>

## Supervision of sustainable development by the board of directors in 2023

- The company regularly reports ESG implementation status to the board of director : Report to the board of directors on August 4, 2023 to review the implementation status and future development.
- Report the progress of the greenhouse gas inventory plan to the board of directors on a quarterly basis: Reports to the board were made on 2/23, 5/5, 8/4, and 11/9 in 2023, with the board overseeing the company's implementation status.
- Report the implementation status of corporate governance issues to the board of directors at least once a year: On 11/9 in 2023, reports were made on stakeholder communication, intellectual property management, information security, risk management, and integrity management, with the board overseeing the company's implementation status.
- On 11/9/2023, the Board of Directors amended the 'Risk Management Committee Charter, clearly stipulating that the Audit Committee oversees risk management. The Risk Management Committee is required to report the implementation status to the Audit Committee annually.
- Every January, managers present key operational highlights to the Board of Directors to inform them about the company's recent operational achievements and future development plans:
  - a.The 2022 operational results and the 2023 development plan were reported on 2023/1/12.
  - b.The 2023 operational results and the 2024 development plan were reported on 2024/1/11.

# 1.3 Promoting sustainable development.

## Commitment to Sustainability

While running the company, HTC actively engages in sustainable development to align with global development trends. Through corporate citizenship, it boosts national economic impact, enhances employee and community well-being, and fosters competitive advantages rooted in sustainable development. As explicitly stated in Article 2 of the Company's Sustainable Development Code of Practice.

## Policy for Assessing and Managing ESG Risks

The company references the matters outlined in the GRI Code and gathers concerns from stakeholders. Assessing the importance of ESG issues and its associated risk management policies is based on the "level of stakeholder concern" and "level of impact on the company." This process is outlined as follows:



issue	Project on risk assessment.	Management policy and mechanism
environment	Emissions from human activities	<ul style="list-style-type: none"> <li>Develop an inventory plan and report the implementation status to the board of directors quarterly. Establish management goals and improvement plans according to the inventory situation.</li> </ul>
	Management of Energy	<ul style="list-style-type: none"> <li>Introducing a digital management system to monitor data and enhance energy consumption.</li> </ul>
	Environmental management	<ul style="list-style-type: none"> <li>Achieved ISO 14001 Environmental Management System Certification</li> </ul>
society	Occupational Health and Safety	<ul style="list-style-type: none"> <li>Achieved ISO 45001 certification for Occupational Safety and Health Management System. Conducted annual fire drills and provided industrial safety education and training regularly.</li> <li>Regular and quarterly occupational safety and health committees.</li> <li>Human Rights Policy and Management Plan</li> </ul>
	Human Development and Cultivation of Talent	<ul style="list-style-type: none"> <li>Employees suggest personalized education and training programs and coordinate both internal and external training opportunities.</li> <li>Regularly reviewing succession planning, building, and continuously improving the management team.</li> </ul>
	Compensation and perks	<ul style="list-style-type: none"> <li>The Salary and Compensation Committee evaluates the allocation of remuneration.</li> <li>The Staff Welfare Committee evaluates welfare initiatives.</li> </ul>
	Customer confidentiality	<ul style="list-style-type: none"> <li>Clearly defined information security policy, confidentiality agreement, and mechanism for managing confidential information.</li> </ul>
	Supplier management	<ul style="list-style-type: none"> <li>Well-defined supplier management policies</li> </ul>
Economics/ Governance	operational efficiency	<ul style="list-style-type: none"> <li>Monthly review of operational performance and regular reporting of operational results to the board of directors.</li> </ul>
	Management of Integrity	<ul style="list-style-type: none"> <li>The Business Integrity Code clearly outlines the integrity policy, establishes operational procedures, and sets conduct guidelines for ethical business practices.</li> <li>Clarification of Inspections Law (Whistleblower System)</li> </ul>
	Risk Mitigation	<ul style="list-style-type: none"> <li>The Risk Management Code of Practice establishes risk management policies.</li> </ul>
	Corporate Governance	<ul style="list-style-type: none"> <li>Adhere to the Corporate Governance Code of Practice, the Company's Integrity Business Code, and the company's ethical code of conduct to establish an effective governance structure and related ethical standards to enhance corporate governance.</li> </ul>
	innovating	<ul style="list-style-type: none"> <li>The Innovation R&amp;D Center evaluates project execution on a weekly basis.</li> </ul>

# 2.Company Overview

2.1 Company Profile

2.2 Mission, philosophy and core values

2.3 Products and Services

2.4 Market Overview

2.5 Financial performance



## 2.1 Company Overview

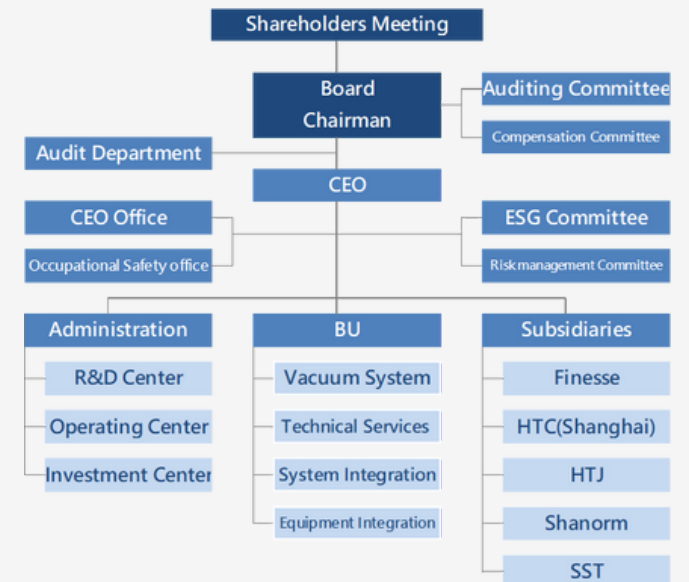
Established in 1997, HTC specializes in key components for semiconductor equipment. The company has implemented a global "business model of integrated technical services" to offer comprehensive solutions and drive innovative research and development. Its goal is to become a prominent partner in the semiconductor industry supply chain.

Highlight Technology Co., Ltd.	
Stock symbol	6208
Inception Date	May 29, 1997
Time counter	December 23, 2002
Chairman	Wu Mingtian
CEO	Kou Chongshan
Number of employees	483 people
Contribution	1,182,017 (KNTD)
Principal company	<ul style="list-style-type: none"> <li>Design, manufacture, and sale of vacuum chambers, modules, valves, and components.</li> <li>Sales and maintenance of vacuum pumps.</li> <li>Customized design and manufacture of various vacuum coating chambers and systems.</li> </ul>

### Business Locations

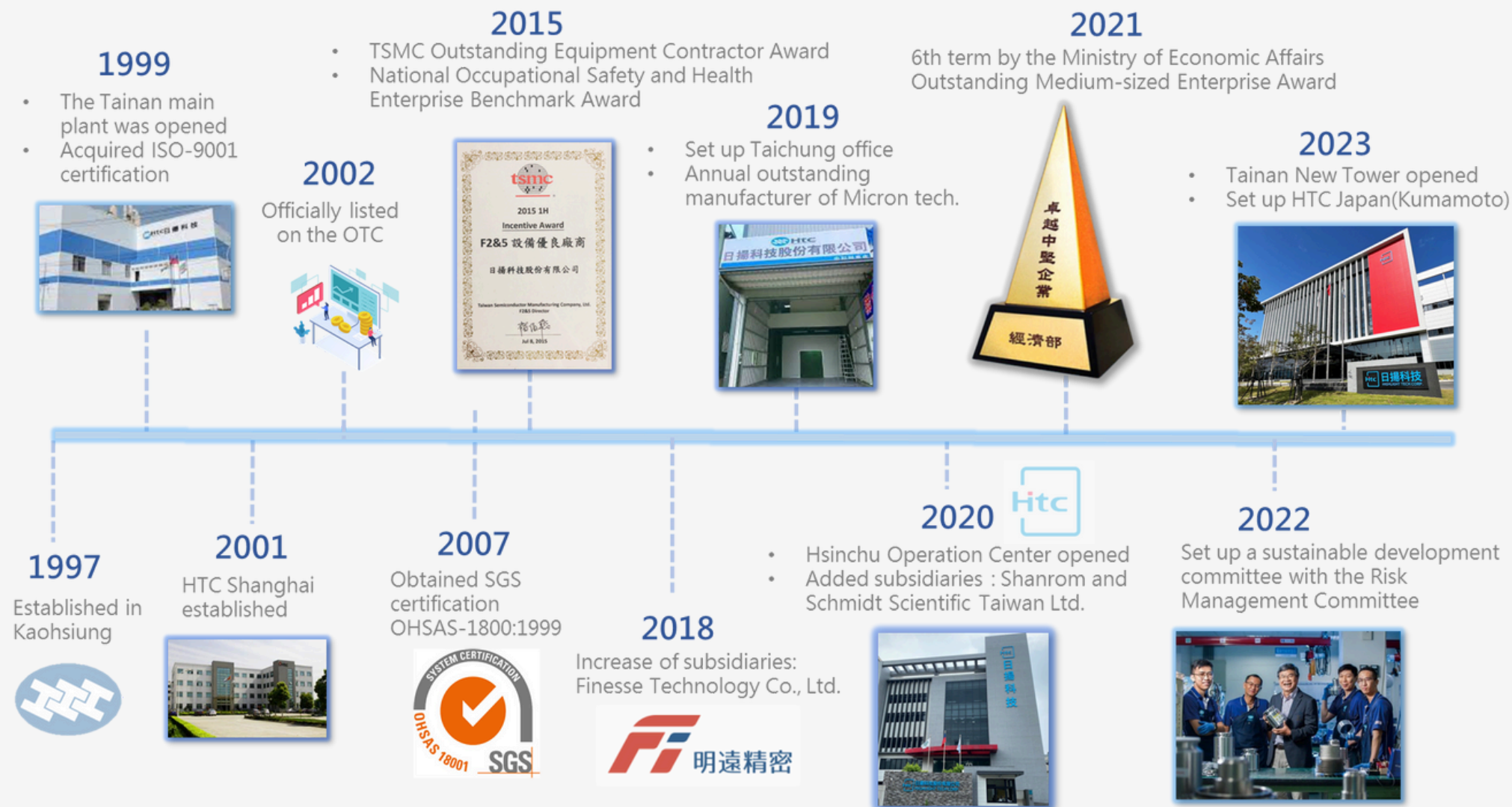


### Organization



## 2.1 Company Profile

### Key Milestones



## 2.2 Mission, philosophy and core values

### MISSION



#### **Become a valuable partner for customers.**

We consider customers as important partners, and our mission is to enhance customer value and become a valuable partner to them. We establish deep and lasting partnerships with customers, aiming to be a trusted and integral long-term partner contributing to their success. Together, we strive to create sustainable value and move towards sustainable operations.

### PHILOSOPHY



#### **Integrity, Integration, and Innovation, while building a corporate family with a culture.**

【Integrity】 Integrity is the most fundamental and crucial principle in business operations. We are committed to conducting our business with honesty, integrity, transparency, and accountability, and have established policies based on integrity.

【Innovation】 Innovation is the driving force behind corporate growth. We are dedicated to providing products and services with a competitive edge, fostering a culture of innovation within the company.

【Integration】 We integrate resources to create corporate value, continuously evolving into a comprehensive service provider.

### CORE VALUES



#### **Integrity, Talent, and Excellence are our core values**

【Facts】 Not doing things superficially, but focusing on the most valuable tasks.

【Talent】 Creating a corporate culture that encourages colleagues to bravely take on challenges.

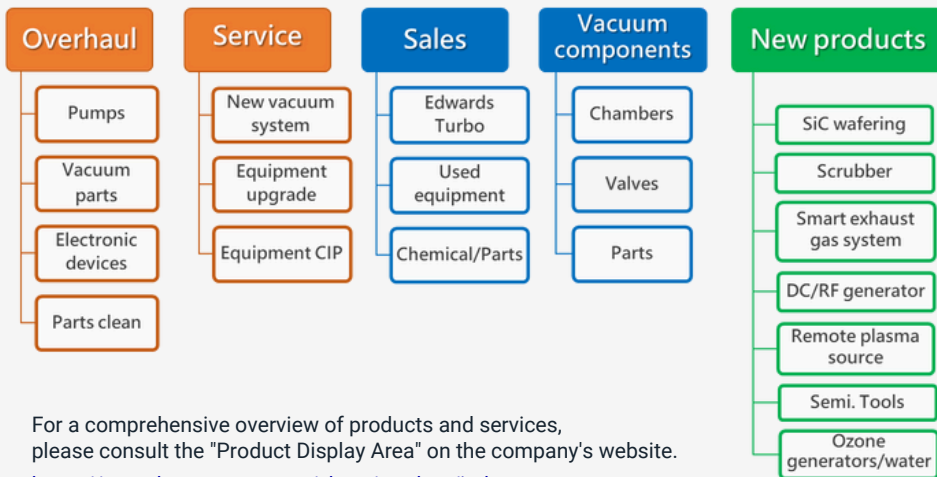
【Excellence】 Continuously surpassing our own and our customers' expectations.



## 2.3 Products and Services

The company primarily focuses on designing, manufacturing, and selling vacuum components such as valves, chambers, related parts, and antifreeze. It also offers sales, maintenance, cleaning, and CIP modification services for new vacuum pumps and pre-owned equipment, along with other technical support. Lately, the company has introduced new products and suggested smart exhaust gas treatment solutions to tackle dust and energy consumption challenges. It has concentrated on cutting-edge technologies and essential equipment for high-efficiency and energy-saving applications in the third-category semiconductor sector, including processes and testing. The company delivers top-notch solutions and comprehensive services to domestic and international semiconductor and optoelectronics industries, as well as medical, food, scientific research, and academic institutions. These services aid customers in achieving sustainable development goals related to environmental protection and energy conservation successfully.

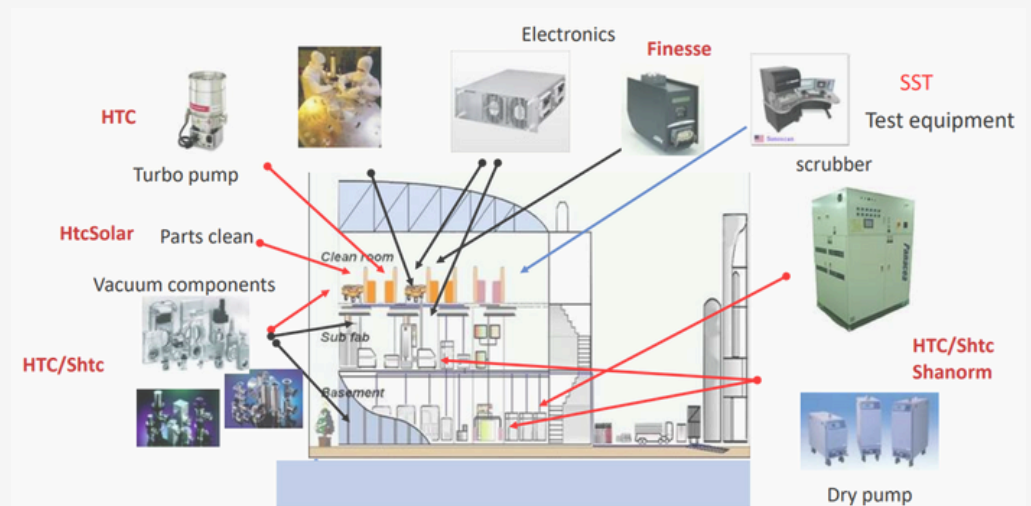
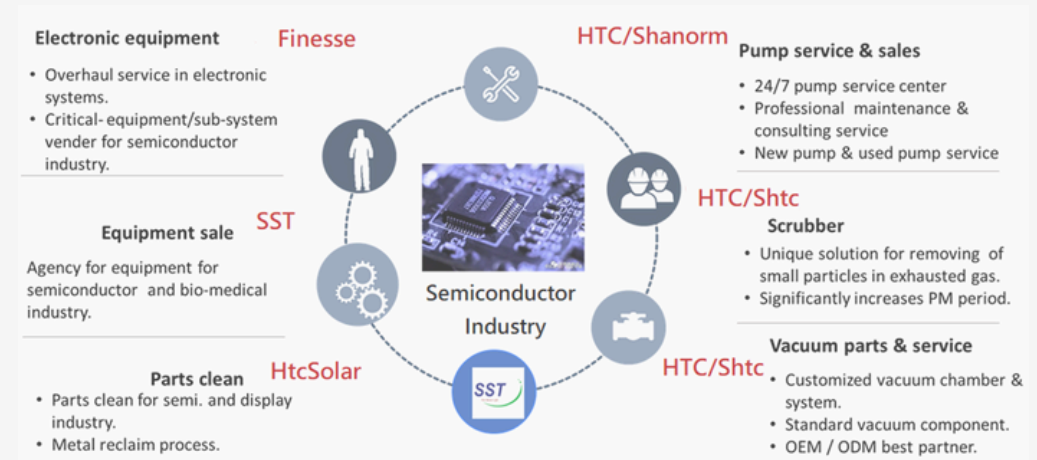
**Development strategy: Offering integrated services with the semiconductor industry at the center.**



For a comprehensive overview of products and services, please consult the "Product Display Area" on the company's website.

<https://www.htcvacuum.com/zh-tw/product/index>

## Products and services offered by HTC Group for semiconductor facilities.



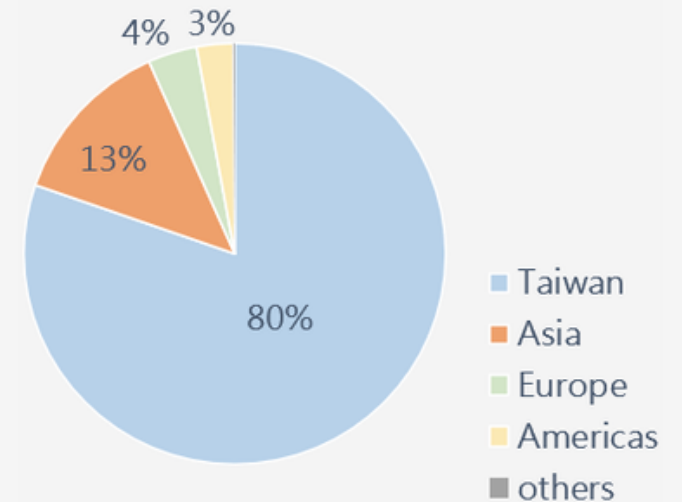
## 2.4 Market Overview

### Sales regions and distribution percentages in 2023

Currency: (KNTD)

area	Domestic sales	Exportation of goods					total
	Taiwan	Asia	Europe	America	other	Subtotal	
operational profit	3,376,739	548,435	158,097	117,556	4,609	828,697	4,205,436
Proportion	80%	13%	4%	3%	0%	20%	100%

operational profit	2022	2023
National sales	3,097,286	3,376,739
Exportation of goods	810,356	828,697
total	3,907,642	4,205,436



### Quantity and ratio of domestic and international sales of primary products

Currency: (KNTD)

primary products	National sales				Exportation of goods				Ratio of domestic and international sales			
	2022		2023		2022		2023		2022		2023	
	Sum of money	Proportion	Sum of money	Proportion	Sum of money	Proportion	Sum of money	Proportion	National sales	Exportation of goods	National sales	Exportation of goods
Components for vacuum systems	783,126	25%	1,016,839	30%	610,003	75%	440,453	53%	56%	44%	70%	30%
Sales and maintenance of vacuum-related equipment.	1,441,516	47%	1,616,299	48%	149,570	18%	290,746	35%	91%	9%	85%	15%
other	872,645	28%	743,601	22%	50,782	6%	97,498	12%	95%	5%	88%	12%
total	3,097,287	100%	3,376,739	100%	810,355	100%	828,697	100%	79%	21%	80%	20%

# 2.5 Financial performance

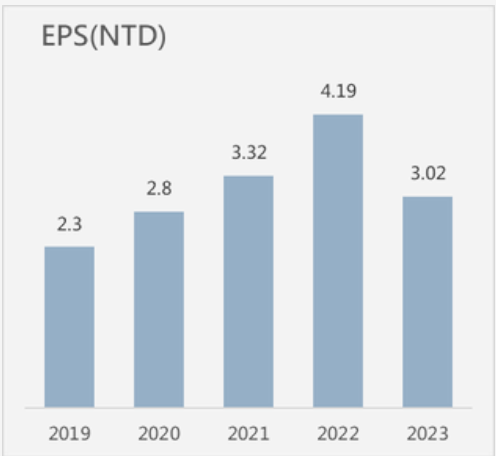
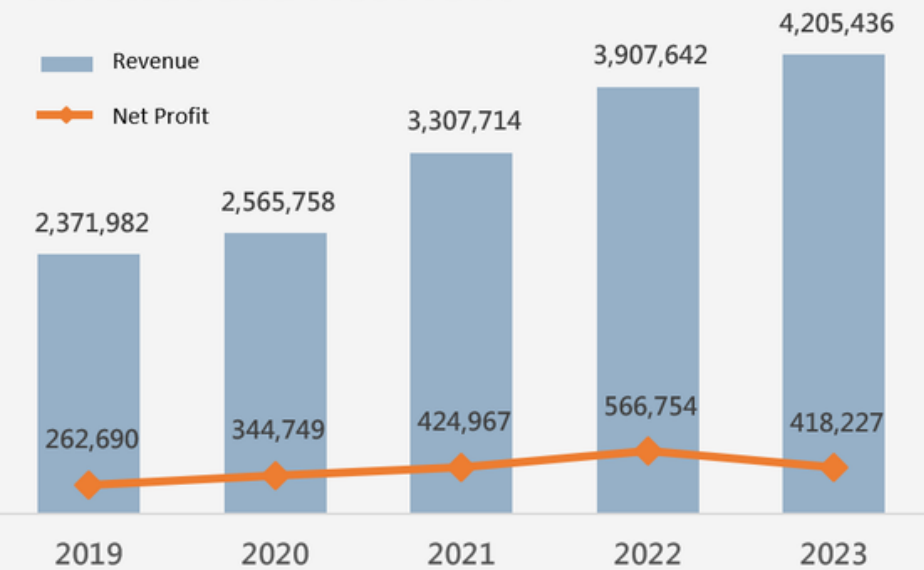
## Financial Performance in 2023:

- The consolidated revenue amounted to 4,205,436 (KNTD), marking a rise of 297,794 (KNTD) compared to 2022 (an 8% increase).
- The operating gross profit amounted to 1,437,541(KNTD) with a gross profit margin of 34%, marking a decrease of 66,453 (KNTD) (a 4% decrease) compared to 2022.
- The post-tax net profit amounted to 418,227 (KNTD), marking a 26% decline from 2022.
- Earnings per share (EPS) after tax stood at NTD\$3.02 marking a 28% decline from 2022.
- The return on equity (ROE) stands at 12%.

Currency: (KNTD)

project	year	2019	2020	2021	2022	2023
operational profit		2,371,982	2,565,758	3,307,714	3,907,642	4,205,436
profitability		285,350	277,936	471,013	629,782	550,775
Post-tax net profit		262,690	344,749	424,967	566,754	418,227
EPS		2.30	2.80	3.32	4.19	3.02

## Revenue and Net Profit



# 3. Corporate Governance

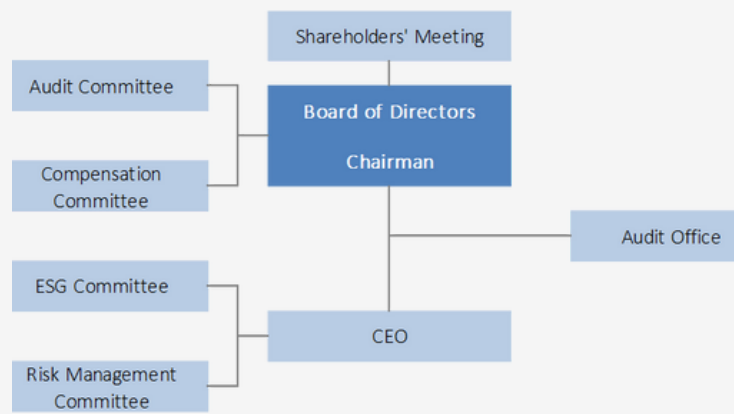
- 3.1 Corporate Governance Structure
- 3.2 Board of Directors
- 3.3 Internal control system
- 3.4 Risk Management
- 3.5 Ethical Management
- 3.6 Supply Chain Management
- 3.7 Emergency Response Plan
- 3.8 Customer relationship management
- 3.9 Information Security Management
- 3.10 Innovative R&D Management



# 3.1 Corporate Governance Structure

## Corporate Governance Structure

The company adheres to regulatory guidelines for corporate governance. The Board of Directors is the highest decision-making and governance body, responsible for setting sustainability strategies and overseeing management. An Audit Committee and Compensation Committee are established to support the Board's governance. The Audit Department, an independent unit reporting to the Board, assists in reviewing internal controls and operational effectiveness, providing recommendations for improvements. To advance ESG sustainability and robust risk management, the CEO chairs the Sustainability Committee and the Risk Management Committee, with the management team responsible for their respective duties. This structure supports the company's commitment to corporate social responsibility and sustainable business practices



## Board of Directors

The Board of Directors is the company's highest governance body, chaired by Chairman Wu Ming-Tian. To ensure clear responsibilities and organizational independence, the Chairman does not serve as a company executive. According to the company's articles of association, board member elections follow a nomination system, with procedures defined by the "Director Election Guidelines." The current (10th) Board, established on July 23, 2021, consists of 11 members (including 3 independent directors) nominated by shareholders holding more than 1% of shares. The board was elected during the shareholders' meeting on July 23, 2021, for a term ending on July 22, 2024. The board subsequently elected the Chairman.



### Member of the 10th Board of Directors and Group CEO of HTC

From left: Director Wu Shengxian, Director Huang Junyu, Independent Director Lai Jingluo, Director Wu Jixiang, Director Ma Jianyong, Chairman Wu Mingtian, Director Lai Zhengshi, Director Shen Pinxiu, CEO Kou Chongshan, Independent Director Huang Yongchang, Independent Director Xue Minghong, Director Luo Junxiu.

# 3.2 Board of Directors

## The oversight of impact management by the board of directors

Board's Purpose	<ul style="list-style-type: none"><li>• The board's primary responsibilities include ensuring transparency and compliance with regulations, guiding company strategy, overseeing management, and ensuring governance practices align with legal and organizational standards.</li></ul>
Sustainability Vision	<ul style="list-style-type: none"><li>• Implement robust corporate governance, fulfill social responsibilities, and enhance sustainability reporting. Align with international trends and practices to achieve the company's sustainability vision.</li></ul>
ESG Strategy and Policy	<ul style="list-style-type: none"><li>• Monitor international ESG trends and regulatory requirements, lead the development of ESG policies, and oversee their effective implementation.</li><li>• On August 4, 2022, the board approved the establishment of a Sustainability Committee, authorizing senior management to assess stakeholder concerns and operational impacts based on significance, and report regularly to the board.</li></ul>

## Board of Directors' Activities

In 2023, the Board of Directors held six meetings with an overall attendance rate of 98%. For details on the board's operations, please refer to pages 21–24 of our 2023 annual report. For resolutions, see pages 44–46 of the 2023 annual report.

### The board's protocol for preventing and alleviating conflicts of interest.

- To prevent conflicts of interest between directors and the company, directors seeking to remove non-competition restrictions must propose this action at a shareholders' meeting and secure approval in compliance with company law. The guidelines for directors' self-interest avoidance are outlined in the "Board Meeting Standards."
- The company's audit committee and compensation committee consist of independent directors. These directors provide recommendations rooted in their expertise and impartial perspective. During board discussions, the input of independent directors is thoroughly weighed, adhering to the principle of avoiding conflicts of interest to safeguard the company's interests.

### Disclosure of information

- For details on directors' recusal from proposals involving conflicts of interest, please refer to page 21 of our 2023 annual report.
- For information on directors holding positions on other boards and their shareholdings, see pages 11–12 of our 2023 annual report.
- Information about controlling shareholders (those among the top ten by shareholding) and their relationships as related parties, spouses, or relatives within the second degree of kinship can be found on page 49 of our 2023 annual report.
- Transactions with related parties are reported and disclosed on the Market Observation Post System as required.

## 3.2 Board of Directors

### Diversity on the board

The Company has established the "Corporate Governance Code of Practice," outlining the policy for diversifying board members in Article 20. Board member nomination and selection adhere to the company's articles of association, utilizing a candidate nomination system. This process aligns with the "Director Election Law" and the "Code of Corporate Governance Practice" to uphold board members' diversity and independence. The Company's 10th board of directors comprises 11 directors, with the following diversity breakdown:

Position Title	Name	gender	Company's part-time employee	Age			Tenure as an independent director		Specialized profession	Expertise						
				≤60 years old.	61-70	≥71 years old.	≤3 years	4~6 years		Manufacturing-related	Accounting	Energy Source	IT	law	medical	build
Chairman	Shengda Industrial Co., Ltd. Representative: Wu Mingtian	male				V				V						
Director	Shengda Industrial Co., Ltd. Representative: Wu Shengxian	male	V	V						V						
Director	Wu Jixiang	male			V						V					
Director	Ma Jianyong	male			V					V						
Director	Lai Zhengshi	male				V						V				
Director	Huang Junyu	male			V						V					
Director	Shen Pinsu	female			V											V
Director	Luo Junxi	male		V					physician					V	V	
Non-executive director	Xue Minghong	male		V				V	lawyer					V		
Non-executive director	Lai Jingyi	male		V				V	accountant		V		V			
Non-executive director	Huang Yongchang	male			V		V				V					

- One director, who is also an employee of the company, holds 9% of the director seats, which is less than one-third. The gender composition is diverse, with one female director holding 9%.
- The age distribution is varied, with 5 board members under 60 years old (45%), 4 between 61 and 70 years old (36%), and 2 over 71 years old (18%).
- Professional expertise and skills are varied among the board of directors, encompassing backgrounds in legal, accounting, finance, equipment processing and manufacturing, electronic materials, fuel energy, medical, construction, management, and other sectors. As a result, the board comprises proficient specialists with the essential knowledge, skills, and diverse industry experience to fulfill their responsibilities effectively.
- The board of directors comprises members with varied professional skills and industrial expertise. The collective board possesses operational acumen, financial analysis and accounting proficiency, business administration, crisis management, industry acumen, global market perspective, leadership, and decision-making capabilities.

# 3.2 Board of Directors

## Independence of the board

- The company's board of directors comprises 3 independent directors, representing 27% of the total. None of them have exceeded two terms. Of these, 2 have served between 3 to 6 years, while 1 has served for less than 3 years.
- The company's board of directors does not meet the conditions outlined in Article 26-3, Paragraph 3 of the Securities and Exchange Act. The directors related within the second degree of kinship are Wu Mingtian and Wu Shengxian, constituting 18% of the board, which is less than half of the total directors. Therefore, the board of directors as a whole adheres to independence.

## Board Performance Evaluation: External Assessment

The company conducts an external assessment every three years. The most recent on-site assessment was carried out on December 26, 2022, by the external unit "China Corporate Governance Association". This organization, along with implementation experts who are independent and experienced executive members, evaluates the board of directors in eight key areas: composition, guidance, authorization, supervision, communication, internal control, risk management, self-discipline, and others. This evaluation is done through questionnaires and on-site visits. The interview team reviews the data, conducts on-site visits, evaluates interactive observations, compiles general comments and suggestions, issues a "Board of Directors Performance Evaluation Report", discloses it on the company's website, and submits it to the board of directors on January 12, 2023. This report serves as a reference for the company's future planning, establishment, and enhancement of the board of directors' functions.

## Board Performance Evaluation: Internal Evaluation

The 2023 board of directors' performance evaluation will be recommended by the 10th Salary and Remuneration Committee of the 5th session. A board report detailing the work content and schedule will be presented on January 11, 2024. The evaluation will utilize an internal questionnaire and responses will be gathered in January 2024. The evaluation questionnaire outcomes will be consolidated and delivered to the board of directors on March 8, 2024 for review.

Category	Project	Evaluation of Board of Directors Performance	Evaluation of Board Member Performance	Evaluation of Functional Committee Performance		
				The Audit Committee	Compensation and Benefits Committee	overall
	Quantity of indicators	15	10	13	10	15
	Score (5 points)	4.97	4.79	4.90	4.97	4.91
	Achievement (100 points)	99.3	95.8	97.9	99.3	98.2

- Evaluation results: The operational evaluation outcomes for 2023 are outstanding (>4 points) and have received a favorable assessment. Board of directors' meetings are effectively communicated, seamless, and precise.



## 3.2 Board of Directors

### Policy on Compensation

#### Compensation policy, criteria, and configurations

- A. The company's directors' compensation comprises remuneration, emoluments, and business execution expenses.
- Remuneration In accordance with Article 18 of the Company's Articles of Association, the remuneration of the chairman and directors will be established based on their involvement in the company's activities and the significance of their contributions, along with industry-standard remuneration levels.
  - Pursuant to Article 31 of the company's articles of association, in the event of a profit being generated by the company within the fiscal year, the board of directors is authorized to allocate a maximum of 2% for directors' remuneration.
  - Business operational costs encompass transportation charges and assorted allowances.
- B. The company compensates its managers and employees in compliance with the "Salary Management Measures". Managerial compensation is specifically outlined in Article 29 of the Company's Articles of Association, and their appointment, termination, and compensation follow Article 29 of the Company Law. The Salary and Remuneration Committee assesses and establishes this compensation as per guidelines, presenting it to the Board of Directors for approval.
- C. The remuneration package includes a fixed salary and performance-based incentives, comprising quarterly bonuses (tied to operational targets), year-end bonuses (based on profit targets), and employee benefits (per Article 31 of the Articles of Association). If the company is profitable, 10-15% of profits are allocated for employee compensation, distributed as stocks or cash at the board's discretion.

#### Remuneration Fixing Procedure

- The company's directors and managers' remuneration setting and distribution adhere to the articles of association. These matters are deliberated by the salary and remuneration committee and the board of directors in compliance with regulations.
- The company regularly evaluates director performance according to the "Board of Directors Performance Evaluation Methods" and uses these results to set individual salaries and remuneration. Evaluation criteria include understanding company goals, directors' responsibilities, participation in operations, internal communication, professional development, and internal control. On January 11, 2024, the remuneration committee set the 2023 director evaluation indicators, which include understanding strategic goals, industry risks, confidentiality, meeting preparation, proposal suggestions, management team engagement, accountant communication, and financial oversight (10 indicators). The evaluation results will be discussed on March 7, 2024, with a board report due on March 8, 2024. Exceptional evaluations will lead to equal profit sharing.
- The company conducts annual performance appraisals for professional managers. The board of directors assesses financial performance, market performance, and non-quantitative performance indicators such as strategic planning, new market development, product research and development, and talent cultivation. The performance appraisal report is submitted annually to the Salary and Remuneration Committee and the Board of Directors. Following assessment by the Salary and Remuneration Committee, the report is presented to the Board of Directors for approval.

## 3.2 Board of Directors

### Committee functionality

The composition, functions, and meeting details of the company's functional committees in 2023 are outlined below:

committee	Established on	Membership	Primary function	2023 Meeting Status
Audit Committee	2018/6	3 autonomous directors	<ul style="list-style-type: none"> <li>Accurate portrayal of corporate financial statements.</li> <li>Selection, appointment, independence, and performance of visa accountants.</li> <li>Efficient execution of corporate internal controls.</li> <li>The company adheres to pertinent laws and regulations.</li> <li>Management and oversight of current or potential company risks.</li> </ul>	6 meetings were held, with an overall attendance rate of 100%
Compensation Committee	2011/10	3 autonomous directors	<ul style="list-style-type: none"> <li>Assess director and manager compensation policies and provide recommendations to the board.</li> </ul>	5 meetings were held, with an overall attendance rate of 100%
Sustainability Development Committee	2022/8	5 members: CEO, COO, Governance, Environmental and Social Committee	<ul style="list-style-type: none"> <li>Develop sustainability policies, systems, and management guidelines.</li> <li>Set sustainability goals, review plans, and evaluate performance.</li> <li>Oversee greenhouse gas inventory and verification.</li> <li>Review sustainability reports and disclose relevant information.</li> <li>Report to the board at least annually and handle other board-directed tasks.</li> </ul>	2 meetings were held, with an overall attendance rate of 80%
Risk Management Committee	2022/11	7 members: CEO, COO, CFO and 4 Business Unit heads	<ul style="list-style-type: none"> <li>Operational and Strategic Risks: The CEO and management team conduct annual risk assessments of operational strategies and regularly track performance to ensure alignment with the company's vision and operational goals.</li> <li>Market Risks: Division (Deputy) General Managers assess and address market changes, with decision-makers and the management team forming task forces if necessary to manage market risks.</li> <li>Financial Risks: The CFO is responsible for measuring, monitoring, and evaluating financial risks, analyzing the company's balance sheet structure and key financial ratios.</li> <li>Integrity Risks: The COO promotes a culture of integrity and establishes mechanisms to prevent dishonest behavior.</li> <li>Information Risks: The Chief Information Security Officer plans, monitors, and executes information security management operations.</li> <li>Compliance Risks: The Legal Department and relevant units evaluate and address compliance risks based on laws, policies, and industry developments.</li> </ul>	2 meetings were held, with an overall attendance rate of 93%

## 3.3 Internal control system

### Internal control procedures

The company aligns its internal control system with the "Principles for Establishing Internal Control Systems for Publicly-Issued Companies." It conducts an annual self-assessment of the internal control system to evaluate its design and implementation effectiveness. The internal control self-assessment undergoes review by the audit office. The outcomes, along with the audit office's assessment of identified deficiencies and their enhancements, form the foundation for the audit committee and the board of directors to release a statement on the internal control system.

### Internal audit procedures

- The audit office operates independently as a unit under the oversight of the board of directors. Staffed with audit supervisors and personnel, its primary role is to support the board of directors and managers in identifying and addressing shortcomings in the internal control system. Additionally, it evaluates the effectiveness and efficiency of operations, offering timely recommendations for enhancements to ensure proper functioning, effectiveness, efficiency, financial reporting accuracy, and compliance with applicable laws.
- The audit office develops an annual audit plan grounded in risk assessment and legal compliance, issues audit reports, monitors enhancements, and may perform ad-hoc audits when necessary.
- The audit manager is authorized to report current deficiencies or possible risks to the chairman, CEO, and independent directors as needed, engage with audit committee members quarterly, and participate in board of directors meetings for internal audit updates.



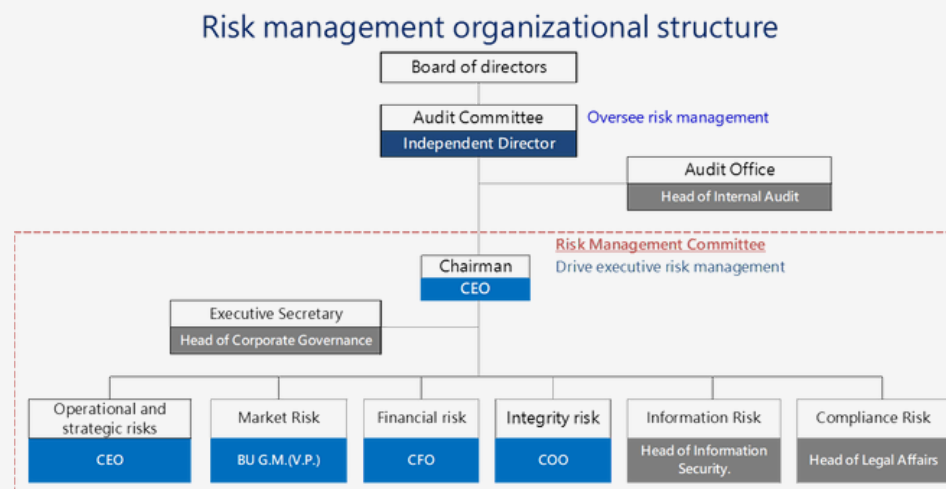
## 3.4 Risk Management

### Policies and Procedures for Risk Management

Based on the 'Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies,' the risk management policy and procedures were established and implemented following approval by the Board of Directors on 11/10/2022. These serve as the guiding principles for the company's risk management. (Refer to the company's regulations: Risk Management Best-Practice Principles)

### Organizational structure and extent

The Board of Directors is the highest governing body for risk management, overseen by the Audit Committee, which consists of three independent directors. Considering the company's size, business characteristics, risk nature, and operations, a Risk Management Committee was established to implement risk management. The CEO serves as the chairperson, with designated committee members responsible for promoting and executing risk management activities. The Risk Management Committee Charter was approved by the Board of Directors on 11/10/2022 and amended on 11/9/2023



### Operational Status in 2023

Meeting Date	Implementation status	
	Meeting Highlights	Follow-up tasks
1st Risk Management Committee in 2023 (2023/4/28)	<ul style="list-style-type: none"> <li>Assessment of Market Risk Market impact assessment and response measures.</li> <li>Financial risk evaluation</li> <li>Report on Information Security Issues</li> </ul>	<ul style="list-style-type: none"> <li>Each business unit will assess the budget in July 2023 and present it to the board of directors for deliberation on August 4, 2023, while keeping a close watch on market dynamics.</li> <li>Establish an information security management system utilizing the ISO27001 framework, and assess implementation priorities and investment requirements based on needs.</li> <li>The legal department commences the categorization of documents and files concerning business secrets, defines confidential documents, and carries out monitoring and validation procedures.</li> </ul>
2nd Risk Management Committee in 2023 (2023/9/27)	<ul style="list-style-type: none"> <li>Financial risk evaluation</li> <li>Management and control of accounts receivable</li> <li>Inventory management</li> </ul>	<ul style="list-style-type: none"> <li>The head of finance and accounting will present financial analysis, receivables, and inventory risk management and control to the board of directors on November 9, 2023.</li> </ul>

### Management of Operational Continuity

The "Business Continuity Plan Control Procedure" (revised on 2020/11/25) was established on 2012/8/13 to safeguard the company's ongoing operations and mitigate the effects of unforeseen disasters, incidents, and other events that could disrupt operations. By employing Business Continuity Management (BCM) and Business Continuity Plan (BCP), along with preventive and recovery control measures and protocols, any operational disruptions that may occur will be minimized to a manageable extent.

## 3.5 Ethical Management

### Policy on Integrity

- HTC is committed to integrity, transparency, and responsible management. We have established integrity-based policies, effective corporate governance, and risk control mechanisms to create a sustainable business environment
- The company's integrity management policy is developed and endorsed by the board of directors, in accordance with the "Code of Integrity Management for Listed Overseas Companies" and "Integrity Management Operating Procedures and Conduct Guidelines."
- On November 10, 2022, the board of directors sanctioned the creation of a specialized unit to advance corporate integrity management: the integrity risk group of the risk management committee is a dedicated unit, led by the chief operating officer, tasked with formulating and overseeing integrity management policies and prevention plans, and is required to provide regular reports to the Board (at least annually).

### institutional standards

#### ADHERE TO THE REGULATIONS COLLECTIVELY.

- Integrity Management Code: It governs the conduct of the company's directors, managers, and individuals with significant control authority to prevent bribery, corruption, unlawful political contributions, or other unethical conduct during business operations.
- A corporate governance manager will be appointed in compliance with regulations on May 5, 2023, to oversee the promotion of corporate governance matters and the integration of corporate sustainability issues into governance practices.
- Adherence to the "Code of Practice for Governance of Listed Over-the-Counter Companies," "Code of Integrity Business for Listed Over-the-Counter Companies," and "Code of Ethical Conduct for Listed Over-the-Counter Companies" is essential for establishing a robust governance framework and upholding ethical standards.
- Risk Management Code of Practice: Periodically assess integrity risk concerns to prevent or minimize the effects of integrity risk incidents on activities.

#### AVOIDING CONFLICTS OF INTEREST

- Relevant regulations are established in accordance with the law to cover the highest governance unit and the process to avoid and manage conflicts of interest, including management practices for preventing insider trading, codes of ethical conduct, etc. (Publicly disclosed in the Company Rules section of the company's website)
- In terms of significant contributions, as per the "Board of Directors Meeting Standards," donations to affiliated parties or substantial donations to non-affiliated parties should be disclosed to the board of directors for pre-approval.
- The company's board meeting procedures, audit committee organizational rules, salary and remuneration committee organizational rules, sustainable development committee organizational rules, risk management committee organizational rules, inspection procedures, and other clearly defined interest avoidance systems. Directors, committee members, and integrity unit personnel should carry out official duties objectively and efficiently, refraining from seeking inappropriate advantages due to their positions within the company.
- To guarantee colleagues' comprehension and adherence to regulations, Article 13 of the "Labor Contract" signed by employees explicitly states that employees must refrain from accepting gifts and entertainment, irrespective of their connection to business relationships. Should there be any gifts or entertainment from business associates, employees are required to inform the company for appropriate action.

## 3.5 Ethical Management

### WHISTLEBLOWER REPORTING SYSTEM

- Formulate "Integrity Business Operation Procedures and Conduct Guidelines" and "Report Procedures", clearly disclose the reporting procedures, and strictly abide by them.
- The whistleblower's identity and report content will remain confidential to safeguard against retaliation. If the reported violations are substantiated, suitable disciplinary measures will be implemented in accordance with company policies.
- Establish and announce a reporting channel on the company website for all company personnel, both internal and external.

**SAY NO TO  
CORRUPTION**



### Rules and regulations slated for revision in 2023.

project	Policies and guidelines	date	illustrate
Corporate Governance	Revision of the "Corporate Governance Practice Code"	Approved by the board of directors on 2023/1/12	Modify systems as required by authorities to ensure the appropriateness of integrity-related measures.
	Revise the "Organizational Rules of the Salary and Remuneration Committee."	Approved by the board of directors on 2023/5/5	
	Revise the "Organizational Rules of the Risk Management Committee."	Discussed by the Board of Directors on 2023/11/09	
System of internal control	Revision of "Asset Acquisition or Disposal Procedures"	Approved by the standard shareholders' meeting on 2023/6/8	Revise systems in accordance with regulations and practical operations to ensure the suitability of all processes.
	Revise the "Shareholders' Meetings Rules of Procedure."	Approved by the standard shareholders' meeting on 2023/6/8	
	"Supervision of Subsidiaries"	Approved by the board of directors on January 12, 2023.	
	Established "Board Meeting Operation Management"	Approved by the board of directors on 2023/5/5	
	Established "Audit Committee Discussion and Operation Management"	Approved by the board of directors on 2023/5/5	
	Established "Management of Salary and Remuneration Committee Operations."	Approved by the board of directors on 2023/5/5	
	Modification of "Management of Financial and Non-Financial Information Operations"	Approved by the board of directors on 2023/5/5	
	Establishing "financial business-related operating standards among related parties."	Discussed by the Board of Directors on 2023/11/09	
	Revise the "investment cycle" and "financing cycle."	Discussed by the Board of Directors on 2023/11/09	

## 3.5 Ethical Management

### Education and propaganda

Way	content	Propaganda department	time	object
Educational propaganda	<ul style="list-style-type: none"> <li>Employee behavior</li> <li>proprietary information</li> <li>Antitrust</li> </ul>	Legal department	October 2023 (2 hours)	192 individuals from pertinent departments of the organization
Effective propaganda	<ul style="list-style-type: none"> <li>Fraud prevention</li> <li>Trade Secrets Law and Judicial Practice Overview</li> <li>Discussion on identifying insider trading practices</li> </ul>	Hsinchu Investigation Station of the Ministry of Justice Investigation Bureau	2023/8/25 (1.5 hours)	15 managers and associated staff
Propaganda document	<ul style="list-style-type: none"> <li>Alterations in insider ownership</li> <li>Securities fraud</li> <li>Short-term trading privileges</li> </ul>	2023 Briefing on Overseas Purchasing Center	2023/9/28	11 directors and 9 internal managers

### Event statistics

Complaint Investigation	Mailbox Report	Cases of Corruption and Fraud	Complaints regarding customer privacy breaches or customer information loss	Incident of Confidential Information Leakage
0	1	0	0	0

**If pertinent stakeholders of the company identify any breaches of integrity management, they may report them via the designated reporting channel.**

- Audit Committee Contact : hueh7155@ms27.hinet.net
- Reporting by Email : shine@high-light.com.tw
- Reporting by telephone : (03)597-3325 ext. 3188
- Reporting by letter : 32 Guangfu Road, Hukou Township, Hsinchu County, ROC
- Acceptance and response : Operation Management Center



## 3.6 Supply Chain Management

HTC views our suppliers as partners and is committed to fostering long-term collaboration and a sustainable supply chain. It publishes its supplier management policies on the company website. In 2023, HTC works with 792 suppliers—720 domestic and 72 foreign. By following "Supplier Management Procedures" and "Procurement Management Procedures," and holding certifications like ISO 9001, ISO 14001, and ISO 45001, HTC has established a comprehensive supplier management program. This program covers quality, business ethics, labor rights, environmental protection, safety, technology, supply capabilities, and hazardous substance exclusion. The "Supplier Corporate Social Responsibility Code of Conduct Operating Standards" will be updated in 2023, with ongoing efforts to ensure supplier compliance with HTC's standards.

### Policy on Supplier Management

The company has developed a supplier management policy that encompasses supplier evaluation criteria, approved supplier qualifications, supplier delivery performance evaluation, ethical standards, privacy, and intellectual property rights. This policy is publicly available on the company's website: <https://www.htcvacuum.com/zh-tw/investor/index/ESG/SCM>.

### Supplier Management Procedure

#### Supplier Assessment

- Written evaluations and site inspections are required; only those who pass will be included in AQL.
- Suppliers must meet quality and safety regulations to be approved as qualified suppliers.



#### Supplier management

- Regular meetings and discussions take place.
- Review and address multiple quality issues, and suggest efficient plans for review and enhancement.
- Finalize the procurement specification document and adhere to it rigorously.



#### Supplier evaluation

- Suppliers are graded based on service, quality, and delivery scores, with regular guidance for those below standard.
- If they still fail to meet the standard (<70 points) after guidance, they will be suspended.



#### Supplier training

- In addition to existing quality, environmental, and management guidance, suppliers must also provide procurement specifications for interactive management to ensure up-to-date and accurate information.

## 3.6 Supply Chain Management

### Supplier procurement

According to the "Procurement Control Procedures," suppliers are evaluated and categorized into four levels: A to D. Level A represents excellent suppliers, Levels B and C represent qualified suppliers, and Level D represents unqualified suppliers. The evaluation results must be reported at the management review meeting. In the 2023 supplier evaluation, 90% were rated as Level A, 9% as Level B, and less than 1% as Level C.

project		Method/Implementation
Supplier Profile	selection and supporting measures	Assess product quality, working conditions, and technical performance of new suppliers to verify compliance with company quality standards and customer expectations.
	auditing and assessment	<ul style="list-style-type: none"> <li>On-site assessments are carried out for new suppliers, and existing suppliers are sent to perform on-site audits periodically to verify the actual implementation level of qualified suppliers.</li> <li>Supplier evaluations occur biannually, assessing delivery quality and timeliness. Suppliers below the standard receive support for achieving improvement within the set timeframe.</li> <li>The evaluation results and improvement efficiency will serve as the foundation for future cooperation assessments.</li> </ul>
	coaching and training	<p>By employing these methods, along with offering intermittent coaching and educational training, we aim to boost the overall competitiveness of suppliers and attain sustainable growth with them.</p> <ul style="list-style-type: none"> <li>Discuss and enhance customer complaints related to feeding/production lines.</li> <li>Verify the supplier's quality standards and capacity for development.</li> <li>Verify the efficient functioning of the supplier quality system.</li> <li>Confirmation of change in production location.</li> <li>Promote the company's future needs and quality standards.</li> </ul>
Supplier Environmental Evaluation	environmental sustainability and Occupational safety policy promotion	<p>In 2020, a supply chain CSR promotion manual and related implementation will be developed, along with the establishment of a supplier ESG self-evaluation form to ensure the following issues:</p> <ul style="list-style-type: none"> <li>Ensure suppliers refrain from making commitments regarding "conflict minerals."</li> <li>Ensure that the products supplied by vendors adhere to RoHS green environmental standards.</li> <li>Preference is granted to manufacturers with ISO 14001 certification who adhere to environmental and hazardous substance management standards.</li> <li>Products must adhere to environmental regulations, and must include pertinent reports and safety data sheets (SDS) for listed hazardous substances to minimize their impact on humans and the environment.</li> </ul>
	Digital system	In 2021, electronic sign-off for EC and BPM will be implemented to establish a paperless setting. Kindly utilize the ERP&SRM system from procurement to order issuance, minimizing paper usage and transmission. This initiative is expected to conserve approximately 2 tons of paper annually and foster collaborative engagement from suppliers.
Supplier Social Evaluation	Letter of Commitment to Integrity	Starting in 2020, suppliers will need to sign a commitment letter regarding integrity, while personnel interacting with HTC in relevant business areas will be expected to make pledges concerning integrity, ethical responsibilities, and ethics.

## 3.6 Supply Chain Management

### Absence of commitment to conflict minerals

The mineral trade in the Democratic Republic of the Congo and surrounding regions, controlled by local interest groups using financial resources to trade arms, perpetuate conflict with the government, and harm local civilians for personal gain, has sparked international controversy. The majority of the company's finalized products are free from significant conflict minerals such as gold (Au), tantalum (Ta), tin (Sn), and tungsten (W) (collectively known as 3TG). The facility does not partake in the processing of 3TG metals. Nonetheless, as a global participant, we endorse the global movement against conflict minerals and uphold the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (H.R. 4173) to prevent the utilization of unlawfully sourced metals in our product materials and manufacturing procedures. We voice our apprehension regarding conflict minerals and pledge our support—

HTC is dedicated to complying with RBA regulations, refraining from utilizing conflict minerals, rejecting primary minerals sourced from Central Africa and neighboring conflict countries, and mandating that supply chain manufacturers steer clear of conflict minerals.



### Business Continuity Planning for the Supply Chain

The company has developed the "Supply Chain (Business Continuity Planning) Publicity Standards" to help suppliers comprehend and execute operational continuity management through publicity, aiming to mitigate the risk of interruptions in supplier operations.

### Management of Contractors

- Before commencing construction, our company's project contractors must disseminate information to their employees regarding workplace environment and hazardous factors, as well as provide safety and health education, training, and assessments to mitigate the risk of occupational injuries.
- Enhance contractors' awareness of the factory process environment, potential hazards, and safety measures through routine education, training, and group awareness sessions as per the contractor agreement.
- Simultaneously, signing the "Contractor Agreement Organization and Safety, Health and Environmental Protection Commitment Letter" is necessary to mitigate the risks and hazards faced by contractors upon entering the premises, as well as to prevent negligence during on-site activities that could result in industrial safety incidents.

## 3.7 Emergency Response Plan

Various disaster relief resources, manpower, and equipment are utilized to swiftly address the damage resulting from potential natural disasters, fire explosions, chemical leaks, personal injuries, and other accidents. The aim is to prevent the escalation of the disaster and minimize its effects on individuals and the environment within and beyond the factory premises. To mitigate environmental losses, pertinent education and training, including emergency response drills, are conducted to ensure prompt and effective disaster management, reducing both the severity and impact in the event of a crisis. Records of emergency drills, safety, and health education and training for 2023:

course	Internal and external training opportunities	
	training	project
<ul style="list-style-type: none"> <li>Emergency Response and Evacuation Drill for all factory on 2023/06/14</li> <li>Emergency Response and Evacuation Drill at Tainan Factory on 2023/12/20</li> <li>Emergency Response and Evacuation Drill at Hsinchu Factory on 2023/12/27</li> <li>Traffic safety promotion at Tainan Factory on 2023/12/26</li> <li>Traffic safety promotion at Hsinchu Factory on 2023/12/28</li> </ul>	In-house training	<ul style="list-style-type: none"> <li>General occupational safety and health education and training (based on demand/recurring courses)</li> <li>General education training on hazards (based on demand/regular courses)</li> </ul>
	External training opportunities	<ul style="list-style-type: none"> <li>Additional requirements for occupational safety certificates include initial training, refresher training, and outsourced training.</li> </ul>

### Mechanism for responding to environmental, safety, and health emergencies.

In accordance with the "Emergency Response Management Procedure," swift and effective emergency measures can be promptly implemented when an accident transpires. Regular drills and assessments should be conducted to prepare for potential accidents. In the event of an accident, a well-organized and systematic approach enables us to promptly address the situation, minimizing injuries and losses.



## 3.8 Customer relationship management

### Quality control

The company was established in 1997 with the corporate mission of "becoming a valuable partner to customers." In 1999, it achieved ISO 9001 quality management system certification. By effectively applying the system, ensuring continuous process improvement, and adhering to customer requirements and relevant laws, the company guarantees compliance with regulations to enhance customer satisfaction.

**HTC Quality Policy:**  
**Revolves around full participation and ensuring customer satisfaction.**

Customer-centric process design demonstrates customer-focused leadership and commitment from top management to ensure:

- Customer requirements and relevant laws and regulations have been identified, comprehended, and agreed upon.
- Identified and addressed are the risks and opportunities that affect product and service conformance, as well as the ability to improve customer satisfaction.
- Prioritize the enhancement of customer satisfaction.

### Protection of Customer Privacy

The company upholds the privacy rights of its customers in accordance with the "Personal Data Protection Law" of the Government of the Republic of China and relevant regulations. A clear privacy statement is provided on the company's website. Personal information is never shared, exchanged, rented, or sold to safeguard customer privacy. Emphasis is placed on safeguarding customer confidential information through confidentiality agreements. Employees are required to adhere to the "Confidentiality and Non-compete Agreement" to ensure the protection of confidential information. In 2023, the company received no complaints regarding breaches of customer privacy rights or loss of customer information.



# 3.8 Customer relationship management

## Customer satisfaction

Customers represent the primary stakeholders of our company. To comprehensively assess the quality of service operations related to our products and gauge customer satisfaction levels, a survey was conducted. The aim was to pinpoint critical issues and highlight key areas for enhancement. This initiative seeks to surpass benchmark standards and promptly implement suitable measures to enhance customer satisfaction levels. Business unit managers are responsible for establishing and executing customer satisfaction objectives during the annual management review meeting held in the latter part of each year. They should analyze and contrast data gathered from customers against survey standards, and evaluate and rank survey initiatives, culminating in the creation of a "Customer Satisfaction Survey Form."



The customer satisfaction analysis for 2023 is as follows:

Complaint Investigation	Survey form	Survey distributed	Valid questionnaire retrieval	Questionnaire	Satisfaction level achieved
Technical Service Division	5-point scale	121 items	121 items (recovery rate 100%)	9 items	99.4% (target 96%)
Domestic Vacuum System Business Unit		20	Nineteen items (95% retrieval rate)	11 items	100% (target 90%)
Overseas Vacuum System Business Unit		20	14 items (with a recovery rate of 70%)	8 items	95.5% (target 92%)

## 3.9 Information Security Management

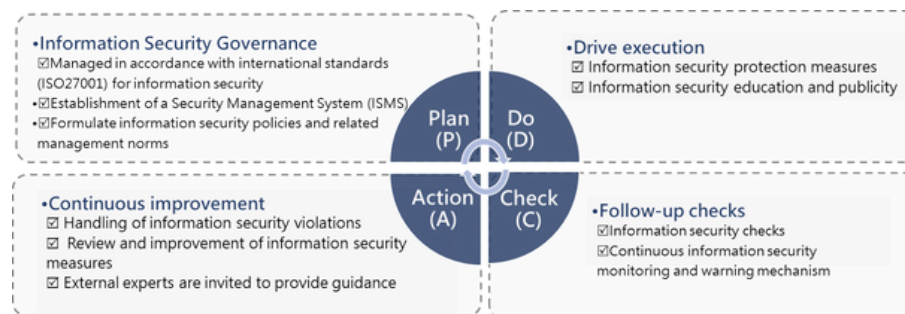
### Information security architecture

#### Information Security Organization:

- On 11/10/2022, the Risk Management Committee was established, chaired by the CEO, with an Information Risk Team set up as the dedicated unit for information security. The team reports to the Board of Directors at least once a year (2023 report on 11/9/2023).
- On 12/19/2023, a dedicated Information Security Officer and a staff member were appointed to oversee the development of security and protection policies, and to regularly meet with relevant units to discuss mechanisms and key tasks (initially monthly meetings, with frequency adjusted as needed).

#### Enterprise Information Security Risk Management and Continuous Improvement Framework

- To effectively implement information security management, a PDCA cycle is used for ongoing improvements.



### Policy on Information Security

To enhance information security and protect confidentiality, integrity, availability, and personal data, while ensuring continuous information operations and compliance with laws, the company established the "Information Security Policy Management Measures" on September 12, 2022. This policy aims to achieve the following objectives:

- Safeguard the operational information of the company from unauthorized alterations to maintain its confidentiality, accuracy, and completeness.
- Formulate, implement, and evaluate enhanced information security management practices to ensure the company maintains a secure information environment conducive to sustained operations.
- Provide information security education and training to enhance awareness of information security and reinforce understanding of associated responsibilities.
- Implementing an information security risk assessment mechanism enhances the effectiveness and timeliness of information security management.
- Establish an internal audit system for information security to guarantee the enforcement of information security management.
- Establish the company's operational continuity plan to ensure the ongoing operation of its services.
- The Company's execution of operational activities must adhere to the requirements of applicable laws or regulations.



# 3.9 Information Security Management

## Solution for Information Security Management

To improve the company's information security and operational stability, reliable information services must be provided. This includes ensuring the confidentiality, integrity, and availability of information systems, enhancing client awareness of information security, and implementing various management operations.

Item	Instructions
Asset security management	<ul style="list-style-type: none"> <li>Annual asset inventory.</li> <li>Update and maintain warranties for key assets.</li> <li>Local, remote, or cloud backups for critical systems and data.</li> </ul>
Personnel management and training.	<ul style="list-style-type: none"> <li>Ongoing promotion of information security awareness to enhance security.</li> <li>Information security training for new employees.</li> <li>Periodic information security awareness sessions.</li> </ul>
Hardware and environmental security management.	<ul style="list-style-type: none"> <li>Access control for secure areas in information rooms to ensure only authorized personnel can enter.</li> <li>Proper placement, protection, and monitoring of information equipment to mitigate environmental risks, such as temperature and humidity control.</li> </ul>
System and Network Security Management	<ul style="list-style-type: none"> <li>External and personal computer network devices must not connect to the company network without authorization.</li> <li>Enterprise-level wireless networks require system integration and validation for connectivity.</li> <li>Important data is protected with file encryption.</li> <li>Use professional antivirus software with automatic updates.</li> <li>Implement next-generation firewalls with configured connection rules for secure usage.</li> <li>Email system includes spam filtering, virus threat protection, vulnerability scanning, and major patch updates.</li> </ul>
System Access Control Security	<ul style="list-style-type: none"> <li>System access permissions are granted based on employee roles and require formal authorization.</li> <li>Annual review of access permissions is conducted.</li> <li>Implement password policies including complexity and lockout principles.</li> </ul>
System Development and Maintenance Management	<ul style="list-style-type: none"> <li>For in-house or outsourced system development, information security must be considered. System maintenance, updates, deployment, and version changes should be managed to avoid security risks.</li> </ul>
Business Continuity	<ul style="list-style-type: none"> <li>Conduct annual risk assessments and disaster recovery drills as part of the company's continuity plan.</li> <li>Perform disaster recovery drills to ensure the availability of information systems.</li> </ul>

## Resources and Implementation of Information Security Management

Item	Implementation status in 2023		
Propaganda	System Announcements and Information Security Awareness: <ul style="list-style-type: none"> <li>2023/3/28, 2023/4/7, 2023/10/6</li> </ul>		
Check	Information security inspection conducted (January 2023).		
Drill	Backup system restoration drills (at least once per year).		
United Defense Organization	Approved as a TWCERT member (joined in 2022).		
Meeting	Two Risk Management Committee meetings were held in 2023.1st on 04/27/2023 addressing cybersecurity. <ul style="list-style-type: none"> <li>2023 regulatory cybersecurity requirements for listed companies.</li> <li>Information security framework, implementation, control methods, and product evaluation.</li> <li>Information security management system established based on ISO 27001.</li> </ul>		
Training	Date	Courses/Certificates	hours/per person
	2023/7/12	Industrial Control Cybersecurity Awareness Course	3 hours
	2023/8/5	Cybersecurity Management and Operations for SMEs and Industries	24 hours
	2023/9/7	ISO27001:2013 Information Security Management System	14 hours
	2023/4/19	Cybersecurity Practices in Smart Manufacturing Seminar	3 hours
	2023/6	iPAS Ministry of Economic Affairs Talent Certification: Information Security Engineer	Qualified
	2023/8	EC-Council CCT Network Security Certification Course	40 hours
	2023/8/25	Cybersecurity Practical Case Education - Fraud Prevention	1.5hours (15 person)
	2023/8/30	Specialized Cybersecurity Training - Network Security Analysis and Protection	12 hours
	2023/10/26	SEMI E187: Semiconductor Manufacturing Equipment Security Standards	3 hours (23 person)

## 2023 Information Security Incident Statistics

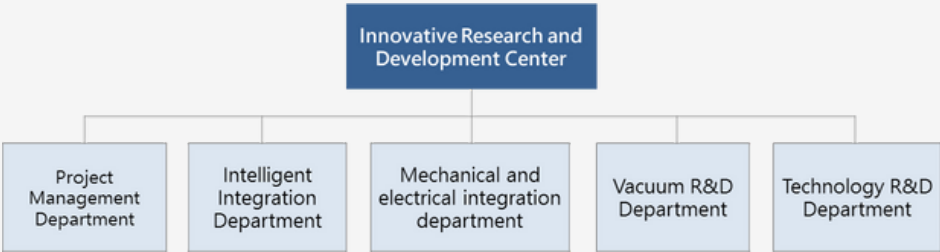
Customer complaints	External sabotage, data theft or virus threats	System or equipment abnormalities affecting operations
0 items	0 items	0 items

# 3.10 Innovative R&D Management

In January 2021, the establishment of an "Innovation R&D Center" aimed to consolidate the group's resources and R&D technical capabilities to generate increased value. Situated at the Hsinchu Operations Center, the innovative R&D laboratory can translate creative concepts into tangible products, validate the functionality and reliability of new products, and serve as a showcase for clients. Embracing an integrated business approach, we advocate for the harmonization of intellectual property strategy, R&D strategy, and business strategy, effectively merging operational resources and managing intellectual property risks to streamline resources, minimize redundant R&D investments, boost R&D efforts, and consequently elevate the overall operational performance of the enterprise.

## Significant development initiatives

- To enhance vacuum valve performance, we conducted research and development to ensure reliability and improve characteristics such as low vibration, minimal dust, high temperature resistance, and rapid actuation.
- Design three-position butterfly valves and pendulum valves to supply equipment manufacturers with necessary equipment.
- Create a motorized vacuum valve, integrate it with software for pressure control, and collaborate with sensor developers to incorporate suitable sensors within the valve for monitoring essential parameters like temperature, pressure, vibration, and dust volume to ensure the equipment operates smoothly.
- Identify supply sources for complementary equipment to accompany your own products and cultivate items with promising potential.
- Develop metal-sealed vacuum valves to penetrate the ultra-high vacuum scientific research and application market.
- By integrating vacuum, microwave, plasma, and other technologies, we create energy-efficient and waste-reducing products for both industrial and civilian markets.
- Developing new Microwave Scrubber equipment to offer customers the optimal solution for waste gas treatment and adhere to applicable domestic and international regulations.
- Develop innovative materials and accessories, including third-category semiconductor-related process equipment, WEH Coating, and ESG Heater Jacket, to enhance positioning in the semiconductor and coating market.



## Research and Development outcomes in 2023

Invested 229,470 (KNTD) in research and development expenses, marking a 35,598 (KNTD) increase compared to 2022.

project	2021	2022	2023	Discrepancy from the prior year
Net sales (KNTD)	3,307,714	3,907,642	4,205,436	297,794
Research and development expenditures (KNTD)	103,162	193,872	229,470	35,598
Proportion(%)	3%	5%	5%	—

## Successfully developing technology products in 2023.

- Development of a side-swivel gate valve project
- Development of a High-Temperature AL Gate Valve
- CF35 RF comb-type ultra-high vacuum all-metal gate valve
- Semiconductor-grade valve particle detection equipment.
- Development of a dry pump rotor project.
- Advancement in dynamic balancing technology
- Advanced semiconductor process exhaust gas treatment system
- Development of a vibration testing platform for wet cleaning equipment.
- Development of semiconductor wet cleaning equipment
- Equipment for the removal of dry ozone photoresist.

## 3.10 Innovative R&D Management

### System for managing intellectual property

The primary intellectual property regulations of the company are as follows:

#### Asset Acquisition and Disposal Procedures

The company has established procedures for acquiring and disposing of assets in accordance with the "Regulations Governing the Acquisition and Disposal of Assets by Public Companies." Article 3 specifies that the asset scope includes intangible assets such as patents, copyrights, trademarks, and franchise rights.

#### Internal Control System: Acquisition, Maintenance, and Utilization of Intellectual Property Rights

Following the "Regulations Governing the Establishment of Internal Control Systems by Public Companies," the company has implemented control procedures for the "R&D Cycle." These include policies and procedures for basic research, product design, technical development, prototyping and testing, R&D record keeping, and the acquisition, maintenance, and utilization of intellectual property rights.

#### Code of Ethical Conduct

Based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEX Listed Companies," the company has established a "Code of Ethical Conduct." Article 12 prohibits the infringement of intellectual property rights, requiring the company, its directors, managers, employees, appointees, and substantial controllers to comply with intellectual property laws, internal procedures, and contracts. Unauthorized use, disclosure, disposal, damage, or infringement of intellectual property rights is forbidden.

#### Corporate Governance Best Practices

In line with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies," the company's "Corporate Governance Best Practice Principles" state in Article 37-2 that the board should oversee and evaluate the management of intellectual property. This ensures a management cycle of "Plan, Do, Check, Act" is established for intellectual property management. Key areas include:

- Developing intellectual property management policies, objectives, and systems aligned with business strategy.
- Establishing, implementing, and maintaining management systems for acquiring, protecting, maintaining, and utilizing intellectual property according to the company's size and nature.
- Providing resources necessary for effectively implementing and maintaining the intellectual property management system.
- Monitoring internal and external risks or opportunities related to intellectual property management and taking appropriate actions.
- Planning and implementing continuous improvement mechanisms to ensure the effectiveness of the intellectual property management system.

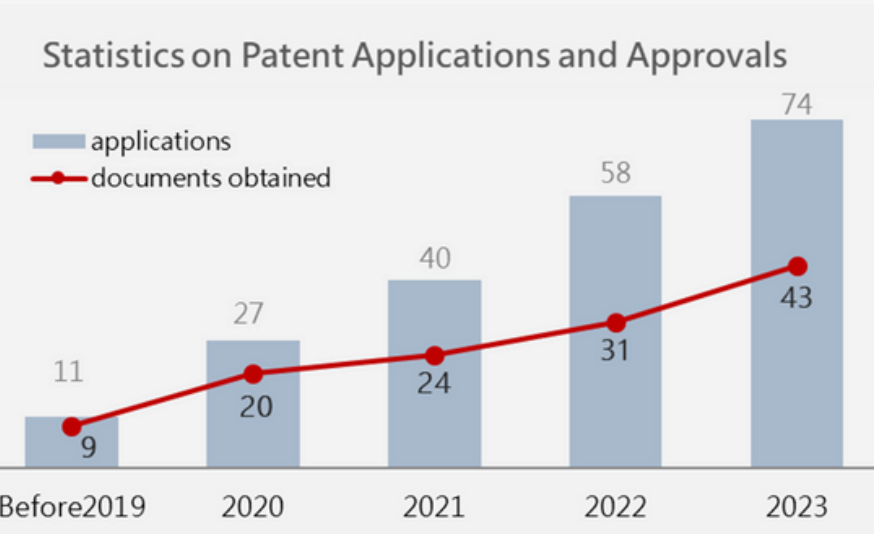


# 3.10 Innovative R&D Management

## Intellectual Property Agreement

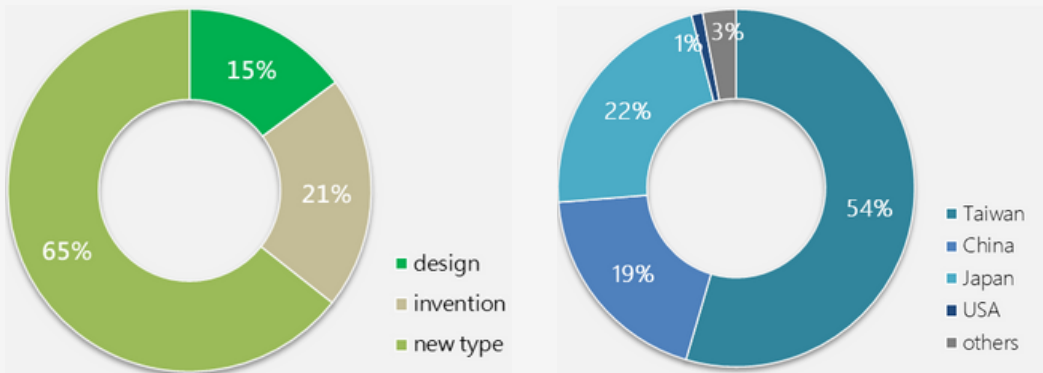
Trademarks distinguish a company's products or services in commerce. Corporate brands and trademarks are closely linked. The company continues to expand its intellectual property portfolio. The total number of intellectual properties, comprising active patents and registered trademarks, over the past six years is as follows (data as of 2024/6/14):

project	trademark	patent			
		invention	New	design	total
Quantity of items	29	47	79	18	144



## Statistics regarding patent application cases.

- Categorized by Patent Type
- Categorized by Application Country



## Certified and valid patent statistics.

project		Certified								Under consideration	Invalid (remark)	total
		Prior to 2019	2020	2021	2022	2023	2024	total	(%)			
Country of origin	Taiwan	7	14	7	14	21	11	74	54%	17	9	100
	China	0	4	5	8	10	3	30	19%	37	0	67
	Japan	1	2	9	9	8	1	30	22%	13	0	43
	USA	0	0	1	0	4	3	8	1%	16	0	24
	other	0	0	2	0	0	0	2	3%	4	0	6
Type of Patent	design	0	3	7	2	6	0	18	15%	0	0	18
	invention	4	5	3	6	18	11	47	21%	76	0	123
	New	5	12	14	23	19	6	79	65%	7	9	95
	Interim situation	0	0	0	0	0	0	0	0%	4	0	4
total		9	20	24	31	43	17	144	100%	87	9	240

Note: "Invalid" includes expired, uncertified, or revoked statuses.

# 4.environmental sustainability

4.1 Environmental management policy and implementation

4.2 Energy management

4.3 Water management

4.4 Greenhouse gas management

4.5 Waste Management



# 4.1 Environmental management policy and implementation

Given the global climate change, resource utilization and environmental pollution have emerged as worldwide concerns. To ensure the industry's sustainable operation and growth, our company has obtained ISO 14001:2015 certification. We are dedicated to efficiently utilizing natural resources and controlling pollutant emissions. Apart from adhering to environmental protection laws, we aim to minimize pollutant output by leveraging technical expertise.

## Environmental protection policy: Establishing a zero-pollution environment.

To fulfill our corporate social responsibilities and achieve sustainable management goals, we uphold:

- Adhere to environmental regulations and meet pertinent compliance obligations established by the company.
- Implementing environmental education for employees enhances overall consensus and independent environmental management capabilities.
- Promoting environmental management systems and continually enhancing environmental management performance.
- Commitment to environmental protection, encompassing pollution prevention and other pertinent environmental issues concerning the Company's surroundings.
- Establish effective communication channels with suppliers, outsourcers, and the community to ensure stakeholders comprehend the company's environmental policies and practices, collaborating to enhance them.



## Environmental Accounting

project	2022	2023	Year-over-Year Differences
Environmental Expenditure (KNTD)	10,812	4,389	Decreased by 6,423

Classification	Expenses (KNTD)	Further details
Direct Costs of Reducing Environmental Impact	2,340	<ul style="list-style-type: none"><li>• Pollution Control: Costs for wastewater, waste pallet, waste oil, and waste liquid treatment, total 1,826(KNTD).</li><li>• Environmental Protection: Maintenance of plantings in the factory area (carbon reduction), total 514 (KNTD).</li></ul>
Indirect Costs of Reducing Environmental Impact	2,049	<ul style="list-style-type: none"><li>• Installation of Smart Meters: Energy consumption monitoring, total 1,084 (KNTD).</li><li>• Environmental Management System Certification Costs: 500 (KNTD).</li><li>• Environmental Permit Application Fees: 147 (KNTD).</li><li>• Environmental Testing and Equipment Maintenance Costs: 318 (KNTD).</li></ul>
total	4,389	

## Violations of Environmental Laws

- From 2021 to 2023, there were no violations of environmental regulations.

## 4.2 Energy management

All energy-consuming facilities must be properly controlled and managed. Energy resources should be used reasonably and effectively to enhance the company's environmental benefits without wasting resources or increasing costs.

### Promotion of Energy Management

Item	2023 Promotion Focus
Lighting Facilities	<ul style="list-style-type: none"> <li>Maintain appropriate lighting in work areas, utilizing natural light where possible. Non-working areas should have lights turned off when not in use to ensure safety and conserve energy.</li> <li>Use energy-efficient lighting fixtures to improve electricity usage efficiency.</li> </ul>
Air Conditioning	<ul style="list-style-type: none"> <li>Except for cleanrooms, all office and meeting spaces should maintain air conditioning temperatures between 26°C and 28°C. Doors to air-conditioned areas should be closed promptly, and power should be turned off after use to prevent energy waste.</li> </ul>
Machinery and Equipment	<ul style="list-style-type: none"> <li>When purchasing machinery and equipment, opt for variable frequency, high-energy efficiency, or eco-friendly and energy-saving labeled products.</li> <li>Regularly inspect and maintain equipment to ensure proper operation, improve work efficiency, and reduce energy consumption and electricity costs.</li> </ul>



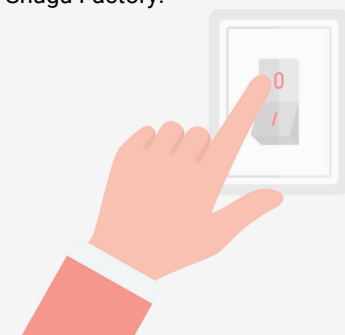
### Implementation status

Site	Project	Tainan Headquarters Factory		Tainan Second Factory		Tainan Shugu Factory	Hsinchu Operations Center			aggregate sum		
		2021	2022	2021	2022	2023	2021	2022	2023	2021	2022	2023
	Electricity Usage (GJ)	5,212.51	5,520.10	6,025.54	6,182.35	21,565.44	6,367.97	6,473.38	5,969.66	17,606.02	18,175.83	27,535.1
	Carbon Emissions (Metric Tons)	736.99	780.48	851.94	874.12	2,965.25	900.36	915.26	820.83	2,489.30	2,569.86	3,786.08

- Note: In 2023, the Shugu Factory was launched, and the Tainan Headquarters and Second Factory were merged and relocated to the Shugu Factory.

### Audit process

- Unit managers must monitor electricity usage during inspections and address any wasteful practices.
- The power management team will compile monthly electricity statistics, analyze anomalies, and implement improvements as needed.



## 4.3 Water management

The company's primary water source is municipal water, used for production and operations. Regularly check for leaks in water equipment and address any issues promptly to reduce operational costs and enhance competitiveness.

### Water Supply Infrastructure

- Estimated municipal water consumption breakdown: 70% process water and 30% domestic water.
- Recycled water: Utilize air conditioning condensate and rainwater for toilets and irrigation.

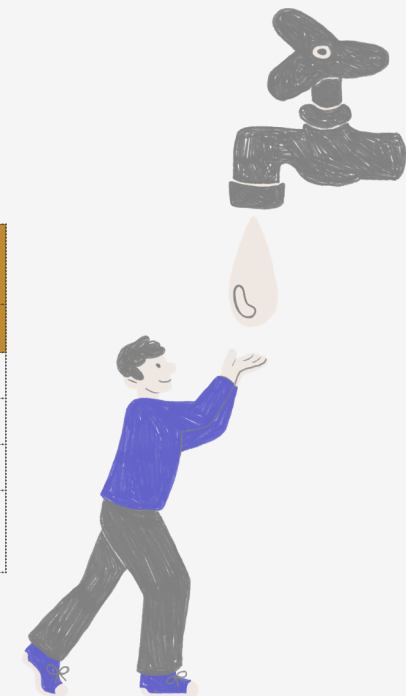
Project Site	Tainan Headquarters Factory		Tainan Second Factory		Tainan Shugu Factory	Hsinchu Operations Center			aggregate sum		
	2021	2022	2021	2022	2023	2021	2022	2023	2021	2022	2023
Quantity of individuals	190	260	80	80	308	100	104	115	370	444	423
Water reservoir (m³)	20	20	18	18	60	25	25	25	63	63	85
Pool volume (m³)	4	4	0	0	80	26	26	26	30	30	106
Daily Water Consumption in Cubic Meters	15.6	13.8	14.5	15.7	74.6	13.2	13.9	13.3	43.3	43.4	87.9

- Note: In 2023, the Shugu Factory was launched, and the Tainan Headquarters and Second Factory were merged and relocated to the Shugu Factory.

### Water Usage Status

Factory Project	Tainan Headquarters Factory		Tainan Second Factory		Tainan Shugu Factory	Hsinchu Operations Center			aggregate sum		
	2021	2022	2021	2022	2023	2021	2022	2023	2021	2022	2023
Total water consumption in cubic meters	4,523.0	5,045.0	4,588.0	5,747.0	26,873.0	4,012.0	5,070.0	4,793.0	13,123.0	15,862.0	31,666.0

- Note: In 2023, the Shugu Factory was launched, and the Tainan Headquarters and Second Factory were merged and relocated to the Shugu Factory.



## 4.4 Greenhouse gas management

### Greenhouse gas inventory schedule planning

Adhere to regulatory deadlines; adjust actual timing dynamically based on execution.

Project	Schedule for planning.
Policy formulation	<ul style="list-style-type: none"> <li>Establish Energy Resource Management Guidelines W1225 in 2023.</li> <li>Developing operational instructions for the W1229 Greenhouse Gas Inventory in 2024.</li> </ul>
Education Training	<ul style="list-style-type: none"> <li>In 2023, the Occupational Safety Office Seed acquired the ISO14064-1 organizational greenhouse gas internal verification personnel certification.</li> <li>In 2023, designated personnel from relevant units will undergo training on greenhouse gas inventory and verification.</li> </ul>
Inventory of Greenhouse Gases	<ul style="list-style-type: none"> <li>Inspection of trial operation in 2023.</li> <li>Inspections will commence continuously from 2024.</li> </ul>
Verification of greenhouse gases	<ul style="list-style-type: none"> <li>Perform ISO 14064-1 verification in 2026 to achieve certification.</li> </ul>



### Greenhouse gas emissions

Factory Project	Tainan Headquarters Factory		Tainan Second Factory		Tainan Shugu Factory	Hsinchu Operations Center			aggregate sum		
	2021	2022	2021	2022	2023	2021	2022	2023	2021	2022	2023
Scope1 (tCO2e)	0.75	0.81	0.04	0.32	137.03	0.53	0.61	74.47	1.32	1.74	211.50
Scope2 (tCO2e)	736.99	774.53	851.94	870.15	2,965.25	900.36	901.38	820.83	2,489.30	2,546.06	3,786.08
Emission Volumes	737.74	775.34	851.98	870.47	3,102.28	900.89	901.99	895.30	2,490.62	2,547.80	3,997.58

#### Basis for Calculation

##### Scope 1 :

- Initial inventory from 2021-2022 included septic tanks, fire extinguishers, cold cutting equipment (acetylene), emergency generators (diesel), and fire pumps (diesel).
- In 2023, with the relocation of Tainan Main Plant and Plant 2 to the new Shugu Plant, additional inventory items include company vehicles (diesel/gasoline), refrigerants, and wastewater anaerobic treatment.

##### Scope 2 :

- Electricity purchased from Taiwan Power Company.

## 4.4 Greenhouse gas management

### Climate Change Risk and Opportunity Management

For	Considerations	risk		Chance		Behave accordingly.
regulations	otal Carbon Emission Control and Carbon Trading System	Decrease production capacity	Medium-High	Decelerate industrial expansion and mitigate cutthroat competition.	middle	<ul style="list-style-type: none"> <li>• Monitor regulatory changes and prioritize implementation.</li> <li>• Act internally to mitigate risks as per regulations.</li> <li>• Suggest regulatory improvements through industry associations and government.</li> <li>• Work with suppliers to cut production energy use.</li> <li>• Install solar systems to boost green energy use.</li> <li>• Improve processes and switch raw materials to cut carbon emissions.</li> </ul>
	Carbon Tax, Energy Tax, and Carbon Rights Trading	Raise operational expenses.	Medium-High	Promoting renewable energy, carbon capture, and energy-saving technologies to decrease product carbon footprint.	Medium-High	
	Mandatory Carbon Emission Reporting	Raise operational expenses.	Low	Decrease carbon emissions and acquire carbon credits.	Low-Medium	
	Voluntary Industry Reduction Agreements	Raise construction expenses.	Low-Medium	Decrease carbon emissions and acquire carbon credits.	Low-Medium	
	Product Standards	Failure to meet carbon reduction targets affects product demand.	Low	Heightened market demand for energy-efficient products	Medium-High	
Natural Disasters	Wind, Flood, and Drought	Natural disasters disrupt production capacity.	Low-Medium	Increased market demand for production capacity.	Low-Medium	<ul style="list-style-type: none"> <li>• Assess climate change risks and implement risk management mechanisms.</li> <li>• Conserve water, recycle process water, and develop drought emergency plans.</li> </ul>
other	Corporate reputation	Reputation damage, declining stock price	Medium-High	Actively cut carbon emissions and improve products to enhance corporate reputation.	Medium-High	<ul style="list-style-type: none"> <li>• Implement risk control mechanisms to meet regulatory requirements for carbon reduction and climate resilience.</li> <li>• Develop greenhouse gas inventory and reduction measures, incorporating them into procurement strategies and promoting green procurement.</li> <li>• Use eco-friendly utensils throughout the plant to reduce single-use items.</li> <li>• Promote energy-saving measures and adjust air conditioning in response to climate conditions.</li> </ul>
	Consumer behavior shifts	Reduced demand for high carbon footprint products.	Medium-High	Heightened market demand for low-carbon products	middle	
	Shifts in social and economic circumstances	Increase operating costs, reduce capacity.	middle	Reducing electricity use to mitigate the risk of power shortages.	middle	

# 4.5 Waste Management

All business waste is managed by authorized waste removal firms. The most suitable treatment technology is chosen based on the waste's properties. Certified treatment facilities with top-notch waste treatment capacities are chosen, and periodic inspections are carried out to verify proper waste handling. Waste generation, removal, and treatment are executed and documented in compliance with recycling laws, regulations, and environmental management system protocols.

- The following table shows the statistics for business waste generation over the past three years:

Unit: Metric Tons

Type	2021	2022	2023
Nonhazardous waste	26.39	53.55	23.5
dangerous waste	-	5.42	5.63
total	26.39	58.97	29.13



# 5.Social Responsibility

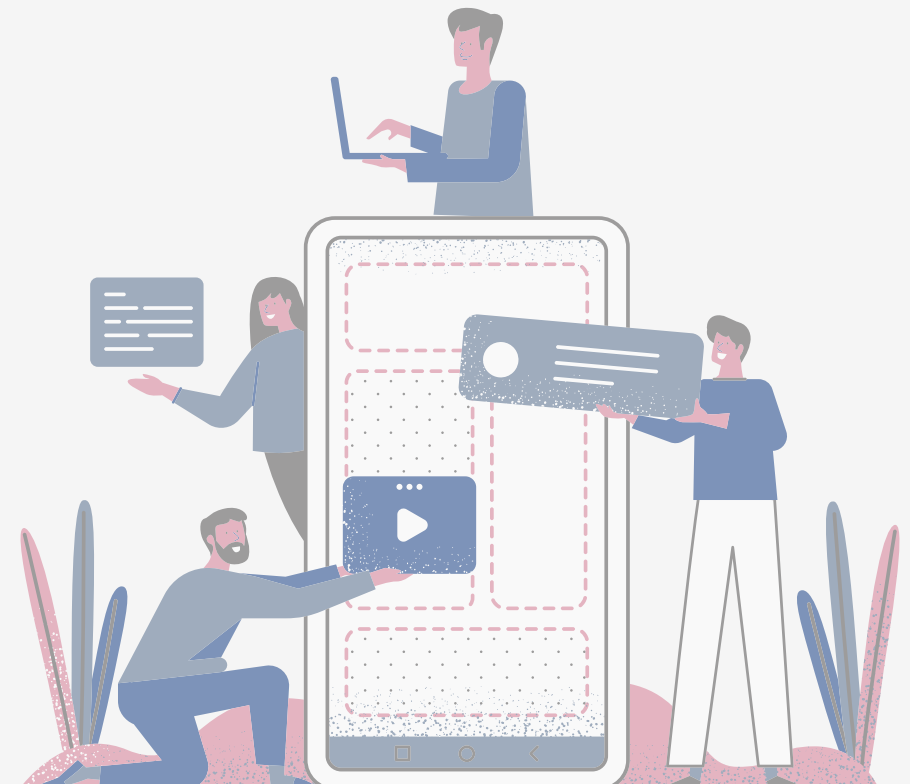
5.1 Employee overview

5.2 Employee Welfare

5.3 Human Rights Policy

5.4 Workplace Safety

5.5 Social Engagement



# 5.1 Employee overview

HTC specializes in the manufacturing and maintenance of machinery and equipment, requiring physical work on site, leading to a higher employment rate of male employees than female employees. As of the end of 2023, the total number of employees is 483 (including 36 foreign employees), with 345 males (71.4%) and 138 females (28.6%). By age, 86.5% of employees are under 50. By education, 11.8% hold a master's or doctoral degree, and 65.4% have a university or technical college degree.

## Workforce Composition

Facets	Category	Male		Female		Total	
		Number of People	Proportion	Number of People	Proportion	Number of People	Proportion
Position	Management	42	8.7%	78	16.1%	120	24.8%
	Office staff	65	13.5%	11	2.3%	76	15.7%
	Production/ Technical/ and Sales	238	49.3%	49	10.1%	287	59.4%
age	≤30	66	13.7%	26	5.4%	92	19.0%
	31~50	227	47.0%	99	20.5%	326	67.5%
	≥ 51 years	52	10.8%	13	2.7%	65	13.5%
Educational	PhD	7	1.4%	0	0%	7	1.4%
	Master	37	7.7%	13	2.7%	50	10.4%
	Degree	203	42.0%	113	23.4%	316	65.4%
	Below High School	98	20.3%	12	2.5%	110	22.8%
total		345	71.4%	138	28.6%	483	100%

## Localization of Senior Management

Implementing local management and recruiting exceptional local talents to nurture potential candidates for mutual development and prosperity.

Local Senior Managers	Total Number of Senior Managers	proportion
8 people	8 people	100%

## Regional Workforce Distribution

Area	Full-time		Part-time		Total	
	Number of People	Proportion	Number of People	Proportion	Number of People	Proportion
Tainan	315	65.2%	0	0%	315	65.2%
Taichung	19	3.9%	0	0%	19	3.9%
Hsinchu	111	23.0%	1	0.2%	112	23.2%
Zhubei	34	7.0%	0	0%	34	7.0%
Shanghai	3	0.6%	0	0%	3	0.6%
total	482	99.8%	1	0.2%	483	100%

## 2023 New Employee Composition Analysis

gender age	male		woman		total	
	Number of People	Proportion	Number of People	Proportion	Number of People	Proportion
≤30	24	23.1%	9	8.7%	33	31.7%
31~50	47	45.2%	19	18.3%	66	63.5%
≥ 51 years	4	3.8%	1	1.0%	5	4.8%
total	75	72.1%	29	27.9%	104	100%

## 2023 Employee Turnover Composition Analysis

gender age	male		woman		total	
	Number of People	Proportion	Number of People	Proportion	Number of People	Proportion
≤30	19	24.4%	10	12.8%	29	37.2%
31~50	33	42.3%	6	7.7%	39	50.0%
≥ 51 years	4	5.1%	6	7.7%	10	12.8%
total	56	71.8%	22	28.2%	78	100%

## 5.2 Employee Welfare

During our growth phase, it is crucial to actively recruit external talent while fostering the retention of internal talent. This approach aims to empower employees to showcase their skills and potential within their roles. Sustained engagement with staff across various communication platforms like internal and department meetings, training sessions, announcements, etc., ensures that all team members grasp the company's future vision, business ethos, latest core values, and fosters robust two-way communication and dedication between the organization and its employees. The goal is for all staff to recognize the significance of their contributions, thereby boosting unity and job satisfaction.

### Employee remuneration

#### Wage Structure

- Establish work rules and salary management methods based on the Labor Standards Act. These methods cover compensation, bonuses, work hours, leave, attendance, and benefits, clearly defining the rights and obligations of both parties. According to the company's articles of association, if there is a profit in the annual performance, 10-15% is allocated as employee compensation.
- Employee salaries are not influenced by gender or any other discriminatory factors that infringe on human rights. The overall salary structure is based on professional skills, knowledge, job responsibilities, management duties, and performance.
- Regularly review internal and external salary structures to ensure competitiveness externally and fairness internally. Conduct structural salary adjustments when appropriate to maintain competitive pay levels.

#### Process for Salary Determination

- To establish a sound compensation and performance system, a Compensation Management Committee has been formed to regularly assess the performance and salary standards, systems, and structures of directors and managers. To attract and retain talented employees and motivate them to improve performance and work efficiency, the company has developed a highly competitive comprehensive compensation plan.
- According to the company's salary and bonus management policies, in addition to the fixed monthly salary, the company provides performance bonuses, employee compensation, and year-end bonuses. The bonus system is closely linked to the company's revenue and profits, encouraging employees to strive for more bonuses while contributing to the company's revenue and profits, achieving a win-win employment relationship.



# 5.2 Employee Welfare

## Alaries for Non-Managerial Full-Time Employees

Salaries for Non-Managerial Full-Time Employees in HTC :

project	2021	2022	2023	Discrepancies over the last two years	Proportion
Total Employee Salaries (KNTD)	286,155	382,315	414,459	+32,144	8%
Average Number of Employees	310	392	435	+43	11%
Average Salary (KNTD/Person)	923	975	953	-22	-2%
Median Salary (KNTD/Person)	784	826	784	-42	-5%

## Performance Evaluation

- All employees undergo regular quarterly performance evaluations to motivate and improve efficiency. As of the end of 2023, 100% of eligible employees completed their assessments.
- This process helps identify areas for skill enhancement and aligns employee career development with the company's future growth, fostering mutual success.

## Benefits and Retirement Plans

### Diverse Benefits Above Regulatory Requirements

In addition to statutory leaves such as special leave, personal leave, family care leave, marriage leave, paternity leave, child care leave without pay, prenatal check-up leave, maternity leave, and menstrual leave, there are additional options available beyond statutory leave. These include child care leave, paid vaccine leave, paid anti-epidemic leave, and special leave for newcomers. In cases of serious injuries, accidents, childcare responsibilities, etc., employees may request unpaid leave to help them balance family and work commitments. By the end of 2023, a total of 8 colleagues had applied for childcare leave, with a 100% return-to-work rate.

#### Bonuses and Gifts



- Employee Stock Trust Subsidy
- Year-end Bonus, Employee Dividends, Performance Bonus, Sales Bonus, Proposal Improvement Bonus
- Bonuses/Gifts for Three Major Holidays and Labor Day
- Wedding, Funeral, and Celebration Gifts/Cash Gifts

#### Insurance



- Labor and Health Insurance, Occupational Accident Insurance, and Retirement Fund Contribution
- Group Insurance, Accident Insurance, and Term Life Insurance for Employees
- Group Insurance Discounts for Family Members

## 5.2 Employee Welfare

### Retirement Plan

- For employees under the Labor Pension Act, the company contributes 6% of their monthly wages to individual retirement accounts to ensure financial security upon retirement.
- In addition to legal requirements, the company has established a stock trust management plan to attract and retain talented employees. This mechanism helps employees use their retirement funds effectively in emergencies or retirement. Below is a summary of employee participation in the stock trust program:

project	2019	2020	2021	2022	2023
Number of Participants	182	234	246	279	330
Company Contribution to Incentive Fund (KNTD)	5,237	6,272	7,386	8,424	10,652

### Training and Education

- Organize essential training for new employees, covering company culture, core values, vision, quality policy, environmental overview, human rights policy, corporate social responsibility, company procedures, product overview, employee perks, information security, procurement guidelines, as well as environmental, safety, and health courses. This will facilitate a swift comprehension of corporate culture and work environment to enhance workplace safety. Pertinent training methods and courses are accessible on the internal company website for immediate reference and adherence by employees.
- Department heads may assign their staff to attend external professional training to address organizational requirements, personnel skill gaps, and career advancement needs. This initiative aims to equip employees with comprehensive and specialized knowledge and skills. Furthermore, the company promotes self-improvement among employees, allowing them to seek professional training to enhance job performance and meet job-related demands.
- We are dedicated to developing internal professional trainers to efficiently transmit various functions, professional skills, experience, and utilize the company's internal training resources more effectively to enhance employee capabilities and work efficiency. The average training hours per person in 2023 will be 35.8 hours.

project		Number of Participants	Total Training Hours	Average Training Hours per Person
gender	female	138	5,137	37.2
	male	345	12,162	35.3
Position	Production/ Technical/ Sales	287	10,019	34.9
	Management	76	3,840	50.5
	Office staff	120	3,440	28.7
total		483	17,299	35.8



## 5.3 Human Rights Policy

### Promote adherence to global human rights treaties.

To uphold the fundamental human rights of employees, the company acknowledges and endorses the United Nations' Universal Declaration of Human Rights, the Global Covenant, the International Labor Organization Convention, and other international human rights treaties. It prohibits any encroachment on human rights, treating all employees, whether permanent, contracted, temporary, interns, etc., with dignity and respect.

- Human rights section: Uphold the tenets of the United Nations Global Compact, adhere to international human rights standards, and prevent any human rights abuses within the organization.
- Labor: Adhere to the objectives of the United Nations' Universal Declaration of Human Rights and the International Labor Organization Convention by prohibiting all types of discrimination, forced labor, and child labor, while upholding employees' right to freedom of association.
- Environmental aspect: Adhere to applicable laws and regulations to enhance the safety and hygiene of the work environment continually, mitigate accidents, lower the likelihood of occupational disasters, and endeavor to furnish employees with a secure, physically and mentally sound workspace.

### Program for Managing Human Rights Policies

Principles of management	Plan for Management
Promote human rights in the workplace.	<ul style="list-style-type: none"><li>• No discrimination based on gender, race, socioeconomic status, age, marital status, family situation, language, religion, political affiliation, nationality, appearance, physical features, or disabilities in language, attitude, and behavior.</li><li>• Ensure non-discriminatory hiring policies and fair practices in employment, compensation, benefits, training, evaluation, and promotion, with effective grievance mechanisms to address and prevent employee rights violations, creating an equal, non-discriminatory, and harassment-free work environment.</li><li>• Regularly monitor and assess diversity, inclusion, and equal opportunity practices.</li></ul>
Enforce information security.	<ul style="list-style-type: none"><li>• To protect human rights and privacy, implement security measures and controls across all levels—including application system development, database, network, personal computers, and storage media—to prevent data theft, tampering, destruction, loss, or leakage and ensure data security.</li></ul>
Reasonable working hours and safe workplace	<ul style="list-style-type: none"><li>• Ensure employees are protected from excessive working hours by establishing work regulations and regularly monitoring attendance.</li><li>• To mitigate potential health and safety risks, conduct regular health checks and assessments, and implement improvements as needed.</li></ul>
Give back to society	<ul style="list-style-type: none"><li>• Integrate resources to actively promote professional talent development, contribute to the industry's overall progress, fulfill corporate social responsibilities, and implement social care with a focus on sustainable development.</li></ul>

# 5.4 Workplace Safety

## Systems and policies for managing occupational safety and health.

To fulfill the company's responsibility and commitment to society and sustainable operation, it has obtained ISO 45001:2018 certification. It plays a central role in the Tainan City Government Labor Bureau's safety and health initiatives by leading the HTC Safety and Health Family. The company actively advocates for occupational safety and is dedicated to environmental protection, social welfare, employee well-being, and health and safety. These efforts reflect its dedication to corporate citizenship and sustainable practices.

**HTC's occupational health and safety policy is: Maintain occupational safety, Reject workplace bullying, Create a zero-accident environment.**

- Enhance overall safety and health management performance and strive for continuous improvement.
- Adhere to occupational safety and health regulations and pertinent laws.
- Ensure a safe and hygienic work environment and equipment.
- Implement and promote diverse safety and health programs, education, and training to enhance overall safety and health outcomes.
- Ensure safe and healthy working conditions to prevent work-related occupational injuries.
- Continue to advocate for employees' involvement and engagement in matters concerning occupational safety and health.

## Committee for Occupational Safety and Health

To achieve effective EHS management, the company has established an Occupational Safety Committee based on ISO 14001 and ISO 45001 standards. Led by a management representative as the chair, the committee includes the EHS office, department heads, and labor representatives. It drives the overall EHS operations, holding quarterly meetings to review, coordinate, and recommend safety and health matters.

The EHS office, as the dedicated unit for EHS management, plans and oversees the company's EHS activities, including air and water pollution, waste, and hazardous materials management. Beyond routine environmental operations, it provides comprehensive reports each quarter to enhance environmental awareness and ensure continuous improvement.

- Here is the execution status of the Occupational Safety Committee for 2023:

time	Conference Title	The participant count
2023/05/19	Occupational Safety and Health Committee	36 people
2023/08/18	Occupational Safety and Health Committee for the Second Quarter	42 people
2023/11/17	Q3 Occupational Safety and Health Committee	39 people
2024/01/19	Occupational Safety and Health Committee in the Fourth Quarter	39 people

## 5.4 Workplace Safety

### Safety Culture Promotion

- Safety culture is crucial for stable production and sustainable operations. To enforce the EHS policy, the company uses systematic management, education, and environmental improvements to enhance employee awareness, behavior, and workplace conditions, aiming for zero safety incidents.
- The Occupational Safety and Health Committee meets quarterly to coordinate and advise on safety policies, environmental monitoring, health management, and training. The committee comprises 42 members, with 15 labor representatives, making up over one-third of the members.

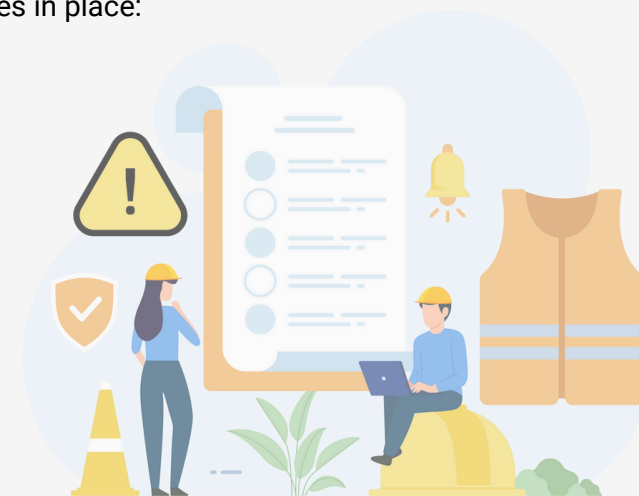
### Safety and Health Management System and Audits

- The company continues to advance its Occupational Safety and Health (OSH) management system to strengthen internal OSH practices and conducts annual internal and external audits to ensure system effectiveness.
- Regular workplace inspections are performed to address deficiencies and recommend corrective and preventive measures, maintaining overall workplace safety and employee health.
- On-site supervisors help develop standard operating procedures and provide training to ensure compliance.
- In line with ISO 45001 requirements, annual hazard identification and risk assessments are conducted, and incident reviews are performed to update hazard assessments and implement preventive measures to reduce risk.

### Safety and Health Education and Training

The company's safety and health education and training include internal and external courses, certification evaluations, and training for new and current employees. Annual emergency response and evacuation drills are conducted according to fire regulations to build company-wide emergency preparedness and minimize disaster-related losses. The company has established an Occupational Safety and Health (OSH) policy as a guideline for workplace safety, personnel safety, and social responsibility, with the following measures in place:

- Implement ISO 45001 Occupational Health and Safety Management System.
- Establish a dedicated unit under the employer responsible for planning and advancing overall quality and environmental management.
- Plan for occupational safety personnel to attend relevant training to enhance workplace safety and health management expertise.
- Conduct safety and health education and training.
- Develop a fire disaster prevention and response system, with quarterly inspections of fire safety equipment and semi-annual fire safety drills.



## 5.4 Workplace Safety

### Risk Hazards and Prevention:

- Through audits and training, ensure full employee participation in safety and environmental management, implement corrective measures, and continuously improve anomalies. Enhance procurement and contracting systems with safety and environmental requirements to achieve "zero injuries, zero accidents, zero pollution" for sustainable operations.
- Strictly follow SOPs and ensure safety requirements in equipment procurement. High-risk operations and holiday work must be approved and closely controlled to ensure worker safety.
- Value employee feedback, using safety and care as management principles. Implement safety and health management suggestions promptly through effective channels.
- Employ dedicated medical staff for professional health education and consultations. Provide guidance and advice for employees with abnormal health check-ups.
- Regularly outsource environmental monitoring for high-risk work environments and arrange special health checks for employees. In 2023, all monitored items met regulatory standards with no abnormalities in special health checks.

### Occupational Accident Investigation and Statistical Analysis:

In case of an occupational accident, immediate first aid and rescue are prioritized. Reporting is conducted according to the incident reporting and investigation procedure. The Safety Office, together with the investigation team and labor representatives, will conduct an accident investigation and analysis. The unit responsible for the accident will propose preventive and corrective measures. After confirmation by the Occupational Safety and Health Committee, the results are implemented horizontally to prevent recurrence of similar incidents. The work hours lost in 2023 are detailed in the table below:

Type	Number of people	Workdays	Total Working Hours	Work Injury Incidents	wasted days	Occupational Illness Incidents	Absenteeism Days
Internal Employees	442	111,826	894,608	3	22	0	0
Contractors	20	195	3,120	0	0	0	0

Type	Disabling Injury Frequency Rate (FR)	Disabling Injury Severity Rate (SR)	Composite Injury Index	Work-Related Fatalities	Absenteeism Rate	Occupational Disease Rate
Internal Employees	3.41	25	0.57	0	0	0
Contractors	0	0	0	0	0	0

#### calculation explanation :

- Disabling Injury Frequency Rate (FR)=(Total Hours WorkedTotal Number of Injuries×106)
- Disabling Injury Severity Rate=(Total Hours WorkedTotal Days Lost Due to Injuries×106)
- Composite Injury Index=1000Disabling Injury Frequency Rate×Disabling Injury Severity Rate
- Occupational Disease Rate=(Total Hours WorkedNumber of Occupational Diseases)×1,000,000
- Absenteeism Rate=(Total WorkdaysTotal Days Absent)×100%
- Total Workdays include all types of leave such as injury leave, sick leave, menstrual leave, etc.

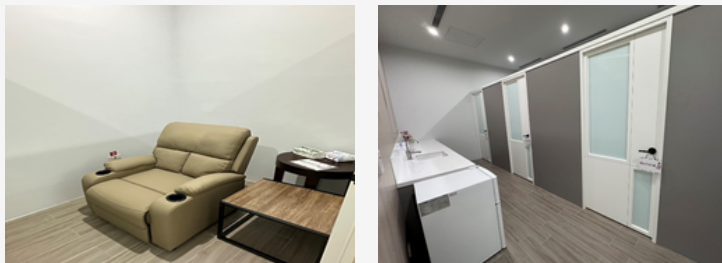
## 5.4 Workplace Safety

- In 2023, there were no major occupational injuries. We recorded 4 commuting accidents, 2 incidents involving being caught (or rolled) in machinery, and 1 injury from exposure to extreme temperatures. Analysis shows these were mostly due to not following standard operating procedures and inadequate use of personal protective equipment (PPE). Preventive measures include detailed SOPs and PPE training.
- Our annual health checks, workload-related disease prevention plans, and biannual legal environmental assessments, conducted with the help of designated medical staff, have identified no occupational diseases in 2023.

### Employee Rights and Health Management

- Lactation Rooms: Provide private and secure lactation spaces to support employees who wish to continue breastfeeding, addressing concerns upon returning to work.

Lactation Room at Tainan Factory



Lactation Room at Hsinchu Factory



- Annual Health Check-ups: Offer general health check-ups for all employees annually, with additional specialized health screenings for those in hazardous work environments. Abnormal results are followed up with occupational health consultations and individual guidance to ensure early detection and necessary support for employee health and safety.
- 2023 Health Check Statistics: 397 employees underwent general health checks, with 141 receiving health consultations. Additionally, 208 employees in specialized roles had 100% participation in their health checks, with no cases of occupational diseases reported.



## 5.4 Workplace Safety

- Blood Donation Events: We consistently collaborate with the blood donation center to organize blood donation activities at the factory every six months in support of life-saving charity initiatives.

**Blood Donation Activity at Tainan Factory**



**Blood Donation Activity at Hsinchu Factory**



- First Aid Training: In recent years, there has been an active push to install Automated External Defibrillators (AEDs) in public places to improve first aid quality and increase the chances of saving lives. As part of this initiative, our company has installed AEDs and conducts annual training sessions on AED and CPR skills, teaching employees how to perform first aid and use AEDs.








- Organizing Health Lectures: Arranging a series of health lectures focusing on common diseases among office workers who sit for extended periods, including stroke, musculoskeletal pain, and wound care, to enhance employees' understanding of healthy living.



## 5.5 Social Engagement

The company has a long-standing commitment to social welfare. Alongside pursuing corporate growth, it upholds the principle of "co-prosperity locally." In 2023, our corporate social responsibilities will be met through material collection, financial sponsorship, and volunteer engagement, with a focus on social care, environmental sustainability, and arts support. These efforts align with the 8 United Nations Sustainable Development Goals (SDGs). The total expenditure allocated for social welfare in 2023 will amount to NT\$496,204, with a total of 55 hours dedicated to volunteer service.

Focus	Actions and Societal Influence	Organizational Collaboration	SDG Objectives
Social Care	Donate 1 box of new cold-resistant materials to aid earthquake victims in Turkey during the harsh winter.	The Mustard Seed Mission	    
	Gather one box of gently used shoes and bags to repurpose quality items and enhance the quality of life for children in developing countries.	Step30 International Ministries	
	Collect 8 boxes of secondhand clothing to offer disabled or disadvantaged families the chance to engage in a charity sale and enhance their capacity for independence.	Hsinye Association The Garden of Hope Foundation	
	Long-term donation of daily necessities to local social welfare agencies, with an approximate value of NT\$49,830, to support the disadvantaged in the community.	Lunghsi Institute	
	Subscribe for 60 servings of delightful New Year cuisine (totaling NT\$18,000) and support orphaned children to commemorate the Spring Festival together.	Yu-Cheng Social Welfare Foundation	
	Donate three "Bangbang Cars" (worth about NT\$253,874) to individuals with spinal cord injuries to improve their social inclusion.	ROC Federation of the Spinal Cord Injured	
	Three blood donation events were organized, with 82 participants and 118 units of blood gathered to meet the medical requirements of the community.	Taiwan Blood Services Foundation	
	Purchased 350 charity gift boxes for Mid-Autumn Festival gifts (a total of NT\$130,900) to support employment opportunities for people with disabilities.	Children Are Us Foundation	
	Donated 71 boxes of bottled water to local social welfare organizations for use in various activities and hospital needs.	Tainan Family Care Association Hsinchu Ren'ai Children's Home	

## 5.5 Social Engagement

Focus	Actions and Their Societal Impact	Collaboration within an organization	SDG Goals
Environmental Sustainability	Participated in a beach clean-up activity on Yuguang Island in Tainan City, with a total of 17 participants contributing 51 volunteer hours, aiming to mitigate the impact of land-based garbage pollution on the ocean.	Tainan City Yizai Association	
	Participate in the Environmental Protection Agency of the Ministry of Environment education volunteer program and dedicate 4 hours of volunteer time to instruct schools in the community on environmental protection and sustainable living.	Environment Protection Administration	
	Auctioning the idle office furniture relocated to the factory to extend its service life and reduce urban waste resulted in donating all proceeds of NT\$31,600 to social welfare groups.	Taiwan Fund for Children and Families	
Support for Arts and Culture	Assisted in organizing the solo exhibition "Complexity to Simplicity" of Zheng Yonglong's oil paintings for the Hsinchu City Cultural Bureau, with a sponsorship of NT\$12,000 to support the local arts and culture development.	Cultural Affairs Bureau, Hsinchu City	



## 5.5 Social Engagement

### Social Responsibility

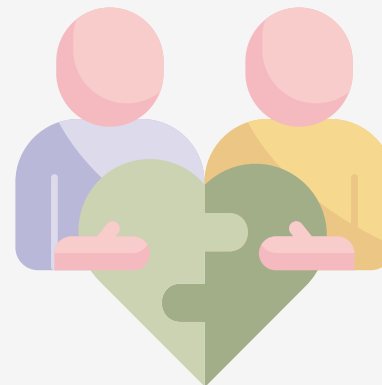
HTC actively engages in public welfare initiatives. Following a severe earthquake in Turkey in early 2023, colleagues organized a collection drive to gather cold-resistant materials for donation. Excess items are donated to organizations like Used Shoes Life Saving and Lixin Foundation to support underprivileged communities locally and internationally, aiming to enhance their living conditions through material reuse.

In 2023, we procured Mid-Autumn Festival gift boxes from Xihaner Sheltered Workshop. Aligned with operational requirements for fostering customer relationships, we furthered employment opportunities for individuals with disabilities. Towards the year's end, we collaborated with Yucheng Social Welfare Foundation to order New Year dishes filled with care for the elderly. Han'er can partake in a reunion dinner to celebrate the Spring Festival. Regarding social medical care, HTC will donate assistive devices to individuals with spinal cord injuries in 2023, in addition to organizing annual blood donation drives to support medical requirements and promote a cycle of kindness through blood donations.



### Support for arts and culture

HTC also focuses on the advancement of local arts and culture. In 2023, it will provide financial support to aid the Hsinchu City Cultural Bureau in organizing Zheng Yonglong's solo exhibition of oil paintings titled "Less is More" to enhance art appreciation.



## 5.5 Social Engagement

### Sustainable environmental practices

HTC is dedicated to promoting sustainable development in the local environment by minimizing waste and advocating for environmental education. The surplus office furniture from the factory relocation in 2023 will be auctioned for public benefit to prolong their usefulness, decrease waste, and minimize landfill contributions. Additionally, HTC engages in beach clean-up initiatives, demonstrating a commitment to global citizenship by helping to eliminate marine debris from nearby oceans.

It is imperative to persist in our efforts and expand our team! Riyang colleagues act as environmental education volunteers, visiting local schools to impart knowledge on environmental protection and advocate for sustainable lifestyles, nurturing a sense of environmental sustainability among students.



### Participation in Organizations and Associations

htc actively participates in external organizations and associations to engage with industry peers, stay informed about market trends, and understand stakeholder perspectives on various issues, all in support of our sustainability goals. The organizations and associations we have joined :



- Tainan City Yizai Association
- Chinese Excellent Management Association
- The Allied Association for Science Park Industries
- Tainan City General Industrial Association
- Taiwan Corporate Governance Association

# Appendix

I. GRI Content Index

II. SASB Index (industrial machinery & goods)

III. Sustainable Disclosure Indicators



# Appendix I . GRI Content Index

<b>Statement of use</b>	HTC has reported in accordance with the GRI Standards for the period 2023/01/01 to 2023/12/31
<b>GRI 1 used</b>	Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable

## GRI 2: General Disclosure (2021)

GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 2: General Disclosure (2021)	GRI 2-1	Organizational Details	2.1 Company Profile	14
	GRI 2-2	Entities included in the organization's sustainability reporting	About This Report	3
	GRI 2-3	Reporting period, frequency and contact point	About This Report	3
	GRI 2-4	Restatements of information	About This Report	3
	GRI 2-5	External assurance	About This Report	3
	GRI 2-6	Activities, value chain and other business relationships	2.3 Products and Services	17
	GRI 2-7	Employees	5.1 Employee overview	51
	GRI 2-8	Workers who are not employees	5.1 Employee overview	51
	GRI 2-9	Governance structure and composition	3.1 Corporate Governance Structure	21
			3.2 Board of Directors	22
	GRI 2-10	Nomination and selection of the highest governance body	3.2 Board of Directors	22
	GRI 2-11	Chair of the highest governance body	3.2 Board of Directors	22
	GRI 2-12	Role of the highest governance body in overseeing the management of impacts	1.3 Promotion of sustainable developmen	11
			3.2 Board of Directors	22

# Appendix I . GRI Content Index

GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 2: General Disclosure (2021)	GRI 2-13	Delegation of responsibility for managing impacts	1.3 Promotion of sustainable developmen	11
			3.2 Board of Directors	22
	GRI 2-14	Role of the highest governance body in sustainability reporting	About This Report	3
			1.3 Promotion of sustainable developmen	11
	GRI 2-15	Conflicts of interest	3.2 Board of Directors	22
			3.5 Ethical Management	29
	GRI 2-16	Communication of critical concerns	In addition to holding regular meetings, the company's management regularly provides key reports and information to the Board of Directors: <ul style="list-style-type: none"> <li>• Finance Department: Monthly financial updates and quarterly financial reports.</li> <li>• Audit Department: Quarterly internal audit reports.</li> </ul> Senior management maintains close communication with the Board, reporting any critical events as they arise. (See pages 21-24 of the 2023 Annual Report)	—
	GRI 2-17	Collective knowledge of the highest governance body	3.2 Board of Directors	22
	GRI 2-18	Evaluation of the performance of the highest governance body	3.2 Board of Directors	22
	GRI 2-19	Remuneration policies	3.2 Board of Directors	22
	GRI 2-20	Process to determine remuneration	3.2 Board of Directors	22

# Appendix I . GRI Content Index

GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 2: General Disclosure (2021)	GRI 2-21	Annual total compensation ratio	5.2 Employee Welfare	52
	GRI 2-22	Statement on sustainable development strategy	Message from the CEO	4
			1.3 Promotion of sustainable developmen	11
	GRI 2-23	Policy commitments	1.3 Promotion of sustainable developmen	11
	GRI 2-24	Embedding policy commitments	1.3 Promotion of sustainable developmen	11
	GRI 2-25	Processes to remediate negative impacts	1.3 Promotion of sustainable developmen	11
	GRI 2-26	Mechanisms for seeking advice and raising concerns	3.5 Ethical Management	29
	GRI 2-27	Compliance with laws and regulations	In 2023, there were no significant legal violations in the environmental, social, or economic domains, and there were no non-monetary penalty cases.	—
	GRI 2-28	Membership associations	5.5 Social Engagement	61
	GRI 2-29	Approach to stakeholder engagement	1.1 Stakeholder Engagement	8
	GRI 2-30	Collective bargaining agreements	1.1 Stakeholder Engagement	8
GRI 3: Material Topic Disclosure (2021)				
GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 3: Material Topic Disclosure (2021)	GRI 3-1	Process to determine material topics	1.2 Identification of significant themes	10
	GRI 3-2	List of material topics	1.2 Identification of significant themes	10
	GRI 3-3	Management of material topics	1.3 Promotion of sustainable developmen	11

# Appendix I . GRI Content Index

Topic-Specific Disclosure: Economics				
GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 201 : Economic Performance (2016)	201-1	Direct economic value generated and distributed	2.5 Financial performance	19
	201-2	Financial implications and other risks and opportunities due to climate change	4.4 Greenhouse gas management	47
	201-3	Defined benefit plan obligations and other retirement plans	5.2 Employee Welfare	52
GRI 202 : Market Presence(2016)	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	In 2023, all employees' salaries were above the local minimum wage for the year.	—
	202-2	Proportion of senior management hired from the local community	5.1 Employee overview	51
GRI 204 : Procurement Practices(2016)	204-1	Proportion of spending on local suppliers	3.6 Supply Chain Management	32
GRI 205 : Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	3.5 Ethical Management	29
	205-2	Communication and training about anti-corruption policies and procedures	3.5 Ethical Management	29
	205-3	Confirmed incidents of corruption and actions taken	There will be no such occurrence in 2023.	—
GRI 206 : Anti-competitive Behavior (2016)	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	There will be no such occurrence in 2023.	—

# Appendix I . GRI Content Index

Topic-Specific Disclosure: Environment				
GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 302 : Energy(2016)	302-1	Energy consumption within the organization	4.2 Energy management	45
GRI 303 : Water(2018)	303-3	Water withdrawal	4.3 Water management	46
GRI 305 : Emissions(2016)	305-1	Direct (Scope 1) GHG emissions	4.4 Greenhouse gas management	47
	305-2	Energy indirect (Scope 2) GHG emissions	4.4 Greenhouse gas management	47
GRI 306 : Effluents and Waste (2020)	306-1	Waste generation and significant waste-related impacts	4.5 Waste Management	49
	306-2	Management of significant waste-related impacts	4.5 Waste Management	49
	306-3	Waste generated	4.5 Waste Management	49
	306-4	Waste diverted from disposal	4.5 Waste Management	49
	306-5	Waste directed to disposal	4.5 Waste Management	49
GRI 307: Environmental Ccompliance (2016)	307-1	Non-compliance with environmental laws and regulations	4.1 Environmental management policy and implementation	44
GRI 308 : Supplier Environmental Assessment (2016)	308-1	New suppliers that were screened using environmental criteria	3.6 Supply Chain Management	32
	308-2	Negative environmental impacts in the supply chain and actions taken	3.6 Supply Chain Management	32

# Appendix I . GRI Content Index

Topic-Specific Disclosure: Social				
GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 401 : Employment (2016)	401-1	New employee hires and employee turnover	5.1 Employee overview	51
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.2 Employee Welfare	52
	401-3	Parental leave	5.2 Employee Welfare	52
GRI 402 : Labor/Management Relations (2016)	402-1	Minimum notice periods regarding operational changes	Regular labor-management meetings are held. Significant operational changes that necessitate staff layoffs are announced in advance according to local regulations.	—
GRI 403 : Occupational Health and Safety (2018)	403-1	Occupational health and safety management system	5.4 Workplace Safety	56
	403-2	Hazard identification, risk assessment, and incident investigation	5.4 Workplace Safety	56
	403-3	Occupational health services	5.4 Workplace Safety	56
	403-4	Worker participation, consultation, and communication on occupational health and safety	5.4 Workplace Safety	56
	403-5	Worker training on occupational health and safety	5.4 Workplace Safety	56
	403-6	Promotion of worker health	5.4 Workplace Safety	56
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	5.4 Workplace Safety	56
	403-8	Workers covered by an occupational health and safety management system	5.4 Workplace Safety	56
	403-9	Work-related injuries	5.4 Workplace Safety	56
	403-10	Work-related ill health	5.4 Workplace Safety	56

# Appendix I . GRI Content Index

Topic-Specific Disclosure: Social				
GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 404 : Training and Education(2016)	404-1	Average hours of training per year per employee	5.2 Employee Welfare	52
	404-2	Programs for upgrading employee skills and transition assistance programs	5.2 Employee Welfare	52
	404-3	Percentage of employees receiving regular performance and career development reviews	5.2 Employee Welfare	52
GRI 405 : Diversity and Equal Opportunity(2016)	405-1	Diversity of governance bodies and employees	3.2 Board of Directors	22
			5.1 Employee overview	51
GRI 406 : Non-discrimination (2016)	406-1	Incidents of discrimination and corrective actions taken	5.3 Human Rights Policy	55
GRI 407 : Freedom of Association and Collective Bargaining (2016)	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.3 Human Rights Policy	55
GRI 408 : Child Labor (2016)	408-1	Operations and suppliers at significant risk for incidents of child labor	3.6 Supply Chain Management	32
			5.3 Human Rights Policy	55
GRI 409 : Forced or Compulsory Labor(2016)	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.6 Supply Chain Management	32
			5.3 Human Rights Policy	55

# Appendix I . GRI Content Index

Topic-Specific Disclosure: Social				
GRI Guidelines/Numbers		Disclosure	Corresponding chapter	Page
GRI 413: Local Communities (2016)	413-1	Operations with local community engagement, impact assessments, and development programs	5.5 Social Engagement	61
	413-2	Operations with significant actual and potential negative impacts on local communities	In 2023, there were no significant or potential negative impacts on the local community.	—
GRI 414 : Supplier Social Assessment (2016)	414-1	New suppliers that were screened using social criteria	3.6 Supply Chain Management	32
	414-2	Negative social impacts in the supply chain and actions taken	3.6 Supply Chain Management	32
GRI 416 : Customer Health and Safety(2016)	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	There will be no such occurrence in 2023.	—
GRI 417: Marketing and Labeling(2016)	417-2	Incidents of non-compliance concerning product and service information and labeling	There will be no such occurrence in 2023.	—
	417-3	Incidents of non-compliance concerning marketing communications	There will be no such occurrence in 2023.	—
GRI 418 : Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	There will be no such occurrence in 2023.	—
GRI 419 : Socioeconomic Compliance(2016)	419-1	Non-compliance with laws and regulations in the social and economic area	There will be no such occurrence in 2023.	—

## Appendix II.SASB Index (industrial machinery & goods)

Topic	Code	Accounting Metric	Category	Unit of Measure	Report Contents or Explanation	Page
<b>Table 1. Sustainability Disclosure Topics &amp; Accounting Metrics</b>						
Energy Management	RT-IG-130a.1	Total energy consumed	Quantitative	GJ	4.2 Energy management	45
		Percentage grid electricity		%	100% supplied by Taiwan Power Company.	
		Percentage renewable		--	No renewable energy is used for production.	
Employee Health & Safety	RT-IG-320a.1	Total recordable incident rate (TRIR)	Quantitative	%	5.4 Workplace Safety	56
		Fatality rate				
		Near miss frequency rate (NMFR)				
Fuel Economy Emissions in & Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicles	Quantitative	Gallons/1,000 ton-miles	Products are non-fuel-based equipment, so fuel efficiency metrics are not applicable.	—
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Quantitative	Gallons/hour	Products are non-fuel-based equipment, so fuel efficiency metrics are not applicable.	—
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Quantitative	Watts/gallon	Products are non-fuel-based equipment, so fuel efficiency metrics are not applicable.	—
	RT-IG-410a.4	Sales-weighted emissions of: (1) nitrogen oxides (NOx) and (2) particulate matter (PM) for: (a) marine diesel engines, (b) locomotive diesel engines, (c) on-road medium- and heavy-duty engines, and (d) other non-road diesel engines	Quantitative	Grams/kilowatt-hour	The products are non-producing nitrogen oxides (NOx) and particulate matter (PM) equipment, so air pollutant emission metrics are not applicable.	—

## Appendix II.SASB Index (industrial machinery & goods)

Topic	Code	Accounting Metric	Category	Unit of Measure	Report Contents or Explanation	Page
<b>Table 1. Sustainability Disclosure Topics &amp; Accounting Metrics</b>						
Materials Sourcing	RT-IG-440a.1	Description of the management of risks associated with the use of critical materials	Discussion and Analysis	n/a	3.6 Supply Chain Management	32
Remanufacturing Design & Services	RT-IG-440b.1	Revenue from remanufactured products and remanufacturing services	Quantitative	Reporting currency	No such income exists.	—
<b>Table 2. Activity Metrics</b>						
Number of units produced by product category	RT-IG-000.A	Revenue percentage of units produced by product category	Quantitative	Number	2.4 Market Overview	18
Number of employees	RT-IG-000.B	The number of employees in the company	Quantitative	Number	5.1 Employee overview	51

# Appendix III. Sustainable Disclosure Indicators

## (Electronic Components Industry)

Indicator	Category	Unit of Measure	Report Contents or Explanation (Disclosure in 2023)	Page
Total energy consumed, percentage grid electricity, and percentage renewable	Quantitative	GJ、%	Total Energy Consumption: 4.2 Energy Management <ul style="list-style-type: none"> <li>Percentage of Purchased Electricity: 100% of our electricity is supplied by Taipower.</li> <li>Renewable Energy Usage Rate: We do not use renewable energy for production.</li> </ul>	45
Total Water Withdrawal and Total Water Consumption	Quantitative	m <sup>3</sup>	4.3 Water management	46
Weight of generated hazardous waste and recycling percentage	Quantitative	metric ton, percentage (%)	4.5 Waste Management	49
Description of occupational accident categories, number, and ratio	Quantitative	Ratio(%), Number	5.4 Workplace Safety	56
Product Lifecycle Disclosure: Includes the weight of discarded products and electronic waste, and the recycling percentage.(Note1)	Quantitative	metric ton, percentage (%)	4.5 Waste Management	49
Description of risk management related to the use of key materials	Qualitative Description	Not Applicable	3.6 Supply Chain Management	32
Total monetary losses due to legal litigation related to the Fair Trade Act	Quantitative	Reporting Currency	3.5 Ethical Management (There will be no such occurrence in 2023.)	29
Output by Major Product Category	Quantitative	Piece/Sets	2023 Major Production Output : <ul style="list-style-type: none"> <li>Vacuum Components : 1,730,296</li> <li>Vacuum-related Equipment : 31,702 (Sales and Maintenance)</li> <li>Others (Note 2) : 21,816</li> </ul>	18

• Note1: Include explanations for the sale of scrap materials or other recycling processes.

• Note2: (1)Others include antifreeze, maintenance and business transactions with SHtc, Highlight Tech System Corp., Finesse Technology Co., Ltd. and Schmidt Scientific Taiwan Ltd.

(2)The sales of antifreeze, the sale and maintenance of different brands and functional equipment and machines cannot be calculated in the same unit.



<https://www.htcvacuum.com/zh-tw>

No. 32, Guangfu Rd., Hukou Township, Hsinchu County 303036, Taiwan (R.O.C.)

+886-3-597-3325

