

TSC Sustainability Report

2025

TSC Auto ID tscprinters.com

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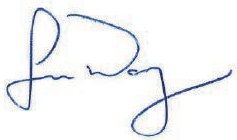
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Strengthening Long-Term Corporate Resilience through Good Governance and Sustainable Actions

Chairman's Message



Chairman

Dear TSC Stakeholders,

Amid rapid changes in the global industrial landscape and the convergence of geopolitical uncertainties and climate risks, corporate responsibility extends far beyond the pursuit of short-term performance. It hinges on long-term governance capability and a firm commitment to sustainable operations. Since its establishment, TSC has upheld prudent governance as the foundation of its business, deepened its expertise in the Automatic Identification and Data Capture (AIDC) field, and effectively integrated ESG governance into its corporate operations. We are committed to creating long-term, shared value for our shareholders, employees, customers, and society.

Climate Action

TSC places great emphasis on environmental protection and climate action, embedding them at the core of our long-term strategy and board-level oversight. In 2025, the Li-Ze plant officially commissioned its solar power generation system, substantially increasing the use of renewable energy, with an estimated annual generation of approximately 860,000 kWh of green electricity. In parallel, we continued to advance digitalization initiatives: paper usage at our Taiwan headquarters decreased by 44% compared to 2023, while the Tianjin site achieved a 36% reduction—demonstrating tangible progress in energy conservation, carbon reduction, and environmental protection. In addition, through the TSC Arbor Day initiative, we planted 200 trees in Taiwan, while our European subsidiaries planted more than 11,000 trees globally, reflecting our shared responsibility to address climate change and promote biodiversity conservation.

A People-Centered Workplace

People are the most critical long-term asset of an enterprise. TSC places strong emphasis on talent development and employee care, continuing to invest in leadership development, professional capability building, and a culture of organizational learning. Through structured talent development mechanisms, we support employees at different stages of their careers to achieve continuous growth. We continue to enhance our Employee Assistance Program (EAP), providing mental health support and 24-hour counseling services. At the same time, we promote family-friendly policies such as family care leave and Family Day activities, and encourage employee engagement in social participation and work–life balance through diverse CSR initiatives. The Tianjin plant has also actively engaged in autism-related community initiatives, organized company-wide sports events, and set up nursing room facilities, fostering a more inclusive and supportive workplace with a strong sense of belonging.

Corporate Governance

Sound corporate governance is the cornerstone of sustainable business operations. With a focus on long-term shareholder value, TSC continues to enhance stable profitability by prioritizing product innovation, expanding sales and market presence, and optimizing global operational efficiency. In recent years, cash dividend payout ratio has been maintained above 50%, reflecting our commitment to sharing operational results with shareholders. The Board continues to strengthen governance structures and diversity, including the addition of a female independent director. In 2025, the Sustainability Development Committee operated steadily and regularly reported progress on sustainability initiatives to the Board, further enhancing governance transparency and risk management capabilities.

Looking Ahead

TSC will continue to lead the Company with a long-term perspective, strengthening governance systems and deepening sustainability actions. We firmly believe that only by continuously enhancing governance effectiveness and embedding sustainability principles into daily operations can we navigate a rapidly changing external environment and secure a strong position in the global sustainability transition.

We sincerely appreciate the long-standing support and trust of all stakeholders. Going forward, we will remain committed to corporate growth, environmental protection, and employee well-being, working together to build a more resilient and sustainable future.



Embedding Sustainability into Products, People, and Governance

CEO's Message

CEO

Dear TSC Stakeholders,

In an era marked by rapid industrial change and accelerating sustainability transitions, corporate competitiveness is no longer defined solely by products and markets but by long-term resilience in responding to environmental, social, and governance (ESG) challenges. Guided by our core belief in prudent management and responsible growth, TSC continues to integrate operational strategies with sustainability objectives. While creating economic value, we are also committed to advancing the circular economy, talent development, and robust corporate governance.

Circular Economy

TSC continues to drive green transformation across product design, operational management, and value chain collaboration, strengthening the sustainable competitiveness of our products. We have systematically embedded circular economy principles, energy efficiency, and materials management into our product design and manufacturing processes—making sustainability not just a concept, but an integral part of product performance. With regard to product materials, we continue to increase the use of recycled metals, currently reaching 10–19% for mobile printers, 11% for desktop printers, and over 12% for industrial printers. At the same time, we ensure that all paper-based outer packaging materials are FSC-certified. We have successfully developed the MB and ML series with wood-fiber pouches replacing PE bags, achieving fully plastic-free packaging as a key design standard for new product development. Through these initiatives, we continue to reduce environmental impacts across the product life cycle while enhancing brand value and market trust.

Talent Development

People and organizational culture are the cornerstones of long-term corporate success. We are committed to building an inclusive and continuously learning workplace. Based on the "TSC Seven Competencies" model, we strengthen the practical application of competencies through training programs and workshops, enabling employees to fully develop leadership capabilities and cross-functional skills. We also place great emphasis on career development. Building on the implementation of the OKR (Objectives and Key Results) framework and Individual Development Plans (IDPs), we have launched the "Career Café," providing career coaching and timely support to help employees make forward-looking career decisions at different stages of their professional journey. Through employee engagement surveys and feedback mechanisms, we continue to foster a culture of open communication. In 2025, global employee satisfaction reached 86.8 points, reflecting positive recognition of our workplace environment and development opportunities.

Robust Governance

Robust governance is the foundation of sustainable business operations. Guided by the principles of transparency, accountability, and integrity, TSC continues to strengthen its corporate governance framework and risk management mechanisms. In 2025, we obtained ISO 27001 certification for our Information Security Management System, further enhancing information security and protecting customer privacy. We also published our first Sustainability Report and launched a dedicated ESG website to ensure timely and transparent disclosure to stakeholders. In addition, the Li-Ze plant was awarded the RBA Platinum Recognition by the Responsible Business Alliance, demonstrating our strong commitment to labor rights, environmental protection, and responsible supply chain practices.

Looking Ahead

At this pivotal moment of rapid industry change and sustainability transformation, TSC will leverage technological innovation as a key engine, working closely with our customers and value chain partners to co-create low-carbon, responsible, and resilient growth pathways. We sincerely appreciate the long-standing support and trust of all stakeholders, and will continue to drive steady corporate growth while creating long-term value for society that balances operational performance with sustainability responsibility.

Preface

- About the Report
- Performance Highlights and Awards
- Identification of Major Topics and Communication with Stakeholders

About This Report

TSC Auto ID Technology Co., Ltd. (hereinafter referred to as "TSC," "TSC Auto ID," or "the Company") has published its first Corporate Sustainability Report starting from 2025 to enhance communication with stakeholders. This report corresponds with the GRI, SASB, and TCFD frameworks, showcasing TSC's sustainability strategies and performance in governance, environmental, and social (including human rights) aspects. The report reinforces the Company's commitment and actions toward sustainable operations.

Reporting Period

The 2nd TSC Auto ID report was published in August 2026, with a reporting frequency of once a year. The disclosure period is from January 1, 2025 to December 31, 2025, the same as the Company's annual financial report. To enhance the completeness and comparability of information and data, some content includes data and information from 2023 and 2024. The next report is scheduled for publication in August 2027. In response to environmental protection, this report is primarily distributed in electronic format, with full information disclosed on TSC' s official website.

Reporting Principles

The structure of this report follows applicable standards and guidelines, as outlined in the table below. Appendices provide reference indices for GRI, SASB, TCFD, and the Taiwan Stock Exchange (TWSE) Climate-Related and Sustainability Disclosure Indicators for listed companies for stakeholder reference.

Publishing Organization	Standards Followed
Global Reporting Initiative (GRI)	**GRI Standards**
Sustainability Accounting Standards Board (SASB)	**SASB Industry Standards** (Electrical & Electronic Equipment Sector)
Task Force on Climate-related Financial Disclosures (TCFD)	**Recommendations on Climate-related Financial Disclosures**
TWSE	**Climate-Related Information of Listed Companies**
	Sustainability Disclosure Guidelines for the Computer and Peripheral Equipment Sector

Reporting Boundary and Scope

The main business area of TSC entities is the computer and peripheral equipment industry, and the scope of disclosure in this report primarily focuses on the operations and production sites in Taiwan and the Tianjin Plant, including:

- Company Headquarters: New Taipei Head Office (hereinafter referred to as "Head Office")
- Major production sites: Yilan Lize Plant (hereinafter referred to as the "Lize Plant"), Tianjin TSC Auto ID (hereinafter referred to as the "Tianjin Plant")

The scope of the information and data in this report covers financial, environmental and social performance. Financial data are mainly based on the Company's financial reports, while non-financial data disclosures primarily cover the head office, the Lize Plant and the Tianjin Plant. The integrated information methodology for each disclosure item and material topic in this report does not differ by entity. The disclosure scope does not include subsidiaries and affiliates in the Consolidated Financial Statements. For information on entities included in the Consolidated Financial Statements and related affiliates, please refer to the 2025 annual report.

Reliability of Reported Information

To enhance the quality and reliability of information in the sustainability report, the financial and accounting content is based primarily on internally compiled financial statements by the Company's Finance Department. Sustainability-related initiatives are governed by the Board of Directors, with the Sustainability Development Committee responsible for assisting the Board in supervising sustainability information management. The General Manager's Office is designated as the full-time (or concurrent) executive unit responsible for ensuring the effective execution of sustainability information management operations. Sustainability initiatives are implemented by various departments according to the Company's sustainability policies. The dedicated personnel in the General Manager's Office are responsible for compiling sustainability information disclosed in this report. The contents of this report are reviewed and approved by the Sustainability Development Committee and the Board of Directors prior to publication.

Regarding external assurance, this report follows Assurance Standard No. 3000, "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by the Accounting Research and Development Foundation of the Republic of China, which was established with reference to ISAE 3000; information related to greenhouse gas inventories additionally follows Assurance Standard No. 3410, "Assurance Engagements on Greenhouse Gas Statements," issued by the Accounting Research and Development Foundation of the Republic of China, which was established with reference to ISAE 3410, for limited assurance, conducted by KPMG Taiwan. The assured sustainability report was approved by the General Manager, and the results were submitted to the Sustainability Development Committee and the Board of Directors for reporting. For the independent assurance statement from the accountants, please refer to "Appendix VII – Limited Assurance Report of the Independent Accountants."

Restatements of information

The data in Chapter 2 Governance (customer satisfaction survey results), Chapter 3 Environmental (greenhouse gas emissions, carbon reduction targets and action plans), and Chapter 4 Workplace (performance management and talent incentives, employee diversity distribution statistics, and key compensation data) were restated due to revisions to related information and statistical methods. For detailed reasons and differences, please refer to the notes in each subsection.

Feedback

Thank you for reading this report. Should you have any questions or suggestions regarding the contents of this report, please feel free to contact us through the following means:

Address	9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City, Taiwan
Contact Unit	General Manager's Office
Telephone	+886-2-2218-6789 Ext.3015
Email	nancy_yu@tscprinters.com

Performance Highlights and Awards

TSC Auto ID spares no effort in its sustainability efforts, structured into three key areas: corporate governance, environmental sustainability, and social co-prosperity. The ESG performance highlights from 2023 to 2025 are as follows:

Corporate Governance

2023

- Completed ISO 9001 Quality Management System
- Formed Innovation Development Committee to encourage innovative proposals
- Held quarterly "OTG 500 STAR Outstanding Employee Selection and Recognition"

2024

- Completed in-house compilation of financial statements for the first time
- Formulated Human Rights Policy
- Established Sustainability Development Committee under the Board of Directors
- Established Business Integrity Task Force under the Board of Directors
- Established Risk Management Task Force under the Sustainability Development Committee
- Awarded Silver Certification from the Responsible Business Alliance (RBA)
- Held more investor conferences than legally required for three consecutive years (3–4 times annually)
- Distributed dividends of over NT$10 per share for ten consecutive years

2025

- Published the first Sustainability Report
- Lize Plant received RBA Responsible Business Alliance Platinum Certification
- Held more investor conferences than legally required for more than three consecutive years (2–4 times annually)
- Distributed dividends of NT$10 or more per share for more than ten consecutive years
- Added one female independent director
- Adopted the shareholder services eCounter platform established by the Taiwan Depository and Clearing Corporation, allowing shareholders to apply for shareholder services electronically
- Obtained ISO 27001:2022 Information Security Management System certification
- Completed the establishment of the dedicated TSC Auto ID Technology ESG website
- Ranked within the top 6%–20% of all TPEx-listed companies in the 12th Corporate Governance Evaluation.

Environmental Sustainability

2023

- Introduced linerless label applications in MB/DH/DA models
- Installed energy-saving lighting controls in Lize Plant's materials and product warehouses

2024

- Completed ISO 14064-1 Greenhouse Gas Inventory in Taiwan
- Completed evaluation for solar power system installation
- Adopted a cloud platform for greenhouse gas inventory
- Implemented RFID-based asset management and paperless workflow
- Preemptively planned for RoHS 3.0 standards compliance
- Introduced wood fiber non-woven packaging materials for TH/DL series
- Adopted FSC-certified packaging materials for TH/DL series
- Incorporated recycled materials into DH/TH/MB/ML models

2025

- Tianjin Plant promoted paperless office practices, reducing photocopy paper usage by 36% compared with 2023
- Taiwan headquarters and Lize Plant promoted paperless office practices, reducing photocopy paper usage by 44% compared with 2023
- Completed ISO 14001:2015 recertification and maintained certificate validity
- Lize Plant completed solar power generation installation, with a total installed capacity of 895.26 kWh, and is expected to reduce 171 metric tons of CO_2e annually
- Taiwan headquarters and Lize Plant held a Tree Planting Day event and planted 200 trees
- Adopted a cloud platform for greenhouse gas inventory at Tianjin Plant to promote greenhouse gas inventory
- Taiwan headquarters and Lize Plant fully promoted paperless office practices, reducing photocopy paper usage by a total of 27% compared with 2024
- Recycled materials accounted for 10–19% of the total product weight of all portable printers, 11% for all desktop printers, and over 12% for all industrial printers
- All printer models adopted green packaging design

Social Co-Prosperity

2023

- Set up lactation rooms to create a mother-friendly workplace

2024

- Passed ISO 45001 Occupational Health and Safety Management System certification
- Hosted ESG low-carbon diet and weight loss competition
- Conducted joint departmental teambuilding for three consecutive years
- Held Sports Week for three consecutive years to promote employee health
- Held all-hands meetings quarterly for three consecutive years
- Published Global Reporting Initiative TSC Newsletters quarterly for three consecutive years to enhance internal communication
- Collaborated with Andrew Food Bank, with employee participation in food package assembly
- Partnered with Eden Social Welfare Foundation to organize donation drives for children with developmental delays
- Collaborated with Carnegie to host "Hanbao Camp," receiving positive feedback

2025

- The head office has held all-hands meetings quarterly for four consecutive years, and the Tianjin Plant has held all-hands meetings semiannually
- Colleagues from Tianjin Plant participated in the 18th World Autism Day public advocacy event
- Tianjin Plant held a fun sports day for all employees
- Set up a mother and baby room to create a mother and baby-friendly space in the Tianjin Plant
- Held TSC Family Day at Taipei Dome first time
- Conducted department-wide joint team-building activities for four consecutive years
- Organized Mindfulness Week to enhance employees' psychological resilience and promote physical and mental well-being
- Continued collaboration with the Eden Social Welfare Foundation to encourage donations to support children with developmental delays
- Continued collaboration with Carnegie to organize the "TSC Children's Camp" which received positive feedback
- Introduced a new TSC Artificial Conception Leave policy

Major Awards and Honors

Year	Award Records
2023	Once again named among the Top 40 Best Taiwan Global Brands Industrial RFID Printer T6000e selected for China IoT Industry Innovative Product List Print Engine PEX-2000 awarded IOTE Innovative Product Gold Award
2024	Ranked among the Top 40 Best Taiwan Global Brands for three consecutive years Lize Plant awarded RBA Silver Certification from the Responsible Business Alliance Lize Plant awarded Healthy Workplace Certification
2025	Lize Plant awarded RBA Platinum Certification from the Responsible Business Alliance Obtained ISO 27001:2022 Information Security Management System certification















TSC ESG Development Milestones

Year	Award Records
2023	Implemented ISO 14064-1 Greenhouse Gas Inventory to enable effective management and emissions reduction
2024	Established the Sustainability Development Committee Formulated Human Rights Policy Completed greenhouse gas inventory in Taiwan region Completed evaluation for solar energy system installation Passed ISO 45001 Occupational Health and Safety Management System recertification audit, continuing to reduce impacts on occupational safety and health under an international standard framework Lize Plant awarded RBA Silver Certification from the Responsible Business Alliance Lize Plant awarded Healthy Workplace Certification by the Health Promotion Administration, Ministry of Health and Welfare
2025	Lize Plant was awarded RBA Responsible Business Alliance Platinum Certification



Highlight Story: Building a responsible supply chain from the inside out to expand the global RBA footprint

In 2025, TSC Auto ID continued to promote the Responsible Business Alliance (RBA) Code of Conduct. The scope was expanded not only from the Yilan Lize Plant to the Tianjin Plant, but internal employee training was also strengthened and supplier commitments and audits were promoted, comprehensively enhancing sustainable governance across the supply chain.

In 2025, TSC Lize Plant received RBA Platinum recognition, demonstrating TSC's active management of labor, environment, health and safety, and other issues, while continuously improving deficiencies. Building on the successful experience of the Lize Plant, the Tianjin Plant also launched an RBA implementation plan in 2025 and plans to continue expanding it to global sites in the future to strengthen sustainable competitiveness.

- Lize Plant received RBA Silver certification in 2024
- Lize Plant received RBA Platinum certification in 2025
- **Tianjin Plant officially implemented RBA in 2025**

Employee training: internalizing comprehensive RBA awareness

In 2025, TSC continued its RBA talent training project, providing all employees with comprehensive basic RBA education and training through online courses. The content covered five core areas: labor rights, health and safety, environmental protection, business ethics, and responsible supply chains. To enhance the effectiveness of training for multinational employees, the course materials were also translated into Vietnamese for 8 Vietnamese employees to participate in the training, and to ensure that all employees completed the training, resulting in an overall completion rate of 100% in 2025. In addition, TSC continued to strengthen internal audit capability development. In terms of RBA internal auditor training, a cumulative total of 20 employees passed internal audit training in 2024-2025 and obtained internal auditor qualifications, laying a solid foundation for enhancing future self-audit capabilities.

External management: building a responsible supply chain

To proactively build a responsible supply chain, TSC formulated the External Provider Management Procedures with reference to RBA standards and incorporated the five core RBA principles into its supplier management mechanism to ensure that partners' operating conduct complies with international sustainability, human rights, and responsible business standards. Each year, TSC also selects key suppliers for on-site audits through internal meetings based on supplier risk assessment and screening criteria to strengthen supply chain management effectiveness. In 2025, a total of 3 on-site supplier audits were completed, and the results showed that all audited suppliers complied with the relevant standards, with an overall pass rate of 100%. If any non-compliant items are identified during the audit process, TSC will require suppliers to submit improvement plans and conduct follow-up tracking to ensure continuous improvement of deficiencies and achievement of the expected management standard.

Global expansion: Tianjin Plant launches RBA

The Tianjin Plant officially implemented the RBA project in 2025 and completed the 1st round of internal auditor training for core members in March of the same year. A total of 7 RBA team members participated, and all passed the course and obtained internal auditor qualifications. At the same time, the Tianjin Plant also invited professional consultants to provide comprehensive guidance on system establishment and on-site implementation, including assistance in preparing RBA system documentation, optimizing existing fire safety, environmental, safety and health, and labor management systems, strengthening employee feedback channels, and strictly implementing improvement measures such as controlling monthly overtime hours within 36 hours. Looking ahead, the Tianjin Plant plans to target RBA VAP Gold certification in 2026, demonstrating TSC Auto ID's firm commitment to human rights, environmental protection, and business ethics in its global operations and supply chain management actions, and working with international partners to promote more sustainable supply chain development.



Creating a mother and baby care room



Installing eyewash stations


Installing first-aid kits


On-site supplier audits—employee interviews


On-site supplier audits—site visits

Material Topic Identification and Stakeholder Communication

Stakeholder Communication

TSC follows the five core principles of the AA1000 Stakeholder Engagement Standard (SES) to identify key stakeholders. Senior executives of the ESG Committee identified seven categories of key stakeholders: customers, employees, business partners, suppliers, shareholders/investors, government, and local communities. A dedicated stakeholder section has been established on the Company's official website. Through designated communication channels, the Company conducts both regular and ad-hoc communication with stakeholders to receive and respond to their suggestions and needs. This enables the Company to understand the actual and potential impacts of its business activities on stakeholders, and to implement corresponding preventive and corrective actions through responsible departments.



Stakeholder Grievance Mechanisms and Channels

To ensure that stakeholders can conveniently raise concerns and provide suggestions for improvement, TSC Taiwan has established a transparent, fair and efficient grievance mechanism. Internally, through regular meetings, correspondence and dedicated communication channels, the usage and fairness of grievance channels are periodically reviewed; at the same time, dedicated teams have been established for each grievance mechanism to review the handling process for grievance cases and continuously optimize the relevant mechanisms. Externally, opinions are collected from relevant stakeholders through diversified communication channels, including forums and cooperation meetings, while a traceable grievance handling and response mechanism has also been established to promote positive interaction between both parties.

For grievance cases received by TSC Taiwan, investigations, follow-up actions and improvement measures will be carried out according to the issue involved. In 2025, no grievance cases were received. The grievance channels established by TSC Taiwan are as follows:

[Investor Relations Section]

Joseph Chen / Senior Manager, Finance Department
Email: joseph_chen@tscprinters.com

[Investors/Government]

Richard Chang / Assistant Manager, Finance Department
Email: richard_chang@tscprinters.com

[Customer/Business Partner Relations]

Bryan Lee / Senior Associate General Manager, Sales Department
Email: bryan_lee@tscprinters.com

[Supplier Relations]

Polo Chang / Associate General Manager, Production Department
Email: polo_chang@tscprinters.com

[Employee Relations]

Carol Lee / Senior Manager, Human Resources Department
Email: carol_lee@tscprinters.com

[Local Community]

Sand Chiang / Section Manager, Plant Affairs Department
Email: sand_chiang@tscprinters.com

[Complaints Regarding Sexual Harassment and Illegal Workplace Infringement]

Carol Lee / Senior Manager, Human Resources Department
Email: 113@tscprinters.com

Stakeholder Communication Channels and Frequency

TSC values and listens to the voices of all stakeholders, analyzing the sustainability issues of concern to each group and responding to their expectations through diversified communication methods. In 2025, TSC distributed an external stakeholder survey to assess communication frequency, channels, and areas of sustainability concern, as outlined below:

Stakeholder Category	Significance to TSC	Communication Methods and Channels	Communication Frequency	Sustainability Issues of Concern
Customers	Ensuring the provision of high-quality products and services that meet needs and expectations, enhancing customer satisfaction and loyalty, and building long-term partnerships	Direct contact by Sales Department via phone and email	Ad hoc	Occupational accidents Diversity and Inclusion Deficiencies in quality and safety requirements and inspections
		Company website and social media (e.g., Facebook)	Ad hoc	
		Physical events for distributors	Ad hoc	
		Customer satisfaction surveys	Semiannually	
Employees	Creating an empowering, diverse, inclusive, and healthy work environment; promoting professional development and well-being; strengthening employee identification with and loyalty to the Company	Internal e-newsletters	Quarterly	Employee physical and mental well-being Occupational accidents Disclosure of sensitive information
		All-hands meetings	Quarterly	
		Global strategy meetings	Regularly	
		Employee engagement surveys	Annually	
		Employee suggestion boxes	Real-time	
		Labor-management meetings	Regularly	
		Occupational safety and health meetings	Regularly	
		Foreign migrant worker meetings	Monthly	
		Employee Welfare Committee	Regularly	
Business Partners	Promoting win-win collaboration, sharing market information and resources, achieving mutual growth and value creation, and ensuring collaborative efficiency and maximum results	Distributor conferences	Ad hoc	Deficiencies in quality and safety requirements and inspections Innovative products and technologies Sustainable supply chain management
		Site visits and meetings	Ad hoc	
		Direct contact by Product Management and Sales Departments via phone and email	Real-time	
Suppliers	Ensuring supply chain stability, establishing fair and transparent procurement practices, promoting joint development, and enhancing overall sustainable competitiveness	Supplier conferences	Ad hoc	Deficiencies in quality and safety requirements and inspections Disclosure of sensitive information Corporate corruption and unethical conduct
		On-site audits	RBA audits: 3 times/year Quality audits: 12 times/year	
		Direct contact by Procurement and Quality Control Departments via phone and email	Real-time	
Shareholders/ Investors	Providing accurate and transparent financial information, maintaining regular communication, ensuring business performance and returns meet investor expectations, and enhancing investment confidence	Annual Report	Annually	Information security management Corporate corruption and unethical conduct Sound corporate governance Deficiencies in quality and safety requirements and inspections
		Sustainability Report	Annually	
		Annual shareholder meetings	At least once a year	
		Investor conferences	At least once a year	
		Company website	Ad hoc	
		Market Observation Post System (MOPS)	Ad hoc	
Government	Comply with laws and regulations to ensure lawful and compliant operations, actively participate in policy dialogue and public affairs, and support the government's goals for sustainable economic, social, and environmental development.	Direct contact by Finance Department via phone and email	Ad hoc	Corporate Governance Business Integrity Climate Change Response
		Correspondence and official documents	Ad hoc	
		Company website	Ad hoc	
		Statutory disclosures (e.g., annual reports, financial reports, sustainability reports, various filings)	Ad hoc	
		Ministry of Economic Affairs Longde and Lize Industrial Park Service Center	Ad hoc	
Local Communities	Supporting community development, engaging in public welfare and infrastructure projects, minimizing negative operational impacts, and promoting harmonious coexistence and mutual benefits between the Company and the community	NPO CSR activities	Ad hoc	Sustainable product design Occupational accidents Human rights violations Diversity and Inclusion Corporate corruption and unethical conduct Information security management Disclosure of sensitive information Effective risk management Innovative products and technologies Lack of Intellectual Property Protection Sustainable supply chain management Deficiencies in quality and safety requirements and inspections
		Community visits (Chengxing Village)	Ad hoc	

Material Topic Identification

As one of the primary channels for communicating ESG issues to stakeholders, the sustainability report follows five key steps - Identification, Assessment, Analysis, Examination, and Approval - to determine material topics. A total of 587 material topic survey questionnaires were distributed both internally and externally. Through stakeholder feedback and material impact assessments, TSC identified the material topics for 2025, carefully examining the actual and potential economic, environmental, and social (including human rights) impacts arising from its operations. Main Steps for Identifying TSC Auto ID's Material Topics:



Material Topic Identification Steps

Step	Process	Outcome
Step 1 Issue Research	• **Stakeholder Communication:** In accordance with the five core principles of the AA1000 Stakeholder Engagement Standard (SES), seven major stakeholder categories were identified: customers, employees, business partners, suppliers, shareholders/investors, government, and local communities. • **Benchmark research:** with reference to the Dow Jones Sustainability Index (DJBIC), the Sustainability Accounting Standards Board (SASB), and issues of concern to upstream and downstream benchmark companies, a list of 17 sustainability issues was compiled. Taking into account industry context and characteristics, 25 positive/negative impacts on the economy, environment and people (including human rights) were identified for the 17 sustainability issues.	**7** stakeholder categories **17** sustainability issues **25** positive/negative impacts
Step 2 Questionnaire Assessment	• **Impact and degree of impact:** based on the positive/negative impacts generated by the issue on the environment, economy and people (including human rights) in 2025 and the degree of impact, an assessment was conducted using a 5-point scale from 1(low) to 5(high). • **Likelihood of occurrence:** based on the likelihood of the impact occurring in the future, an assessment was conducted using a 5-point scale from 1(low) to 5(high). • **Degree of concern:** based on the degree of concern of external stakeholders regarding the positive/negative impacts of sustainability issues, an assessment was conducted using a 5-point scale from 1(not at all concerned) to 5(highly concerned). • **Calculation of Materiality:** Materiality score = Impact & significance × Likelihood × Degree of concern. • **Survey Distribution:** A total of 587 questionnaires were issued, including 10 to internal senior executives and 577 to external stakeholders. After excluding duplicate supplier entries and invalid responses, a total of 483 valid external stakeholder questionnaires were collected.	**483** valid external stakeholder responses **10** valid internal executive responses
Step 3 Ranking and Analysis	• **Ranking:** based on the results of the internal identification questionnaire and external stakeholder survey, a materiality score was calculated for each impact, and weighting was also applied to impact severity based on the SASB disclosure metrics for the Electrical & Electronic Equipment industry. Materiality scores for both positive and negative impacts were ranked from highest to lowest. The 75th percentile was used as a threshold; any impact scoring above this level was designated a material topic. • **Results:** a total of 4 positive impacts and 3 negative impacts were identified as material by exceeding the threshold. These corresponded to 7 sustainability issues, which were used as the 2025 material topics Note, and a materiality matrix was also prepared.	**7** total material topics **4** material positive impacts **3** material negative impacts
Step 4 Review and Calibration	• From a strategic company perspective, internal senior executives and external sustainability consultants jointly reviewed the positioning of issues on the matrix. Adjustments were made to weightings to ensure the rationality and accuracy of issue distribution	-
Step 5 Approval	• The final list of material topics was submitted for approval by relevant sustainability committees and the Board of Directors. Upon confirmation, the results were disclosed publicly.	-

Note: The identification results of material topics in 2025 were consistent with those in 2024.

2025 Sustainability Topic List

TSC's 2025 list of sustainability topics includes a total of 17 topics and 25 positive and negative impacts, categorized under three dimensions: Environmental (E), Social (S), and Governance (G), as presented below:

Aspect	Sustainability Topic	Positive Impact	Negative Impact
Governance	Information Security and Privacy	Information security management	**Disclosure of sensitive information**
	Sustainable Supply Chain	**Sustainable supply chain management**	Inadequate supplier environmental and social assessments
	Innovation Management	**Innovative products and technologies**	Lack of Intellectual Property Protection
	Product Quality and Safety	-	**Deficiencies in quality and safety requirements and inspections**
	Corporate Governance	Sound corporate governance	-
	Risk Management	Effective risk management	-
	Business Integrity	-	Corporate corruption and unethical conduct

Aspect	Sustainability Topic	Positive Impact	Negative Impact
Environment	Waste and Circularity	**Resource circularity**	Improper waste management
	Climate Change Response	Climate governance and strategy	Greenhouse gas emissions
	Biodiversity	Promotion of ecological conservation	Ecological destruction
	Energy Management	-	Energy consumption
	Sustainable Product Management	**Sustainable product design**	-

Aspect	Sustainability Topic	Positive Impact	Negative Impact
Social	Human Resource Management	Human Resource Management	**Difficulty in talent recruitment**
	Occupational Health and Safety	Employee physical and mental well-being	Occupational accidents
	Diversity and Inclusion	Diversity and Inclusion	-
	Human Rights Management	-	Human rights violations
	Social Engagement	Social Engagement	-

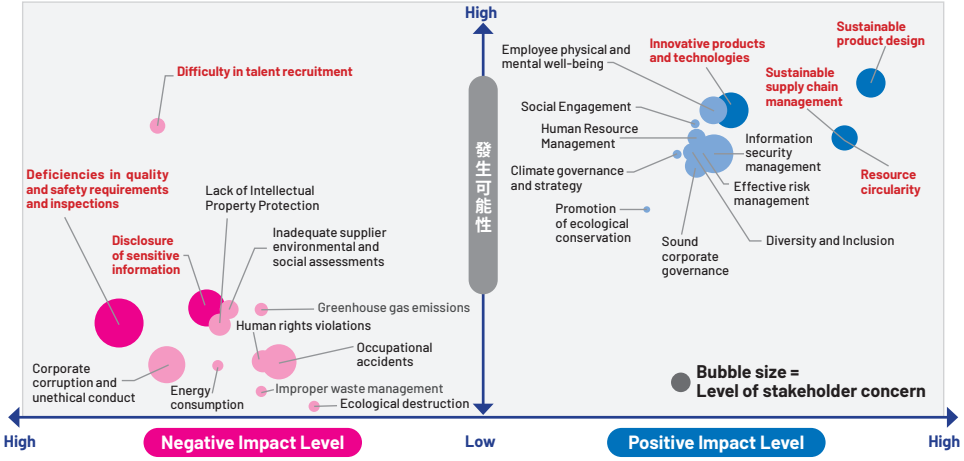
Note: Bold indicates the material topics identified in 2025.

2025 Material Topic Matrix

TSC defines the positive and negative impact dimensions of each sustainability issue, identifies the materiality of actual and potential impacts through impact severity, likelihood of occurrence and degree of concern, and ranks each sustainability issue according to impact materiality. In the matrix below, the X-axis represents the degree of impact the issue has on the economy, environment, and people, with values distinguishing between positive and negative impact levels. The Y-axis represents the likelihood of occurrence for each sustainability topic.

In 2025, a total of 4 positive impacts were identified, namely sustainable product design, sustainable supply chain management, resource circularity, and innovative products and technologies; 3 negative impacts were also identified, namely difficulty in talent recruitment, deficiencies in quality and safety requirements and inspections, and sensitive information leakage. These correspond to 7 material topics, namely sustainable product management, sustainable supply chain, waste and circularity, innovation management, human resource management, product quality and safety, and information security and privacy protection. For the management approach to these seven material topics, please refer to the corresponding chapters of this report.

Note: Red text indicates the positive and negative impacts under the 2025 material topics



Note: A total of seven material topics were identified in 2025. In the chart, items shown in red text indicate material topics; others represent priority concerns.

Meaning of 2025 Material Topics

Corresponding SDGs	2025 Material Topic		Positive/Negative Impact and Meaning	Value Chain Impact			Management Approach (See Corresponding Chapter)	Page No.
				Upstream	TSC	Downstream		
 Industry, Innovation and Infrastructure	**Information Security and Privacy**	-	**Disclosure of sensitive information:** In the event of cybersecurity vulnerabilities, or if customer data is disclosed or used without consent, both the Company's and customers' confidential information may be exposed. This may result in privacy violations, legal claims, compensation obligations, and could undermine customer trust and competitive advantage.	●	●	●	1.3.2 Information Security Management and Protection	P.34
 Industry, Innovation and Infrastructure	**Innovation Management**	+	**Innovative Products and Technologies:** The introduction of innovative technologies and methods fosters product and service innovation, offering unique market offerings that meet customer needs, enhance revenue, and generate returns for shareholders and investors.		●		2.1.1 Product and Service Innovation	P.38
 Good Health and Well-being	**Product Quality and Safety**	-	**Deficiencies in quality and safety requirements and inspections:** If incidents such as product safety/quality non-compliance with regulations or product recalls occur, product sales or user health may be affected, and legal liability and related fines or compensation may arise, resulting in the loss of domestic and foreign customers and potentially affecting industry competitiveness	●	●		2.1.2 Product Quality Control	P.41
 Responsible Consumption and Production	**Sustainable Product Management**	+	**Sustainable Product Design:** Promoting low-carbon product design involves identifying materials with sustainability benefits and strengthening hazardous substance management to reduce environmental impacts. Guided by a green innovation mindset, TSC introduces low-carbon technologies at both the design and production stages by utilizing sustainable raw materials or low-carbon manufacturing processes to deliver measurable greenhouse gas reduction outcomes.	●	●		2.2.1 Sustainable Product Management	P.47
 Partnerships for the Goals	**Sustainable Supply Chain**	+	**Sustainable Supply Chain Management:** Implementation of sustainable supply chain management mechanisms includes building supplier capacity and cooperative projects. These efforts aim to raise awareness and promote sustainability practices among suppliers and their sub-suppliers, improve supply chain quality and resilience, and advance inclusive economic development.		●	●	2.3.2 Sustainable Supply Chain Management	P.53
 Responsible Consumption and Production	**Waste and Circularity**	+	**Resource circularity:** TSC reduces process waste through product life cycle management and designs waste regeneration and recycling pathways to achieve the zero-landfill goal		●	●	3.2.1 Waste and Circularity	P.73
 Decent Work and Economic Growth	**Human Resource Management**	-	**Difficulty in talent recruitment:** Under the social structure of declining birth rates, an aging population, and population outflow, labor shortages are severe, making it difficult for enterprises to recruit professional talent, and delays in new hires reporting for duty will increase the workload of existing personnel, thereby affecting business operations and employee health		●		4.1.1 Talent Recruitment and Retention 4.1.2 Talent Development	P.79 P.86

CH 1
Operational Governance



TSC is committed to sustainable operational governance and integrates this commitment into its corporate governance framework. Through rigorous and high-standard ethical codes, as well as strict compliance with local laws and regulations, the Company has established a sound board structure, enterprise risk management system, and information security management mechanisms. At the same time, TSC closely monitors the risks and business opportunities arising from various sustainability issues, including environmental protection, social responsibility and corporate governance, and attaches great importance to the rights and interests of stakeholders. By listening to the voices of stakeholders, TSC continuously optimizes various corporate governance mechanisms and sustainability development directions, fulfills the core purpose of sound operations, and continues to move toward its sustainability vision and goals.

Recommended Primary Readers:

- ■ Customers
- ■ Business Partners
- □ Employees
- ■ Shareholders/Investors
- ■ Government
- □ Suppliers
- □ Local Communities

- ▶ 1.1 About TSC
- ▶ 1.1.1 Company Profile
- ▶ 1.1.2 Financial Performance
- ▶ 1.2.1 Corporate Governance
- ▶ 1.2.2 Overview of the Board of Directors
- ▶ 1.2.3 Integrity Management and Regulatory Compliance
- ▶ 1.3.1 Risk Management
- ▶ 1.3.2 Information Security Risk Protection

1.1 About TSC

TSC Auto ID Technology Co., Ltd. (3611) was founded in 1991. It originated as the Office Automation Division established by its parent company, Taiwan Semiconductor, and later reinvested in Eltron in the United States to focus on the production of label printers. In 2007, it was spun off from its parent company and became the independent TSC Auto ID Technology Co., Ltd. In addition, TSC has successively completed overseas investments and continues to expand its international business footprint across Europe, the Americas, Mainland China, India, South Korea and Japan.

As one of the world's top four leading designers and manufacturers of label printing and solutions, its main business is the manufacturing and sales of label printers, various types of printer labels and consumables, and enterprise mobile computers (EMC). In recent years, TSC has placed greater emphasis on technologies such as energy saving, carbon reduction and material recycling in the design of new label printers, not only striving to create environmentally friendly products but also meeting the needs and trends of many enterprises that are placing increasing importance on sustainable printers.

TSC continues to improve product performance and invest in R&D for automatic identification technologies and integrated hardware/software solutions. At TSC, we uphold a commitment to environmental stewardship, embed sustainability into manufacturing and supply chain partnerships, and reinforce our global leadership in auto-identification solutions. For more information about TSC Auto ID, please refer to the Company's official website and annual report.

Company Name	TSC Auto ID Technology Co., Ltd.
Establishment Date	19-Mar-07
Headquarters	9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City, Taiwan
Number of Employees	1307
Capital	NT$475,546,340
Industry	Computer and Peripheral Equipment
Main Business	Manufacturing and sales of label printers, various types of printer labels and consumables, and enterprise mobile computers (EMC)
Operational Locations	Taiwan (New Taipei, Yilan), Hong Kong, Mainland China (Tianjin), United States, Germany, Dubai, Spain, India, Poland, South Korea, Mexico, Japan
Stock Code	3611

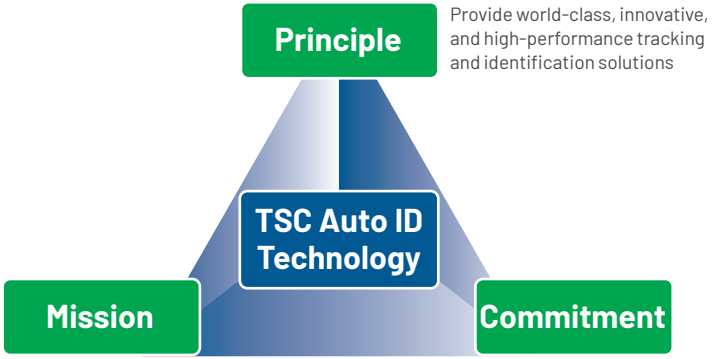
TSC Official Website

TSC 2025 Annual Report

1.1.1 Company Profile

Business Principle

TSC's principle is to deliver world-class, innovative, and high-performance tracking and identification solutions. The Company is committed to strong localized technical support, continuous investment in product development, and agile adaptation of labeling and printing solutions—aiming to meet the needs of businesses ranging from SMEs to Fortune Global 500 companies. In its pursuit of sound operations, TSC adheres to high standards of business ethics and legal compliance, while implementing robust risk management, information security, and flexible commercial strategies to realize its mission.



Sustainability Governance Vision and Goals

In promoting sustainability governance, TSC seeks to fulfill its social responsibilities and establish a solid foundation of trust with stakeholders. Based on the three ESG dimensions—Environmental (E), Social (S), and Governance (G)—TSC has defined three vision statements as its core guiding principles. These articulate the Company's sustainability actions and commitment to integrated, long-term value creation through comprehensive operational governance.

Environmental

Promoting net-zero transition and circular economy

Advances green manufacturing and environmentally friendly products, optimizes resource efficiency, reduces carbon emissions, and actively responds to climate change—progressing toward a circular economy and sustainable development.

- ✓ Green packaging for 100% of products
- ✓ Use of recycled materials in more than 10% of printer structure
- ✓ 20%–40% reduction in greenhouse gas emissions

Social

Talent empowerment, diversity and inclusion, and well-being

TSC is committed to empowering employees, fostering a supportive and inclusive environment, promoting equal opportunity, ensuring work-life balance and overall well-being, and contributing to sustainable communities.

- ✓ Talent empowerment and unlocking individual potential
- ✓ Fostering an inclusive culture
- ✓ Achieving work-life balance
- ✓ Supporting sustainable development in local communities

Governance

Building a forward-looking enterprise

TSC promotes system upgrades, technological innovation, and industry sustainability, strengthens governance, expands global business presence, drives economic growth, creates job opportunities, and forges international partnerships.

- ✓ Innovation leadership
- ✓ Top 20% ranking in corporate governance evaluation
- ✓ Enhancing global influence in sales, finance, and operations

Business Overview

As one of the world's top four label printer manufacturers and a leading enterprise in Taiwan, TSC possesses independent research, development and manufacturing capabilities and is able to provide diversified automation solutions. It mainly markets to the global market under the "TSC Auto ID" brand. With changes in the market environment, the demand for product traceability in the logistics, e-commerce and retail industries has increased significantly, and the scope of label technology applications has expanded substantially, driving the technological development of label printers and becoming a key driving force for TSC's continuous innovation and research and development. The production capacity and marketing status of its major products in the past three years are as follows:

Unit: thousand units

Main Product	Production Volume		
	2023	2024	2025
Label printers	701	720	688
Enterprise mobile computers	Not applicable	42 (Note)	326

Note: Calculated from November 2024 after the acquisition of Bluebird.

In addition to maintaining a strong foundation in the Asian market, TSC has progressively expanded its global footprint. In January 2019, TSC, through its U.S. subsidiary, acquired the business assets of Diversified Labeling Solutions Inc., marking its entry into the printer consumables and label media market. In June 2023, the Company completed a 100% equity acquisition of MGN sp. z o.o. in Poland, further expanding its presence in the European label media market. Most recently, in November 2024, TSC acquired 99.85% of the equity interest in Bluebird Inc. in South Korea, continuing to apply flexible business strategies to extend into overseas related entities, enrich the Company's product lines and sales channels, and further broaden its global business footprint.

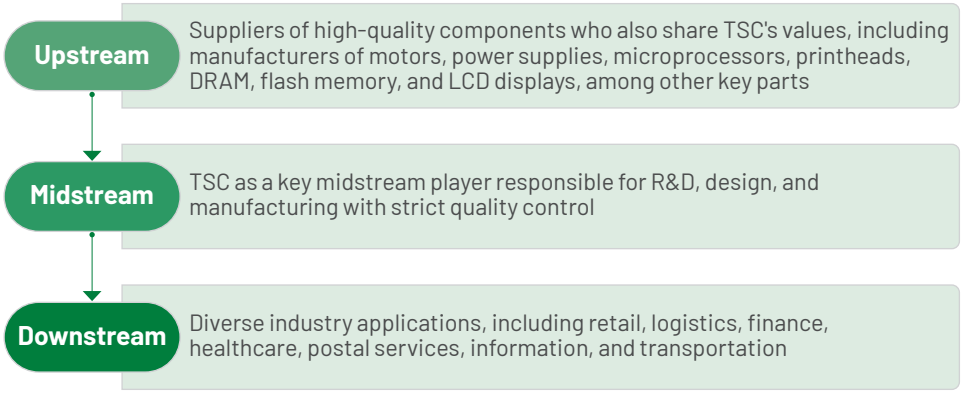
Map of TSC's global operating locations

Company Name	Region	Main Business
TSC Auto ID Technology Co., Ltd.	Asia - Taiwan	Manufacturing and sales of label printers, various types of printer labels and consumables, and enterprise mobile computers (EMC)
TSC Auto ID Technology EMEA GmbH	Europe - Germany	Sales of label printers, enterprise mobile computers and their components
TSC Auto ID (H.K.) LIMITED	Asia - Hong Kong	Investment in various production businesses
TSC Auto ID Technology America, Inc.	Americas - USA	Sales of label printers, enterprise mobile computers and their components
Tianjin TSC Auto ID Technology CO., LTD.	Asia - China	Manufacturing and sales of label printers and their components
TSC AUTO ID TECHNOLOGY ME, Ltd. FZE	Asia - Dubai	Sales of label printers and their components
TSC AUTO ID TECHNOLOGY Spain, S.L.	Europe - Spain	Leased assets
Diversified Labeling Solutions, Inc.	Americas - USA	Custom design, integration, production, and sales of printer consumables and label media
Precisions Press & Label, Inc.	Americas - USA	Sales of various types of printer labels and consumables
TSC Auto ID Technology India Private Ltd.	Asia - India	Leased assets
Mosfortico Investments sp. z o. o. (Note)	Europe - Poland	General investment
MGN sp. z o. o.	Europe - Poland	Custom design, integration, production, and sales of printer consumables and label media
Bluebird Inc.	Asia - Korea	Manufacturing and sales of enterprise mobile computers and their components
Bluebird USA Inc.	Americas - USA	Collection of payments on behalf of others
Bluebird India R&D Center Private Ltd.	Asia - India	R&D and design of enterprise mobile computers, technical services
Bluebird Europe SL	Europe - Spain	Established to meet bidding requirements
Bluebird Germany GmbH	Europe - Germany	Assistance with marketing services
Bluebird Latin America S. de R.L. de CV	Americas - Mexico	Sales of enterprise mobile computers and their components
BLUEBIRD JAPAN Inc.	Asia - Japan	Sales of enterprise mobile computers and their components

Note: MGN and Mosfortico completed their merger on February 27, 2026, with MGN as the surviving company.

Industry Value Chain

The Company's industry chain spans upstream raw material suppliers, midstream manufacturers, and downstream end-industry users. As a key midstream player, TSC continues to source high-quality components aligned with its corporate values, including motors, power supplies, microprocessors, printheads, DRAM, flash memory, and LCD displays—ensuring strict quality control for all raw materials. TSC applies its deep R&D and manufacturing experience to deliver premium products that meet the multifaceted needs of downstream industries such as retail, logistics, finance, healthcare, postal services, information, and transportation. The Company maintains stable and collaborative relationships with supply chain partners while ensuring excellent product manufacturing and after-sales service—building a reliable brand among end users.



Future Plans

TSC is dedicated to enhancing the performance of barcode and RFID printers. Upholding environmental responsibility, the Company designs energy-efficient and recyclable products and develops customized solutions for industries such as healthcare and manufacturing logistics automation, addressing varied printing needs. TSC will continue to cultivate key vertical markets, enhance brand recognition, and expand its enterprise customer base. Looking ahead, TSC aims to work alongside partners to promote value-added integrated solutions, strengthen brand positioning, reduce energy use and waste, and further increase brand value while achieving its sustainability goals.

	Short-Term Development Plans →	Long-Term Development Plans
Product Strategy	Integrate product portfolios and technical support to enhance the performance of label printers. At the same time, strengthen mobile printing and fully introduce environmentally friendly packaging materials, while providing one-stop solutions for vertical scenarios such as retail and manufacturing.	Continue to promote upgrades in mobile computers, label printers and RFID technologies, invest in R&D for AI, IoT, cloud and system integration, and strengthen hardware and software solutions. At the same time, TSC continues to uphold its environmental sustainability values by investing heavily in environmentally friendly materials and the development of low-carbon and energy-saving products, using ESG as a core competitive advantage to attract procurement from international customers.
Marketing Strategy	Deepen cultivation of vertical markets, strengthen the trust of enterprise customers through scenario-based solutions, and promote the "One TSC" communication framework to integrate the Group's brand language, technical content and marketing tools and establish a global distribution network.	Deepen global brand positioning, with "One Brand" and a global marketing platform at the core, integrate marketing and channels, promote data-driven marketing and multilingual content development, strengthen strategic partner cooperation, increase market share and move toward becoming a leading international brand.
Production Strategy	Optimize production line layout, improve production efficiency and capacity, mitigate the impact of tariff issues, and increase sales profits and competitiveness.	Continue to optimize production facilities, introduce green manufacturing technologies, reduce energy consumption and waste, and complete the solar panel installation project to achieve green energy saving.
Operations Strategy	Integrate information and operating systems, improve processes, enhance collaboration efficiency, optimize cost structures, strengthen quality control, and ensure compliance with brand standards and customer expectations.	Establish an efficient talent management system to attract, train and retain outstanding talent, continue to invest in R&D and innovation of products and technologies, develop new channels and new markets, and integrate environmental sustainability and social responsibility to strive to create maximum value for diverse stakeholders.

1.1.2 Financial Performance

Financial Strategy

TSC upholds a customer-centric philosophy by integrating branding, product development, marketing, and customer service into a unified experience. This holistic approach enhances market perception and strengthens competitive advantage. At the same time, TSC anticipates the evolving needs of customers across global industries and collaborates closely with upstream and downstream partners. Through innovative business models, the Company expands its customer base, explores new solutions and service models, and develops new products—creating opportunities for operational synergy and financial growth. TSC's current market share is second only to that of manufacturers in the United States and Japan, making it one of the world's top four label printer manufacturers, with a high proportion of revenue generated from both Europe and the Americas and Asia. In addition, its presence in the Asian market will continue to expand into regions such as Southeast Asia and India.

TSC Auto ID 2025 Global Revenue Distribution

Region	Sales Revenue	Proportion
Taiwan and Other Asian Regions	2,695,725	23.38%
Mainland China	1,200,841	10.41%
Americas	4,375,927	37.96%
Europe	3,256,541	28.25%
Total	**11,529,034**	**100.00%**

Driven by global supply chain expansion, the rapid growth of e-commerce, and automation trends in the post-pandemic era, the global label printer market is experiencing continued growth. TSC closely monitors market developments, investing in R&D for innovative products and enhanced services. TSC leverages advanced manufacturing capabilities and strict cost control to deliver high-quality products, expand its business reach, and maximize revenue and profit performance.

Operational Performance			
Profit Performance	**2023**	**2024**	**2025**
Operating Revenue (NT$ thousand)	8,351,762	8,798,132	11,529,034
Operating Income (NT$ thousand)	1,196,599	916,666	1,137,741
Total Assets (NT$ thousand)	8,957,343	12,705,863	12,649,871
Return on Assets (%)	11.29%	6.90%	8.31%
Net Profit Margin (%)	11.10%	7.64%	8.12%
Earnings Per Share (NT$)	19.76	14.19	19.63

Highlight Story: TSC Secures Sustainability-Linked Loan to Continue Supporting ESG Promotion

TSC successfully signed a sustainability-linked loan agreement with Bank of Taiwan, securing a 3-year (2025 to 2028) facility of NT$ 500 million. This not only represents the banking industry's support for and recognition of TSC's corporate governance and ESG management philosophy, but also helps TSC flexibly utilize the funds and achieve its sustainable development goals through tangible financial benefits.

Sustainability-linked loans rely on impartial third-party institutions, including rating agencies, consulting firms and banks, which use ESG reference indicators as benchmarks to regularly assess borrowing companies and adjust the annual interest rate markup on credit facilities based on indicator performance. In the sustainability-linked loan signed between TSC and Bank of Taiwan, the referenced ESG indicators include: a reduction of more than 2% in greenhouse gas emissions intensity compared with the previous year, a reduction of more than 1% in the total weight of hazardous waste compared with the previous year, or ranking in the top 20% of TPEx-listed companies in the corporate governance evaluation results published by the Taiwan Stock Exchange. TSC will also continue to strengthen greenhouse gas emission reductions, hazardous waste reduction and corporate governance, so that while enjoying financial incentives, it can also realize sustainability value and thereby accelerate its sustainability transformation.

1.2 Sustainability Governance

1.2.1 Corporate Governance

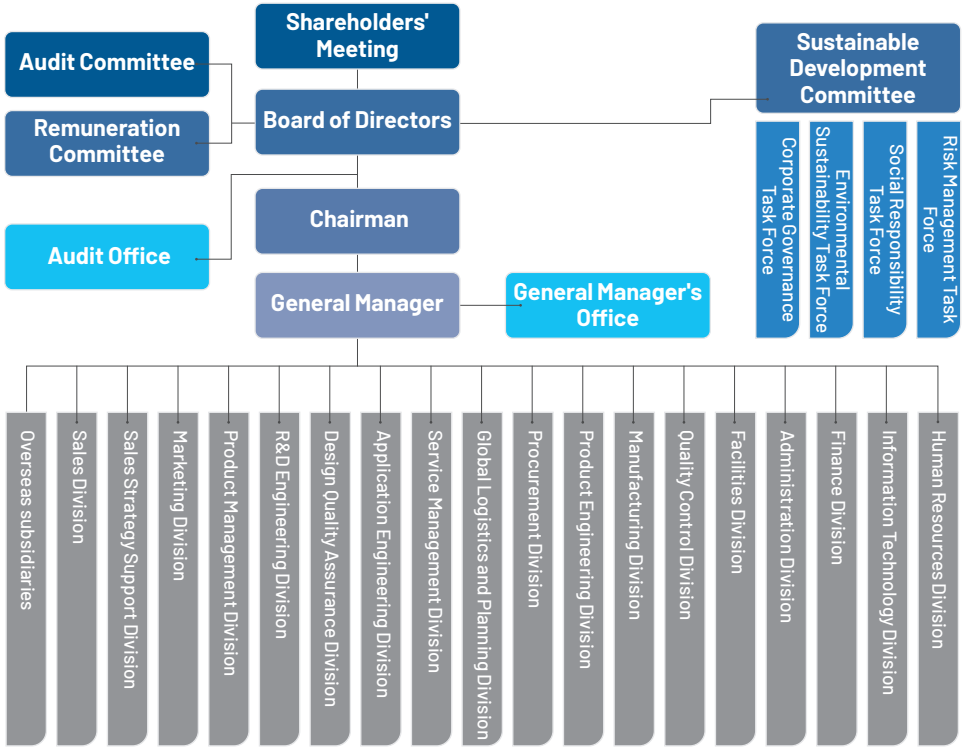
The Board of Directors serves as the highest governance body of TSC, responsible for guiding corporate decision-making, overseeing the organization's impact on the economy, environment, and people, and ultimately being accountable to shareholders. The Company exercises its governance authority in accordance with laws, the Articles of Incorporation, and resolutions of the shareholders' meeting. TSC has established a sound corporate governance framework based on the Company Act, Securities and Exchange Act, and related laws and regulations. Functional committees established under the Board include: Sustainable Development Committee, Audit Committee, Remuneration Committee. All of these committees include participation by Independent Directors. These bodies assist the Board in fulfilling its responsibilities and provide regular reports on their activities and resolutions. The Audit Office is responsible for conducting internal audits on a regular basis. Its findings are reviewed by the Audit Committee, which ensures the operational effectiveness and efficiency of the Company. Additionally, TSC emphasizes the protection of shareholder rights. To enhance participation, the Company adopts an electronic voting system during shareholder meetings, ensuring shareholders can exercise their rights in compliance with the law. During the Annual Shareholders' Meeting, the Company proactively reports on its operating performance and financial position, and actively engages with stakeholders through open communication and dialogue.

In 2025, TSC referred to the results of the Corporate Governance Evaluation and aligned its practices with the regulatory roadmap—Corporate Governance 3.0: Sustainable Development Blueprint—to continuously improve its governance mechanisms. Key actions included:

- ✓ Hosting 2 in-person investor conferences, exceeding the regulatory requirement of at least 1 per year
- ✓ Strengthen sustainability information disclosure by referencing international standards in the Sustainability Report, including the Task Force on Climate-related Financial Disclosures (TCFD) and the Sustainability Accounting Standards Board (SASB), to provide diverse stakeholders with comprehensive ESG information.
- ✓ TSC's 2025 Corporate Governance Evaluation Result (for TPEx-listed companies) placed it in the 6%-20% bracket. The Company will continue to strengthen its corporate governance practices
- ✓ Added 1 female independent director
- ✓ Formulated the Company's "Specific Measures for Enhancing Corporate Value" and disclosed them in the "Corporate Value Enhancement Plan" section of the Market Observation Post System
- ✓ Obtained the "ISO / IEC 27001 Information Security Management System" certificate

Corporate Social Responsibility Section

Corporate Governance Structure



Business Conduct Policies

TSC operates under the principle of sustainable development, backed by an outstanding management team. Externally, the Company complies with all applicable regulations. Internally, the Company has established a sound corporate governance framework to ensure stable operations and sustainable growth. Therefore, the Company has established the "Code of Integrity and Ethics", "Corporate Governance Best Practice Principles", "Code of Ethical Conduct", "Procedures for Ethical Management and Guidelines for Conduct", and "Sustainable Development Best Practice Principles" — five key internal regulations, all approved by the Board of Directors — as guidelines for all employees (including senior executives), with the aim of cultivating a corporate culture of integrity and ethical values, thereby promoting progress in the economic, environmental, and social dimensions and achieving the goal of corporate sustainable development.

All internal policies are publicly disclosed on the Company's official website under the "Major Internal Policies" section. TSC holds itself and its employees accountable, while also ensuring that external business partners and members of the supply chain are informed of these policies. Chinese and English versions are available on the internal company network, with Vietnamese versions of key documents provided to help foreign employees better understand and uphold policy commitments. These efforts ensure that the entire TSC value chain respects human rights, mitigates environmental impacts, and conducts responsible procurement, thereby building trustworthy partnerships.

Sustainability Governance

TSC leverages the core governance function of its Board of Directors in driving sustainable development and addressing regulatory compliance. Through policy approval, oversight of implementation, and resource allocation, the Board ensures alignment between sustainability information management policies and operational strategies, while promoting the effective operation of governance mechanisms. Key responsibilities include the approval of sustainability-related procedures, supervision of the Company's internal sustainability management culture and systems, and assurance of the effectiveness of internal control design and execution.

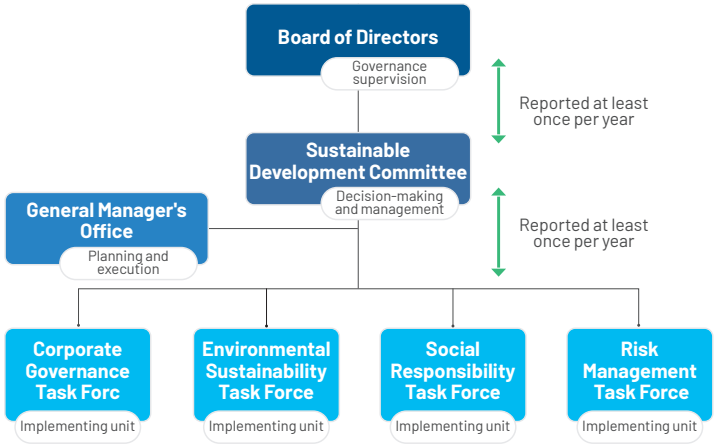
To implement sustainability management practices, TSC established the "Sustainable Development Best Practice Principles" in 2017, which were approved by the Board of Directors and made public. In 2022, these principles were revised to reinforce TSC's commitment to sustainability and improve disclosure of sustainability-related information. To further strengthen the sustainability governance framework, TSC established the Sustainable Development Committee in 2024. Following the full re-election of directors in 2025, the Board of Directors appointed the General Manager (Director) and two independent directors as committee members, and the members of the Sustainable Development Committee continued to elect the General Manager (Director) as Chairman. Four cross-departmental groups were established under the Committee, namely the Corporate Governance Group, Environmental Sustainability Group, Social Responsibility Group and Risk Management Group, with the heads of the relevant departments serving as persons in charge, responsible for and supervising the implementation of sustainability governance by each department.

Scope of Policy Commitments

Policy Name	Scope of Application	Details
Corporate Governance Best Practice Principles	All company employees	
Sustainable Development Best Practice Principles	Overall operational activities of the Company and group enterprises	

The scope of application of the "Code of Integrity and Ethics" includes the Company's subsidiaries, foundations to which the Company has directly or indirectly contributed cumulatively more than fifty percent of the funds, and other institutions or legal entities over which the Company has substantial control; the "Code of Ethical Conduct" applies to the conduct of directors, managers, and all employees; the "Procedures for Ethical Management and Guidelines for Conduct" apply to the Company and its group enterprises and organizations, including directors, supervisors, managers, employees, appointees, and persons with substantial control. For further details, please refer to Section 1.2.3 Integrity Management and Regulatory Compliance.

Sustainability Governance Structure Diagram



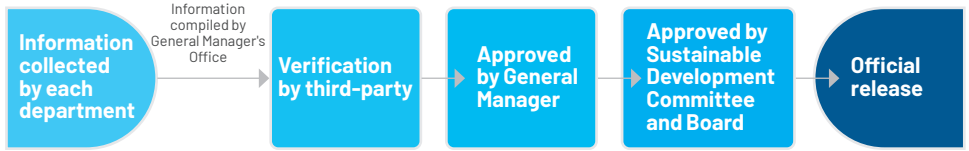
Sustainable Development Committee Implementation

In promoting the Sustainable Development Committee, the General Manager (Director) serves as Chairman of the Sustainable Development Committee and reports TSC's sustainability governance performance to the Board of Directors every year (at least once). A total of 4 reports were presented in 2025, including the 2025 annual work plan, review of the 2024 Sustainability Report, the implementation status and results of corporate sustainable development, and an explanation of communication and engagement on stakeholder issues. Ensure that stakeholder-concerned major topics, including corporate governance, environmental sustainability, social responsibility, human rights management, and risk management, can be effectively supervised and continuously implemented.

Sustainability Committee Composition	
Chairperson	The Chairman is elected by the members of the Sustainable Development Committee and is the General Manager (Director), responsible for convening meetings and supervising the implementation of sustainability development policies and strategies.
Members	Appointed by resolution of the Board of Directors. The Committee must comprise at least three members, who possess sustainability expertise, are company directors, and more than half must be independent directors. *In the event of fewer than three members, replacements must be appointed at the next Board meeting.
Committee Structure	The Company's sustainable development is handled by the dedicated (or concurrent) unit, the General Manager's Office, assisting the Committee in implementing various programs, covering the following sub-groups, and reporting sustainability performance. The Sustainable Development Committee has four sub-groups, operating as follows: • **Corporate Governance Task Force:** Responsible for regulatory compliance and stakeholder communication to realize sustainability goals • **Environmental Sustainability Task Force:** Focuses on environmental management systems, legal compliance, resource efficiency improvements, and climate change response • **Human Rights and Social Task Force:** Manages human rights policies, risk control, and public welfare activities to support community development • **Risk Management Task Force:** Develops risk policies, identifies and manages risks, and enhances overall risk response capabilities
Meeting Frequency	The Committee shall meet at least once a year to regularly review sustainability execution and report results and recommendations to the Board of Directors.

Sustainability Information Management Process

To ensure accuracy and completeness of sustainability information management, TSC follows the "Sustainability Information Management Measures" for periodic review of its sustainability report. Each department collects relevant data and information, compiled by the General Manager's Office, verified by a third party, signed by the General Manager, submitted to the Committee and the Board for approval, and then officially published. This process reinforces the Company's foundation of sustainability information management and meets external regulatory requirements. Related sustainability information is also disclosed on the official website and in the annual report to achieve long-term corporate value.



The preparation and verification are part of the Company's internal control procedures to ensure reliability, timeliness, transparency, and compliance with relevant standards.

1.2.2 Board of Directors Overview

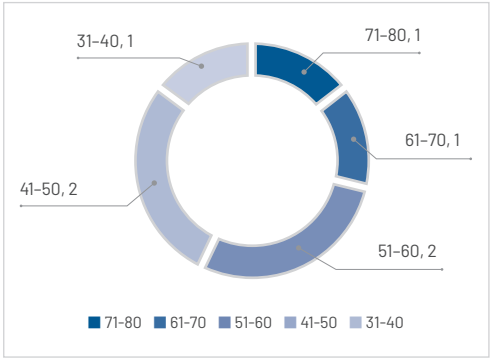
Board Composition and Operations

The Board consists of 7 directors from diverse professional backgrounds, all holding ROC nationality. They are responsible for setting company strategy, supervising management, and executing corporate governance in accordance with laws, Articles of Incorporation, and resolutions of the Shareholders' Meeting. The average tenure is 10 years. Currently, the Board of Directors comprises 3 directors with employee status, 1 external director without employee status, and 3 independent directors, of whom 2 are female directors (1 director and 1 independent director), and all comply with relevant laws and regulations, including the Directions Governing the Establishment of Boards of Directors by TPEx Listed Companies and the Exercise of Powers by Boards of Directors. In 2025, TSC held 7 Board of Directors meetings, and the average attendance rate of the 7 directors (including independent directors) was 95.92%. If any major stakeholder complaints occur, they are treated as critical events and reported to the Board. There were no such cases in 2025.

Implementation of Board Diversity

The members of the Board not only possess professional competencies, but also adhere to the highest ethical standards. While pursuing stable development, they are committed to maximizing shareholder value and achieving long-term operational objectives.

Age Distribution of Directors



Director Nomination and Selection

Nomination and selection follow laws and the Articles of Incorporation. Procedures are open and fair. According to the "Director Election Regulations," directors and independent directors are elected via cumulative voting and candidate nomination. Shareholders holding a certain number of shares may submit candidates — encouraging participation, incorporating diverse views, and ensuring independence.

TSC determines the structure of the Board of Directors in accordance with the "Corporate Governance Best Practice Principles," based on the scale of business development and the shareholding of major shareholders, and further considers actual operational needs to decide on an appropriate number of board seats (no fewer than five directors). In addition, the composition of the Board of Directors is formulated based on the Company's operations, business model, and development needs, with the establishment of an appropriate diversity policy. The Company ensures that board members possess diversity and expertise in areas including, but not limited to, gender, age, professional background, professional skills, and industry experience, and that they generally possess the knowledge, skills, and competence required to perform their duties, thereby achieving the goals of sustainable and diverse corporate governance.



Composition of the TSC Board of Directors in 2025

Name of Director	Job Title	Gender	Age	Nationality	Core Areas of Expertise								Board Tenure			Functional Committee Participation			Number of Independent Director Roles in Other Public Companies	Also Holds Managerial Role	2025 Attendance Rate
					Operational judgment	Accounting and financial analysis	Business management	Crisis management	Industry knowledge	International market perspective	Leadership	Decision-making	Less than 3 years	3-9 years	Over 9 years	Audit	Remuneration	Sustainable Development			
Shiu-Ting Wang	Director	Male	71-80	R.O.C.	v	v	v	v	v	v	v	v			v	None	None	None	0	Director-General	71.43%
Hsing-Lei Wang	Chairman	Male	41-50	R.O.C.	v	v	v	v	v	v	v	v			v	None	None	None	0	Chairman	100%
Yue-Gui Luo	Director	Female	51-60	R.O.C.		v		v	v		v	v			v	None	None	None	0	None	100%
Ming-Yi Chen	Director	Male	51-60	R.O.C.	v	v	v	v	v	v	v	v		v		None	None	Chairperson	0	General Manager	100%
Chia-Ying Ma	Independent Director	Male	61-70	R.O.C.	v	v	v	v		v					v	Chairperson	Chairperson	Members	3	None	100%
Tuo-Chih Lin	Independent Director	Male	41-50	R.O.C.	v	v	v	v		v	v	v		v		Members	Members	None	0	None	100%
Hsin-Tien Lin	Independent Director	Female	31-40	R.O.C.			v		v	v	v	v	v			Members	Members	Members	0	None	100%

Board Conflict of Interest Management

TSC's "Rules of Procedure for Board Meetings," "Audit Committee Charter," "Remuneration Committee Charter," and "Sustainable Development Committee Charter" all contain provisions for recusal from conflicts of interest. Furthermore, the Chairman does not concurrently serve in any senior executive position within the Company, thereby ensuring avoidance of conflicts of interest. In accordance with relevant laws and regulations, all independent directors serve as members of the Audit Committee to reinforce the independence of the Board's operations and to enhance its supervisory function. If a director has a personal interest in any matter under discussion at a meeting, either personally or on behalf of the legal entity they represent, they must declare the material aspects of the conflict at the meeting. If the matter could potentially harm the Company's interests, the director must recuse themselves from discussion and voting and may not act as a proxy for another director in exercising voting rights. Meeting minutes will record the name of the director involved, the key details of the conflict, and the circumstances of their recusal.

TSC discloses in its annual report any concurrent positions held by directors in other companies. No interlocking shareholdings exist between board members and key suppliers or other stakeholders. However, Taiwan Semiconductor Co., as TSC's parent company, is a shareholder with controlling power. Additionally, TSC has established a dedicated stakeholder section on its corporate website, providing employees, directors, and managers with access to relevant regulations and information, including the "Work Rules," "Code of Ethical Conduct," "Code of Integrity and Ethics," and "Procedures for Ethical Management and Guidelines for Conduct." These explicitly prohibit employees from engaging in work or activities that conflict with the Company's business or from seeking personal gain through such conflicts. The stakeholder section also includes the Company's spokesperson and a designated email contact, through which responsible personnel handle stakeholder inquiries, complaints, or suggestions to ensure ongoing communication with stakeholders.

Functional committees

Under the Board of Directors, three major functional committees are established: the Audit Committee, the Remuneration Committee, and the Sustainable Development Committee. In 2025, each committee convened meetings at a frequency exceeding the legal minimum, demonstrating TSC's strong commitment to corporate governance and ensuring the effective operation of its internal mechanisms.

2025 Functional Committee Performance Highlights

Audit Committee	Remuneration Committee	Sustainable Development Committee
Total Meetings: 7	Total Meetings: 4	Total Meetings: 4
Attendance Rate: 100%	Attendance Rate: 100%	Attendance Rate: 100%

Enhancing Directors' Professional Capabilities

2025 Director and Independent Director Training Summary:

Course Title / Topic	Total Training hours
ESG/CSR and Sustainability Governance as the General Trend in 2025	21
Introduction to U.S. Tariffs and Advance Pricing Agreements (APA)	18
Accounting Officer Continuing Education Program for Issuers, Securities Firms, and Stock Exchanges	12
2025 Briefing on Insider Shareholding Regulations for Emerging Stock Companies	6
Trends in Digital Technology and Artificial Intelligence and Risk Management	6
International Economic Situation and Taiwan Industry Trends under Trump 2.0	3
2025 Taishin Shin Kong Net Zero Summit Forum	3
New Corporate Hedging Mindset: Seminar on Addressing Foreign Exchange Challenges and Asset Management Trends	3
Implementation and Best Practices of the Insurance Industry in the Principles of Fair Treatment of Customers and Friendly Finance	3
Climate Risk and Social Responsibility: The Path to Sustainable Transformation in the Financial and Insurance Industry	3
2025 Briefing Session on Legal Compliance for Insider Equity Transactions	3

TSC Board Functional Committees

Policy Name	Responsibilities	2025 Performance
Audit Committee	**Primary supervisory responsibilities include:** ● Proper presentation of financial statements ● Appointment/dismissal, independence, and performance of certifying accountants ● Effectiveness of internal controls ● Compliance with relevant laws and regulations ● Management of existing or potential risks	**Supervised the following reports and items:** • Annual and quarterly financial and operational reports • Internal audit operations reports and audit plans • Proposal for changes in the financial officer and accounting officer • Proposal for changing the accounting firm and certifying CPAs • Proposal for loans of funds / endorsements and guarantees • Revisions to the Company's Articles of Incorporation, related management regulations and internal control system
Remuneration committee	● Periodically review and propose amendments to the committee charter ● Establish and regularly review performance evaluation standards for the Company's directors and managers, annual and long-term performance targets, and remuneration policies, systems, standards and structure ● Periodically assess and determine remuneration for directors and managers	**Reviewed the following items:** • Annual Board performance evaluation proposal • Annual executive performance evaluation proposal • Employee and director remuneration proposal • Director and manager remuneration proposal • Revised the Company's remuneration-related management regulations and internal control system
Sustainable Development Committee	● Formulation, promotion and strengthening of the Company's sustainable development policy, annual plan and strategy, etc. ● Review sustainability implementation and report to the Board at least once a year ● Supervise ESG disclosures and review the sustainability report ● Supervise the execution of the Company's Sustainable Development Best Practice Principles and other sustainability-related work resolved by the Board	**Promoted the following initiatives:** • Report on the 2024 "Sustainable Development Implementation Status" • 2025 annual work plan proposal • Elected the convener and meeting Chairman of the 2nd Sustainable Development Committee • 2024 Sustainability Report • Reported on the 2025 "Stakeholder Communication Status" and "Risk Management Operations"

Board Performance Evaluation

To implement sound corporate governance and strengthen board functions, TSC conducts a board performance evaluation annually in accordance with the "Board Performance Evaluation Guidelines." In 2025, a paper-based self-assessment was conducted using a 5-point grading scale. The evaluation covered the overall operations of the Board, Audit Committee, and Remuneration Committee, as well as the individual performance of each director. The 2025 results showed that the operations of the Board, Audit Committee, and Remuneration Committee were well-executed, meeting the requirements of corporate governance. Each committee fulfilled its responsibilities. Based on the evaluation results, the Company will continue to refine the Board's functions to enhance governance effectiveness. The Board performance evaluation results were submitted to the 4th meeting of the 6th Term Remuneration Committee on March 13, 2026 for review, and reported to the 6th meeting of the 7th Term Board of Directors on March 13, 2026. Please refer to the table below for detailed evaluation content.

Evaluation Content	
Board of Directors	Performance evaluation criteria include five dimensions, with a total of 45 indicators: (1) Participation in company operations, (2) Enhancement of board decision-making quality, (3) Composition and structure of the board, (4) Appointment and continuous education of directors, (5) Internal control **Evaluation result: Excellent (4.98 points)**
Board Members	Self-evaluation indicators include six dimensions, with a total of 23 indicators: (1) Understanding of corporate goals and missions, (2) Awareness of director responsibilities, (3) Participation in company operations, (4) Internal relationship management and communication, (5) Professionalism and continuous education of directors, (6) Internal controls **Evaluation result: Excellent (4.96 points)**
Audit Committee	Performance evaluation criteria include five dimensions, with a total of 22 indicators: (1) Participation in company operations, (2) Awareness of the responsibilities of functional committees, (3) Enhancement of decision-making quality of the functional committee, (4) Composition and appointment of functional committee members, (5) Internal controls **Evaluation result: Excellent (5.00 points)**
Remuneration Committee	Performance evaluation criteria include four dimensions, with a total of 19 indicators: (1) Participation in company operations, (2) Awareness of the responsibilities of functional committees, (3) Enhancement of decision-making quality of the functional committee, (4) Composition and appointment of functional committee members **Evaluation result: Excellent (5.00 points)**
Sustainable Development Committee	Performance evaluation criteria include four dimensions, with a total of 17 indicators: (1) Participation in company operations, (2) Awareness of the responsibilities of functional committees, (3) Enhancement of decision-making quality of the functional committee, (4) Composition and appointment of functional committee members **Evaluation result: Excellent (5.00 points)**

Board Remuneration Policy

TSC's remuneration includes cash, stock options, profit-sharing, retirement benefits, severance payments, various allowances, and other incentive measures. These are consistent with the "Guidelines for the Preparation of Annual Reports of Public Companies" concerning remuneration for directors and managers. TSC does not require directors or senior executives to return previously issued remuneration in cases where certain conditions or targets are not met. To continually optimize and improve the remuneration system, TSC has established a Remuneration Committee and formulated the "Remuneration Committee Charter." Based on the Charter, the Committee evaluates director remuneration policies and systems with professionalism and objectivity, incorporating performance, business outcomes, and future risk assessments. Feedback from shareholder meetings or internal surveys regarding employee remuneration policies is also considered and submitted to the Board for refinement. In 2025, the Remuneration Committee held 4 meetings to ensure competitiveness and reasonableness of TSC's remuneration practices.

Director remuneration is handled in accordance with the "Director Remuneration Tier Table" after being approved by the Board of Directors and reported to the shareholders' meeting. Remuneration for directors and employees is issued based on the Company's Articles of Incorporation and dividend policy, taking into account the Company's profitability and future operational needs, and is implemented upon Board approval. In 2025, the ratio of total remuneration for all directors (including independent directors) to the Company's net profit after tax was 3.48%; remuneration for the General Manager and Deputy General Managers, regardless of profit or loss, is paid in line with industry standards; managers' remuneration is determined by the Chairman under the authorization of the Board of Directors, with reference to factors such as the nature of their duties, responsibilities assumed, target achievement, skills, and potential development.

Malpractice Clawback Mechanism

To enhance professional ethics and standards for all employees, TSC has established the "Code of Integrity and Ethics" and "Code of Ethical Conduct." If there is a violation involving improper benefits, TSC will initiate disciplinary action and a clawback mechanism, including pursuing legal remedies for damages to protect the Company's reputation and interests. TSC expects all employees to adhere strictly to ethical management and conduct, safeguarding the Company's sustainable development and growth together.

1.2.3 Integrity Management and Regulatory Compliance

Integrity Management Policy and Guidelines

Integrity management is the foundation of TSC. The Company has established a strict integrity management policy and prevention program. A dedicated unit, the "Integrity Management Promotion Task Force," has been appointed under the Board of Directors, staffed with competent personnel, and is responsible for formulating and supervising the implementation of the integrity management policy and prevention program. Reports are proactively submitted to the Board at least once a year. TSC has established the "Code of Ethical Conduct," "Code of Integrity and Ethics," "Procedures for Ethical Management and Guidelines for Conduct," "Procedures for Preventing Insider Trading and Handling of Material Internal Information," and "Whistleblower Reporting and Protection System Management." These policies and regulations have all been approved by the Board of Directors and serve as behavioral and ethical guidelines for all employees, aiming to prevent bribery, corruption, and monopolistic business conduct, and to foster a corporate culture of integrity in business operations.

Integrity Management Guidelines

Policy Name	Content	Scope of Application	Details
Codes of Ethical Conduct	Ensure the behavior of directors and managers meets ethical standards and help stakeholders understand the Company's ethical expectations	Behavior of directors, managers, and all employees	
Code of Integrity and Ethics	Prohibit unethical conduct and establish a culture of corporate integrity and sound development.	TSC, subsidiaries, foundations to which the Company has directly or indirectly contributed cumulatively more than 50% of the funds, and other institutions or legal entities over which the Company has substantial control.	
Procedures for Ethical Management and Guidelines for Conduct	Prohibit personnel from offering, accepting, promising, or demanding improper benefits, or engaging in unethical, illegal, or disloyal conduct during business execution.	Directors, supervisors, managers, employees, appointees, and persons with substantial control of the Company and its group entities and organizations.	
Procedures for Preventing Insider Trading and Handling of Material Internal Information	Establish a sound mechanism for internal material information processing and disclosure to prevent information leaks, ensure consistency and accuracy of public disclosures, prevent insider trading, and safeguard the reputation of the Company and its insiders.	Directors, managers, shareholders holding over 10%, their spouses and minor children, representatives of legal entity directors and their spouses and minor children, and other individuals with access to material internal information (including directors, managers, and employees).	
Whistleblower Reporting and Protection System Management	To establish an honest and transparent corporate culture, public whistleblower mailboxes and independent director contact mailboxes are set up to encourage the reporting of any illegal or fraudulent conduct, in order to prevent damage to the Company's reputation and protect the rights and interests of whistleblowers	Anyone who discovers criminal, fraudulent, or unlawful conduct committed by the directors, managers, employees, appointees, or persons with substantial control of the Company or its group entities may file a report.	

Supplier Code of Conduct

To maintain clear boundaries in all business interactions with suppliers, TSC avoids conflicts of interest and ensures all employees uphold proper conduct. In line with the RBA (Responsible Business Alliance) standards, TSC has adopted a "Supplier Code of Conduct Compliance Declaration." Through active communication and signing of this declaration, TSC ensures suppliers' operations comply with environmental, human rights, health and safety, and ethical standards. The signing rate has reached 96.68%.

Supplier Code of Conduct Compliance Declaration

Anti-Corruption Advocacy and Training

In 2025, all TSC directors and senior management signed the "Declaration of Compliance with the Integrity Management Policy," pledging adherence to the "Code of Integrity and Ethics" and relevant laws and regulations. In addition, when new employees join the Company, TSC requires them to sign the "Integrity Commitment Statement" and the "Conflict of Interest Self-Declaration" to ensure that all employees comply with the Company's integrity regulations and avoid dishonest conduct. Therefore, in 2025, all 561 employees of the Company (including headquarters, the Lize Plant, and Tianjin TSC Auto ID) signed both declarations, and the declarations were announced on the Company's internal website. TSC also promotes anti-corruption awareness through internal and external training sessions:

Number of participants in 2025 anti-corruption policy and procedure training

Item	Unit	Region	Total number of employees	Participants in Anti-Corruption Policy and Procedure Communication & Training	Percent
Employees	persons	Taiwan	339	334	98.53%
		China	222	30	13.51%
Suppliers	companies	Taiwan	262	203	77.48%
		China	86	60	69.77%

Note: Statistics are compiled based on the "Supplier Code of Conduct Compliance Declaration" signed by raw material and consumable suppliers, and the content covers ethics-related standards.

In addition, aside from unscheduled announcements and advocacy through the Company's intranet, TSC also arranges annual training sessions with different topics to continuously strengthen awareness and understanding of relevant regulations. These courses cover the Code of Ethical Conduct, prevention of insider trading, trade secret protection, and RBA-related training, ensuring all employees fully implement and uphold TSC's integrity values.

2025 Integrity Management Training Courses and Hours

Headquarters and Lize Plant:

Course Title	Number of employees	Total hours
Prevention of Insider Trading	355	78
Intellectual Property Rights	212	419
Introduction to Law and Life	27	27

Tianjin TSC Auto ID:

Course Title	Number of employees	Total hours
Forms of Insider Trading and Their Legal Regulation	30	60

Legal Compliance and Whistleblower Mechanism

In 2025, TSC did not receive any complaints from internal or external stakeholders, nor were there any penalties, warnings, or major violations related to labor, environmental, or other issues imposed by competent authorities. There were no cases of anti-competitive behavior, violations of antitrust or monopoly regulations, corruption-related incidents or penalties, nor were there any terminated business relationships due to supplier corruption. No legal cases regarding violations of professional ethics occurred.

To ensure effective communication and implementation of integrity and anti-corruption policies and procedures, and to strictly comply with all applicable laws and standards, TSC has established the "Whistleblower Reporting and Protection Management Regulations." Public reporting mailboxes and independent director contact mailboxes are provided on the Company's website, available to both internal and external parties for timely reporting of suspicious conduct.

Whistleblower Mailbox	tscwb@tscprinters.com
Independent Director Contact Mailbox	tscauditcommittee@tscprinters.com
Mailing Address	9F., No. 95, Minquan Rd., Xindian Dist., New Taipei City 231023, Taiwan To: "Audit Office, TSC Auto ID Technology Co., Ltd."

Whistleblower Handling Process



1.3 Risk Management

1.3.1 Risk Management

Risk Management Framework

To ensure stable business operations and move toward the goal of sustainable corporate development, TSC has established a comprehensive risk management system. In accordance with the "Risk Management Best-Practice Principles for TWSE/TPEx Listed Companies" jointly formulated by Taiwan Stock Exchange Corporation and Taipei Exchange, the Company has developed the Company's risk management framework, policies, and procedures, which serve as the basis for the implementation of risk management across all departments. TSC's risk management framework is headed by the Board of Directors, which acts as the highest decision-making body for risk management. The Sustainable Development Committee assists in executing and supervising risk management duties, while the Risk Management Task Force prepares risk management reports, integrates and coordinates interdepartmental efforts. Each department is responsible for compiling and executing relevant business risk management measures.

Risk Management Framework and Reporting Mechanism

Board of Directors	• Responsible for approving risk management policies and major risk management systems, and supervising the implementation of risk management systems.
Sustainable Development Committee	• The Sustainable Development Committee assists the Board of Directors in executing and supervising risk management responsibilities and is responsible for reviewing various risk management issues.
Risk Management Task Force	• The Risk Management Task Force is responsible for preparing risk management reports, integrating and coordinating cross-departmental risk management issues, communicating key risk management matters, and implementing and tracking risk management resolutions made by the Board of Directors or the Sustainable Development Committee.
Departments	• Department personnel serve as the first line in identifying, assessing, and controlling risks. Department heads are responsible for compiling and executing relevant business risk management measures and, in response to changes in internal and external environments, proposing corresponding risk mitigation strategies.

Risk Management Procedure

Through the establishment of the "Risk Management Policy and Procedures," TSC fosters a risk management culture by implementing a robust risk management framework and reinforcing risk awareness among all employees, integrating it into daily administrative operations. By establishing a comprehensive mechanism for risk identification, measurement, monitoring, and control, TSC ensures that risks are managed within an acceptable range and achieves a reasonable balance between risk and return, thereby supporting the Company's sustainable business management. The risk management policy encompasses all types of risks that may arise in the scope of operational activities. Based on the principle of materiality and their relevance to operations, risks are categorized as Environmental Protection (Environment), Social Responsibility (Social), Governance (Governance), and Others. Potential internal and external risk items are then identified, assessed, prevented, controlled, and monitored accordingly. TSC Risk Management Process is as follows:

Risk Management Process

Risk Identification	Risk Analysis	Risk Assessment	Risk Response	Risk Monitoring
• Each department identifies potential sources of risk in its business operations, including potential risk events that may prevent the Company from achieving its goals, or cause losses or negative impacts to the Company	• Analyze identified risk events. Use qualitative and quantitative measurement standards to determine the likelihood and impact, serving as the basis for formulating risk appetite (risk tolerance) control	• Compare the level of risk with acceptable thresholds to prioritize risks and determine which items should be addressed first. This serves as a reference for subsequent response measures	• Relevant departments take various countermeasures for risks exceeding acceptable thresholds	• Each department monitors the processes of risk identification, analysis, assessment, and response to ensure the risk management objectives are achieved

To prevent risks proactively, TSC's frontline personnel will report any identified risks to department supervisors immediately. They will assess the severity of the risk according to the risk management procedures and implement corresponding risk management measures. In the event of a significant risk, the issue will be reported immediately to the Risk Management Task Force, and a meeting will be convened to discuss response strategies. This ensures that all potential operational risks are subject to rigorous oversight.

Risk Issue List and Response Measures

Risk Category	Risk items	Risk Name	Risk Implication	Countermeasures
Environmental Protection	Sustainability Risk	Energy consumption	Direct or indirect energy usage (e.g., fuel and electricity) in office buildings, factories, or commercial operations may cause excessive energy use and environmental pollution if not properly managed.	TSC continues to identify energy hotspots and evaluate the feasibility of equipment upgrades and replacements to improve energy efficiency and ensure energy management aligns with goals for energy saving, carbon reduction, and environmental sustainability.
		Improper waste management	The raw materials and consumables used in production may generate waste due to production processes or defects. Without robust internal controls or vendor compliance, environmental harm could result.	The Company has established a sound waste classification, recording, and tracking system to ensure all waste is properly handled in accordance with relevant regulations and contractual obligations. TSC also promotes source reduction and resource reuse strategies while actively seeking recyclable materials and technologies.
	Climate change risks	Greenhouse gas emissions	Operational activities directly (office/factory) or indirectly (business operations) emit greenhouse gases, which may impact the environment and worsen global warming.	Annual GHG inventory is conducted based on international standards (e.g., ISO 14064-1), covering Scope 1, 2, and part of Scope 3. Data analysis is used to identify emission hotspots and drive improvements. TSC aims to reduce emissions by 20–40% by 2030 from the base year and includes energy-saving and renewable energy strategies in daily operations. A carbon management digital platform is also implemented to strengthen climate risk management.
	Environmental Risk	Ecological destruction	Operational activities may contaminate surrounding water sources, air, and ecosystems, leading to biodiversity loss.	TSC continuously works to minimize its operational impact on the surrounding ecology by regularly monitoring wastewater, air quality, and noise levels to comply with environmental laws and standards. Pollution control facility maintenance and operational management are also reinforced to prevent the leakage of hazardous substances.
Social Responsibility	Human resource risks	Difficulty in talent recruitment	Under a social structure of declining birth rate, aging population, and population outflow, labor shortages have become severe. Recruiting and retaining talent is increasingly difficult for enterprises. Delays in new employee onboarding increase the workload of existing staff, which may impact operations.	TSC Auto ID believes that human capital is the cornerstone of sustainable corporate development and remains committed to recruiting and retaining talent. By valuing human rights, promoting diversity and inclusion, fostering a friendly workplace, and enhancing employee well-being, TSC strives to create a Great Place to Work and achieve the goal of sustainable operations. Specific response measures are as follows: 1. Conduct strategic workforce planning based on the Company's operational direction and develop a comprehensive recruitment plan. Perform an annual labor market salary competitiveness analysis in line with the recruitment plan and market trends. 2. Review recruitment efficiency on a monthly basis and evaluate positions with prolonged vacancies. 3. Expand recruitment channels, including job platforms, social media, job fairs, campus recruitment briefings, internship programs, recruitment consultants, and internal referral systems, to broaden the talent pool and attract high-potential candidates. 4. Continuously optimize the interview process by incorporating competency and suitability assessments during interviews to ensure new hires meet job requirements and quickly integrate into the team. Conduct interview experience surveys for job applicants and, through authentic feedback, help the Company identify process blind spots and optimize recruitment quality, making the recruitment system more effective and competitive. 5. If applicants encounter unfair or unethical treatment during the interview process, TSC provides a grievance mechanism and has established procedures for investigation and handling to safeguard all applicants' rights. 6. Continuously enhance effective employee retention measures, including an employee care mechanism to identify and retain staff at risk of resignation. Pair new hires with cross-departmental buddies to support their rapid integration into organizational life and conduct an interview with them 1.5 months after onboarding to understand their adjustment status and provide timely assistance. 7. Through diversified welfare policies, the Company designs various welfare measures to address employees' needs at different stages of life, such as offering more new employee annual leave days than the industry standard, TSC family-friendly caregiver leave, and assisted reproduction leave, to help employees more effectively achieve work-life balance. Attract talent to apply and also enhance employees' identification with and sense of belonging to a happy workplace. 8. In addition to a sound talent development system and competency planning designed to meet organizational needs, the Company has also introduced the Individual Development Plan (IDP) system. Starting from the time new employees join the Company, different learning objectives and learning methods are designed based on organizational goals as well as individual competencies and characteristics, so that while organizational goals are achieved, employees' professional capabilities and career planning can also be continuously strengthened. 9. Through exit interviews, deeply understand the specific reasons for employees' departures, and actively carry out internal reviews and improvements based on the interview results.

Risk Issue List and Response Measures

Risk Category	Risk items	Risk Name	Risk Implication	Countermeasures
Social Responsibility	Human resource risks	Human rights violations	Failure to manage human rights issues appropriately or the lack of relevant management regulations may lead to human rights violations such as forced labor, discrimination, exploitation, or suppression of freedom of speech. These incidents can damage the Company's reputation and employee relations, and may also result in broader social inequality or conflict.	TSC Auto ID supports and respects international labor and human rights standards, referencing frameworks such as the International Labour Conventions and the United Nations Universal Declaration of Human Rights. The Company also adopts actions consistent with the Responsible Business Alliance (RBA) Code of Conduct, formulating and implementing policies aligned with business ethics, environmental, social issues, human rights, and other public policy commitments. TSC's Human Rights Policy is published on the Company website. Additionally, the "Human Rights Management Regulations" were established on August 20, 2024, to prevent unequal treatment in the workplace based on gender, nationality, education, or other factors. Specific response measures are as follows: 1. In accordance with labor laws, protect employees' legal rights and interests, make pension contributions in accordance with the law, maintain smooth communication channels between labor and management, and actively understand and reasonably meet employees' needs to achieve a win-win situation for both labor and management. In addition, an Employee Welfare Committee has been established to handle various welfare matters. 2. In 2024, the "Workplace Sexual Harassment Prevention Measures, Complaint, and Disciplinary Procedures" and rules on unlawful treatment in the workplace were revised in accordance with the law. Internal and external reporting mailboxes were integrated, and an independent complaint hotline was established to protect employees' safety and provide a secure working environment. 3. The "External Provider Management Procedures" were established, requiring suppliers to sign a "Supplier Code of Conduct Compliance Declaration" and comply with the RBA Code of Conduct. All suppliers' business operations must fully comply with the laws and regulations applicable in the countries where they operate. 4. Every year, through regular communication, assessment, and audits, potential human rights risks faced therein are identified and assessed, and continuous improvement plans are promoted based on the risks. 5. To deepen human rights awareness, the Company regularly conducts education and awareness programs for internal employees and supply chain partners on issues related to the protection of personnel, promoting the full implementation of human rights and sustainability responsibilities across the value chain.
	Occupational Safety Risk	Occupational accidents	Inadequate workplace safety measures may lead to occupational accidents, causing employee injuries and infringing on their rights. This can result in compensation claims, lawsuits, public scrutiny, and a negative image of the industry.	TSC has implemented and passed ISO 45001 Occupational Health and Safety Management System certification, establishing a systematic risk identification and control process, regularly reviewing potential workplace hazards, and strengthening accident prevention and emergency response mechanisms. In alignment with the RBA Code of Conduct, TSC enforces occupational safety standards covering workplace safety, machine guarding, and emergency response training for all operators and contractors. A Workplace Health and Safety Committee is in place to promote cross-departmental collaboration and employee participation, continually improving the work environment and safety culture. Through training, audits, and reporting mechanisms, TSC raises safety awareness among all personnel, reduces the risk of occupational accidents, and ensures employee health and operational stability.
Corporate Governance	Operational Risk	Deficiencies in quality and safety requirements and inspections	If any incidents related to product safety or quality occur, or if there is non-compliance with applicable regulations, it may affect product sales or user health. This could lead to legal liability, fines, or compensation claims, resulting in loss of domestic and international customers and a potential decline in national industry competitiveness.	TSC has established a comprehensive quality management system certified to ISO 9001, ensuring that every stage from product design to manufacturing and delivery adheres to strict quality standards. All products undergo safety and quality inspections in accordance with relevant regulations, and regulatory updates are tracked regularly to ensure compliance with international standards, all regulations, and customer requirements. Through regular internal and external quality audits, TSC conducts product testing and defect analysis to minimize quality-related risks. The Company also proactively monitors the market to swiftly address potential quality and safety issues, avoiding incidents and maintaining strong customer trust and accountability.
	Information security risk	Sensitive Information Leakage	In the event of cybersecurity vulnerabilities, or if customer data is disclosed or used without consent, both the Company's and customers' confidential information may be exposed. This may result in privacy violations, legal claims, compensation obligations, and could undermine customer trust and competitive advantage.	To safeguard information security, TSC has established an Information Security Task Force and introduced the ISO 27001 Information Security Management System in 2025, responsible for regularly conducting information security risk assessments and vulnerability scans to ensure system security. The Company also provides employee training on information security to strengthen awareness of data protection and compliance with rules for handling sensitive information. Enhanced data encryption technologies and access control mechanisms are implemented to ensure the security of customer information during storage, processing, and transmission. In the event of an information security incident, the Company will activate the information security emergency response plan in accordance with the ISO 27001 framework, immediately notify relevant parties, and take emergency measures to handle the incident, so as to minimize losses and the impact on customers.
	Sustainability Risk	Corporate corruption and unethical conduct	Failure to uphold principles of ethical business conduct may lead to corruption or bribery incidents, damaging corporate reputation, weakening supply chain and customer trust, and ultimately harming stakeholder interests and Taiwan's global competitiveness.	TSC adheres to the principles of integrity and has established robust anti-corruption and anti-bribery policies, requiring all employees and partners to comply. Regular anti-corruption risk assessments, internal control mechanisms, and whistleblower systems are in place to ensure transparent and ethical business practices. TSC also provides periodic training on ethics and anti-corruption for employees to strengthen compliance and ethical awareness. The Company rigorously enforces all preventive measures to avoid corruption and unethical behavior, safeguarding its reputation and competitive position.
	Supply Chain Risk	Incomplete Environmental and Social Assessments of Suppliers	If suppliers are not selected based on comprehensive environmental and social criteria, corporate activities may lead to negative social and environmental impacts within the supply chain. This includes risks such as increased raw material costs, supply chain disruptions, child labor, forced labor, and workplace health and safety violations.	TSC adheres to the Responsible Business Alliance (RBA) Code of Conduct by formulating and implementing its own Supplier Code of Conduct, requiring all suppliers to sign and comply with the standards covering labor conditions, workplace safety, environmental protection, and business ethics. In addition to establishing the Code of Conduct, TSC conducts regular on-site audits to evaluate supplier compliance. Non-compliant suppliers are required to submit improvement plans. These efforts help mitigate social and environmental risks in the supply chain and ensure that supplier operations align with the Company's sustainability objectives and international standards.
	Legal Risk	Lack of Intellectual Property Protection	Failure to manage trade secrets and patent assets effectively may compromise the Company's intellectual property and negatively impact its market leadership.	TSC has implemented a comprehensive intellectual property (IP) management system to protect trade secrets, patents, trademarks, and other IP assets. The Company regularly assesses related risks to ensure that all IP is properly safeguarded internally. Dedicated legal professionals are responsible for overseeing patent registrations and trademark protections, and for enhancing employee awareness of confidentiality obligations and legal responsibilities. In the event of a potential data breach or infringement, the Company will initiate an emergency response procedure and take legal or other necessary action to protect its intellectual property rights.

Risk Issue List and Response Measures

Risk Category	Risk items	Risk Name	Risk Implication	Countermeasures
Others	Market Risk	Market Competition	The Company faces various market risks, both domestic and international, including political instability, economic fluctuations, regulatory changes, technological advancements, and industry restructuring. These risks may intertwine and significantly impact overall market competitiveness, operational efficiency, and long-term strategic development.	**1. Product** • Short term: Accelerate integration, close product gaps, strengthen competitiveness, establish and standardize Group synergy, and launch combined core scenario solutions to complete the product line. • Medium to long term: Continue to drive innovation and product upgrades for mobile computers, label printers, and RFID readers. Through comprehensive technological enhancement, the Company actively invests in the research and development of hardware and system technologies related to AI, IoT, and the automatic identification industry, while also investing in the development of cloud solutions, hardware and software solutions, and system integration, jointly integrating the cloud platform ecosystem with partners, and is committed to meeting various enterprise needs in AIDC industry applications while ensuring that products offer strong scalability and flexible optional configurations to adapt to future development. At the same time, the Company will continue to uphold its environmental sustainability values and invest in environmentally friendly materials, low-carbon printing solutions, and low-energy-consumption products, creating products that are energy-saving, recyclable, and low in carbon emissions. Use ESG as one of its core competitive advantages to attract procurement from more international end customers. **2. Marketing** • Short term: Over the next 1 to 2 years, TSC will deepen its presence in core vertical markets such as retail, logistics, manufacturing, and healthcare. Through scenario-based solutions and successful case studies, it will strengthen enterprise customers' trust in our product innovation and integration capabilities and capture growth momentum from large-scale projects. As DLS, MGN, and Bluebird are fully integrated, the Company will comprehensively promote the "One TSC" communication framework, integrating the Group's brand language, technical content, and marketing tools to build a consistent and extensible end-to-end solution image. At the same time, we will strengthen the global distribution network, improve promotion efficiency through key partner programs, co-marketing, and standardized Solution Packages, and expand brand visibility through international exhibitions, TSC Solution Days, and regional insights to accelerate market penetration. • Medium to long term: TSC will continue to strengthen its positioning as a global leading brand through investment in multilingual content such as technical white papers, successful cases, and ESG narratives, reinforce its professional mindshare in the global AIDC ecosystem, and enhance key customers' and strategic partners' recognition of the Company's long-term value. The Group will focus on "One Brand" and a global marketing platform to integrate product lines and regional market resources and build an integrated marketing ecosystem; and introduce data-driven marketing to improve promotional precision and accelerate synergies across product lines and markets. In addition, the Company will continue to strengthen the global distribution ecosystem and enhance market cultivation capabilities through standardized cooperation mechanisms, long-term empowerment, and solution tools. In response to trends such as IoT, AI, and smart logistics, TSC will expand its strategic role in key application scenarios and promote technology adoption and brand influence enhancement. Through global brand building and integrated marketing. **3. Production** • Short term: Focus on optimizing production line and production location allocation to improve production efficiency and capacity, mitigate the impact of tariff issues, and thereby enhance product sales margins and price competitiveness. • Medium to long term: Continue optimizing production equipment to improve production efficiency and yield, and introduce green manufacturing technologies to reduce energy consumption and waste, thereby achieving sustainable development goals. The solar panel project has been completed and successfully connected in parallel with Taipower for power supply to achieve the goal of green energy conservation.
	Financial and Accounting Risks	1. Credit Risk 2. Liquidity Risk 3. Exchange Rate Risk 4. Interest Rate Risk 5. Price Risk 6. Risks Related to the Application and Changes of Accounting Policies 7. Tax Risk	1. Inability to collect payment from customers, resulting in bad debts 2. Insufficient cash flow, resulting in an inability to pay amounts payable 3. Appreciation of the New Taiwan dollar, resulting in exchange losses 4. Rising interest rates, increasing funding costs 5. A decline in the stock price of investment targets, resulting in valuation losses on financial assets 6. Misstatement of financial statements 7. Increase the Company's income tax burden	1. Reinforce customer credit assessments and accounts receivable management, and adopt appropriate credit insurance and collection measures to reduce customer credit risk. 2. TSC strengthens liquidity management through regular cash flow forecasting and risk assessment, and maintains emergency financial reserves. TSC reviews its balance sheet structure regularly to ensure a rational and stable capital framework. TSC also actively maintains close cooperation with banks to secure favorable and stable financing facilities, supporting potential liquidity needs. 3. Use hedging instruments to implement flexible hedging. 4. Use equity instruments to reduce the Company's funding costs. 5. The investment in Tai Semi is a strategic investment, and therefore the Company accepts such risk. 6. Work closely with professional financial advisors to ensure the accuracy and transparency of the financial statements and compliance with relevant accounting standards. 7. Work closely with professional tax consultants to ensure that tax treatment complies with legal requirements.

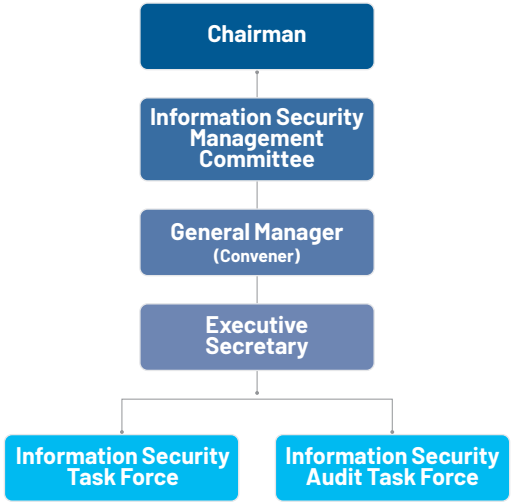
1.3.2 Information Security Risk Protection

Material Topic	Information Security and Privacy Protection – Disclosure of Sensitive Information
Policy Commitment	TSC is committed to protecting the information security and business data of customers, suppliers, and employees. To strengthen cybersecurity management, TSC established a dedicated Information Security Task Force in 2022, responsible for formulating cybersecurity policies and overseeing implementation. Through equipment upgrades, irregular cybersecurity announcements, and education and training, TSC continuously raises internal awareness of information security to safeguard corporate data and prevent information leaks.
Management Actions	• Introduce automated cybersecurity tools annually to reduce manpower and enhance protection • Provide cybersecurity training courses every year • Review account usage and clear inactive accounts annually • Inspect firewall protection data quarterly • Send cybersecurity awareness emails to employees every two months • New employee orientation includes information confidentiality guidelines • Internal access control authorization mechanisms • Collaborate with external cybersecurity firms for daily monitoring and incident handling
Effectiveness of Management Actions	✓ 100% of new employees completed information security and protection training ✓ In 2025, 199 indirect personnel in Taiwan completed the mandatory information security education and training courses ✓ A total of 6 information security awareness emails were sent in 2025 ✓ In 2025, 2 social engineering drills were conducted, with a cumulative total of 600 participant-times ✓ The Company completed the implementation of the ISO 27001 Information Security Management System in 2025

Information Security Governance Structure

TSC officially established its "Corporate Information Security Task Force" in 2022. This task force is responsible for formulating, implementing, auditing, and managing cybersecurity-related policies. The highest-ranking officer of the task force reports cybersecurity management results, issues, and direction to the General Manager annually. TSC also commissions CoreCloud Technology Corporation to assist with technical planning, consultation, and system monitoring to ensure the stability, suitability, and effectiveness of the information security management system.

Information Security Governance Framework

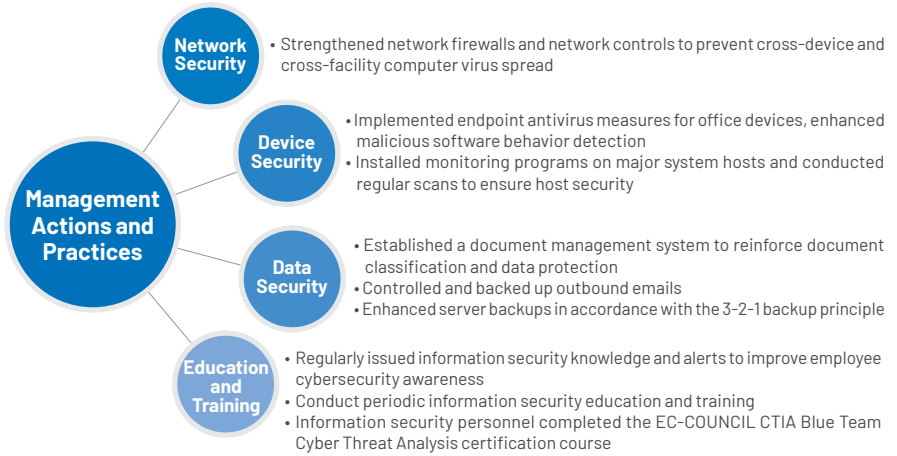


Information Security Management Policy

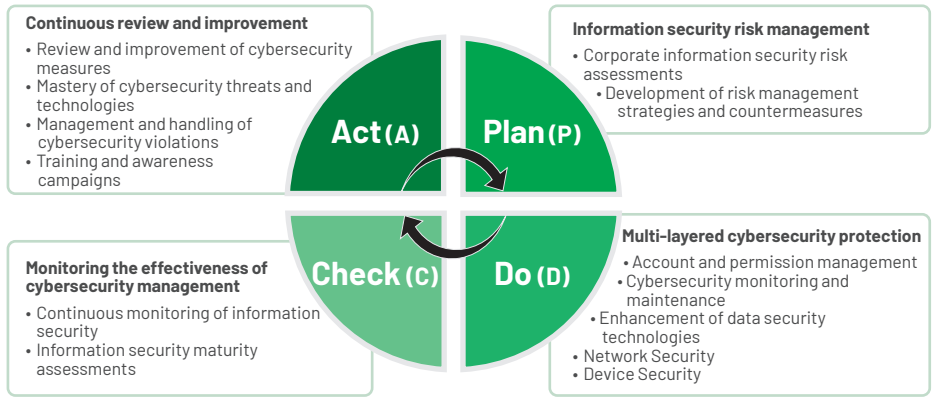
TSC places a high degree of importance on information security and business data protection, regarding them as an important commitment to customers, suppliers, and employees, and implemented the ISO 27001 Information Security Management System in 2025 to enforce the most rigorous information security controls. To reinforce the management system, the cybersecurity team introduces automated security tools annually as scheduled to improve monitoring efficiency and reduce manual workload. In addition, TSC has internally established the "Personal Data Protection Management Measures" to set out relevant rules for the collection, processing, use, and international transmission of personal data. The scope of protection covers not only all employees, but also business counterparties such as vendors and visitors. TSC protects their personal data in accordance with the management measures and obtained ISO 27001 Information Security Management System certification in December 2025 to ensure that data is rigorously protected and properly used.

TSC's core objective in its information security management policy is to "respond to all types of cybersecurity incidents in a rapid, effective, and orderly manner, minimizing or eliminating their potential impact and damage." The categories of cybersecurity incidents include system-related, physical environment-related, and personnel-related events, such as system failures, network outages, access control malfunctions, fires, and personnel accidents. Through the implementation of information security management measures, TSC continues to strengthen its incident response capabilities. By accumulating practical experience through daily operations, TSC aims to proactively prevent potential cybersecurity risks, thereby ensuring the stability and security of its business operations and laying a solid foundation for sustainable corporate development.

Management Actions and Practices



Key Cybersecurity Risk Response Measures



TSC Key Information Security Enhancement Items for 2023-2025

2023	2024	2025
• Added IPS modules to firewalls • Upgraded to 10GB network (Lize Plant) • Upgraded backup software • Implemented hard disk destruction procedures • Upgraded backup equipment • Published new cybersecurity rules	• Implemented monitoring devices • SD-WAN at HQ and Lize Plant • Upgraded HQ wireless network • Conducted employee cybersecurity training	• Implementation of the ISO 27001 Information Security Management System • Social engineering drills • Conducted employee cybersecurity training

Three-Year Information Security Plan

2026	2027	2028
Ensure all employees complete information security training every year		
Carry out hard-disk destruction annually		
Integrate global account domains	Upgrade servers and NAS at the Lize Plant	Zero Trust Architecture (ZTA)
Oracle system update	Implement multi-factor authentication (MFA)	Implement multi-factor authentication (MFA)
Deploy endpoint detection and response (EDR)	Upgrade IDC firewall	
Strengthened backups		
Implementation of a vulnerability scanning system		

Information Security Implementation Highlights

ISO27001
Information Security Management System
Completed the implementation of the ISO 27001 Information Security Management System and issued 70 4th-tier documents.

100% training completion
New hires completed information security and protection training courses

6 security-awareness emails sent
Communicated key information-security rules and precautions to all employees via email

0 % disciplinary rate
No employees disciplined for violating information-security or confidential-information protection procedures

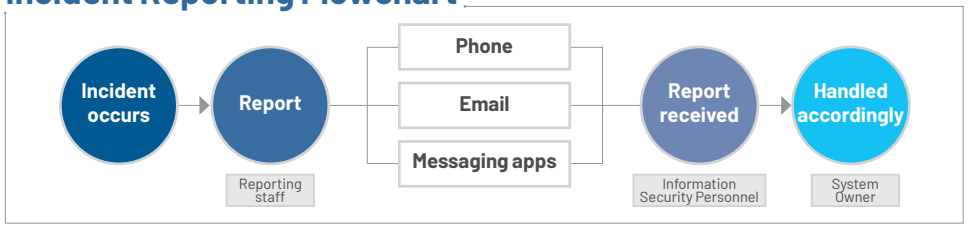
DCMM certification
Tianjin TSC Auto ID passed the DCMM Data Management Capability Maturity certification

Information Security Incident Reporting and Handling Procedures

TSC Auto ID follows the "Information Security Incident Management Procedures". When an information security incident occurs, the discovering personnel may immediately report the information security incident to information security personnel via telephone, email, or messaging software, and the system owner shall immediately implement the corresponding measures. Upon receiving a report, the information security personnel will assess and classify the incident into levels 1 through 4. Immediate action and public notification will be taken accordingly. Depending on the severity level, the affected departments, competent authorities, or external organizations will be notified. Procedures will be carried out in accordance with the "Procedures for Verification and Disclosure of Material Information" prescribed by TPEx. After the incident is resolved, a root cause analysis will be conducted, and a complete record of the incident and the handling process will be maintained to continuously strengthen the security management mechanism.

Every quarter, TSC consolidates information security incidents, compiling statistics on the number, type, level, scope of impact, and involved departments/systems. These data are analyzed by the Corporate Information Security Team and reported to the General Manager to evaluate the effectiveness of corrective and preventive actions, and to mitigate potential risks in the information security management system. Additionally, for Level 3 and 4 incidents, TSC conducts one security incident response and handling drill each year. Annual plans are drafted, results documented, and executed in accordance with the "Business Continuity Management Procedures." Employees who violate security regulations are disciplined according to company policy. An internal suggestion box is provided for employees to report incidents such as sensitive data leaks. These reports are handled under the "Whistleblower Reporting and Protection Management Regulations," which ensure the confidentiality of the whistleblower's identity, protect them from retaliation or unfair treatment, and safeguard their rights. In 2025, TSC recorded no sensitive information leaks, no verified complaints of customer privacy breaches or data loss, and no violations related to data protection or information security.

Incident Reporting Flowchart



CH 2
Innovative Services



TSC aligns its direction with international environmental protection requirements, focusing on the development of green and energy-saving products. In terms of quality management, the Company follows the ISO 9001:2015 Quality Management System to fully optimize its quality control processes and has established a hazardous substances management policy to fulfill its environmental, social, and customer responsibilities. TSC adheres to strict energy-saving and environmental standards from the product development stage, incorporating multiple eco-designs to ensure compliance with international energy certifications. In addition, the Company has established a sustainable supply chain management system, implements responsible minerals management, conducts strict supplier evaluations, and requires suppliers to sign relevant agreements and declarations. At the same time, the Company worked with suppliers to jointly develop green products and, through innovative product design, achieve lower energy consumption and increase the use of recycled and reused materials, successfully creating various types of printers produced with general recycled materials, such as the TH and DH series desktop printers, and the housings of the MB, ML, MH and PEX-2000 series, as a major milestone for the Company's move toward green products.

Recommended Primary Readers:

- ■ Customers
- ■ Business Partners
- ■ Employees
- ■ Shareholders/Investors
- □ Government
- ■ Suppliers
- □ Local Communities

- ▶ 2.1.1 Product and Service Innovation
- ▶ 2.1.2 Product Quality Control
- ▶ 2.1.3 Meeting Customer Needs
- ▶ 2.2.1 Developing Sustainable Products
- ▶ 2.3.1 Supply Chain Overview
- ▶ 2.3.2 Supply Chain Sustainable Management

2.1 R&D and Innovation

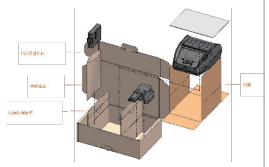
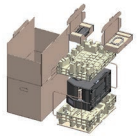
2.1.1 Product and Service Innovation

Material Topic	Innovation Management – Innovative Products and Technologies
Policy Commitment	TSC focuses on the development of sustainable and innovative products. The Company promotes policies aimed at "meeting international environmental standards and continuously developing energy-efficient products." TSC fosters an innovation-oriented corporate culture by creating a favorable environment for innovation, encouraging employees to embrace innovation, and establishing an Innovation Development Committee responsible for defining innovation scopes and providing channels for employees to develop creative ideas. This helps TSC maintain its competitiveness, drive growth and profitability, and achieve sustainable business operations.
Management Actions	• Adhering to RoHS and WEEE directives throughout the production process and materials management, and applying these standards in product design and manufacturing. • Continuously reducing the environmental burden caused by product manufacturing, and publishing self-declaration statements on relevant EU environmental regulations for major products • Strengthening patent deployment and steadily increasing the number of certified patents. • Encouraging employee innovation through the Innovation Development Committee, providing substantial rewards and resources to bring proposals to life in actual products.
Effectiveness of Management Actions	✓ Ongoing R&D of multiple innovative products, including fully plastic-free packaging and pulp-paper packaging products, validated and mass-produced. ✓ 100% of major products have completed EU environmental self-declaration statements.

Green Product Innovation Technologies

Upholding the core principles of "Innovation, Sustainability, and Shared Prosperity," TSC develops forward-looking technologies and products to support environmental sustainability, social welfare, and sound corporate governance. Through technology innovation, TSC enhances its competitiveness while generating positive environmental and social impacts. With growing global focus on ESG (Environmental, Social, and Governance), TSC integrates operational strategy with sustainability goals to drive stable growth and deliver impact across all ESG dimensions.

2025 Implementation of Innovative Technologies

Innovative Technology	Product Application	Highlights
Packaging Innovation Technology		
Plastic-Free Packaging	Portable products: RE series, Alpha series, and TDM series products 	RE310, TSC's first full-series plastic-free packaging product, the outer carton uses environmentally friendly cartons certified by the Forest Stewardship Council(FSC), with more than approximately 70% of the pulp sourced from FSC-certified forests, and the remaining less than 30% of the wood sourced from other traceable and credible sources. In 2025, the same design concept will be extensively introduced across the full series of portable product lines. The device itself also incorporates 10% recycled materials in its manufacture, and when the product is scrapped, more than 80% of the printer components can be recycled and reused. This technology not only reduces plastic use but also significantly reduces the product's negative environmental impact.
Paper-pulp Packaging	Industrial products: MB241, ML241, and MH24 	As TSC's first industrial series product to use paper-plastic packaging materials, MB241 has successfully introduced this technology into the ML241 and MH241 product lines, and it will serve as the standard for all newly developed full-series industrial product lines in the future.
Product Innovation Technology		
High-efficiency energy-management technology	Desktop products: TH240, DH240, DL240, TL240, etc.  Industrial products: MB241, ML241, MH241, etc. 	TSC's full series of desktop and industrial products adopt highly efficient energy management technology and have passed Energy Star certification, effectively reducing power consumption, carbon emissions and carbon footprint, and meeting corporate carbon reduction targets.

TSC continuously integrates innovative technologies with sustainable development goals to promote product transformation and provide sustainable solutions. TSC aspires to work hand in hand with various sectors and continue to lead positive trends in the industry through continuous technological innovation and sustainable transformation. At the same time, TSC firmly believes that only through sustained innovation and development on the path of sustainability can the Company truly achieve mutual prosperity with society.

Key Technologies and Patent Portfolio

TSC has continuously achieved outstanding results in its patent portfolio. Over the past three years, TSC remained focused on technological breakthroughs and innovation in printer technology, with in-depth development of three key patented technologies: Thermal Printing, RFID/NFC technology, and Barcode Recognition technology. While continuously enhancing product efficiency and competitiveness, TSC also provides customers with the most advanced solutions for specialized applications.

Three Core Patent Technologies

Patent Technology	Quantity	Technical Items
Thermal Printing	10	◆Printhead health real-time predictive detection ◆Heating element adjustment mechanism ◆Printhead pressure adjustment mechanism ◆Ribbon tension adjustment mechanism ◆Printing device and chassis module innovation ◆Automatic detection and determination of consumables selection ◆Cartridge-type consumables application ◆Consumables-saving applications ◆Ribbon cartridge ◆Ribbon-saving mechanism
RFID/NFC	4	◆High-resolution reading and writing capability antenna ◆Mobile labeling integrated with cloud database application ◆Automatic consumables identification and integration with optimized printing parameter settings ◆Innovative RFID antenna design and automatic position adjustment
Barcode Recognition Technology	1	◆Automatic barcode grade identification

Patent Technology Deployment

TSC upholds a spirit of innovation, continuously strengthening the Company's competitiveness through ongoing technological innovation and strategic patent deployment. In parallel, the Company has established internal guidelines titled the "Patent Application and Incentive Measures," encouraging employees to engage in research, invention, and innovation to improve product quality and functionality—thus demonstrating the Company's commitment to excellence and sustainable development. With respect to the protection of patents and intellectual property rights, the Company has also established a "Patent Infringement Reporting Reward". When employees discover that any of the Company's intellectual property rights have been infringed, they may report through the complaint channels and provide evidence. If the Company receives royalty income or compensation, the Company will issue a certain proportion of the reporting reward to the whistleblower depending on the circumstances, encouraging all employees to jointly safeguard the Company's intellectual property rights and patent technologies. TSC aspires to contribute to future technological advancement and environmental sustainability while continuously creating value for customers and business partners.

TSC's Cumulative Patent Applications and Approvals

Item	2023	2024	2025
Cumulative Number of Patent Applications	29	40	53
Cumulative Number of Granted Patents	20	20	23

Capital and R&D Expenditur

Profit Performance	2023	2024	2025
Capital Expenditure (NT$ in thousands)	245,545	262,519	314,162
Research and Development Expenditure (NT$ in thousands)	240,833	304,582	604,239

Innovation Proposal Mechanism

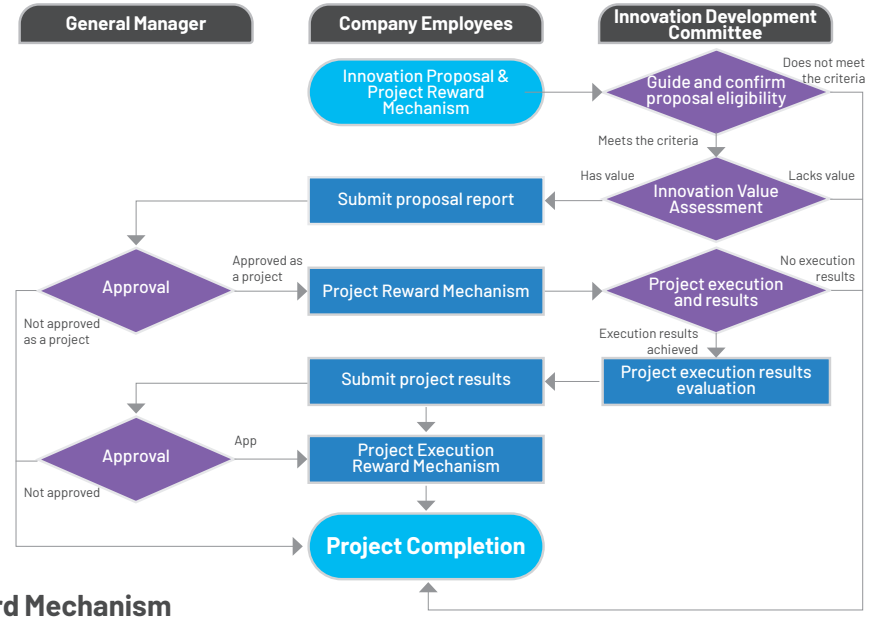
To establish a work environment full of innovation, encourage employees to innovate boldly, and develop the Company's unique innovation culture. TSC established the Innovative Proposals and Incentives Regulations in 2023 and set up the Innovation Development Committee, with members serving from various functional organizations. The committee has 11 standing members, and all members elect one person to serve as convener and Chairman of the committee. In conjunction with a reward mechanism, the initiative is designed to provide a systematic framework that encourages all employees to ideate, propose, and implement solutions across five major innovation categories. Regardless of their job functions, all employees are encouraged to submit proposals to jointly drive the Company' s sustainable growth and enhance its competitive edge.

Five Key Innovation Domains

Technological Innovation	• Introducing new concepts, methods, tools, or design schemes to improve existing technologies, enhance efficiency, and strengthen competitiveness
Process Innovation	• Improving or redesigning internal operational processes to enhance efficiency, improve quality, and reduce costs
Business Innovation	• Introducing new concepts in areas such as business models and operational strategies to create brand value and profit growth
Product Innovation	• Creating new products with competitive advantages or improving existing ones to meet the ever-changing needs of consumers
Service Innovation	• Providing unique and outstanding service experiences and scalable application solutions to enhance customer satisfaction and brand loyalty

Innovation Proposal Process

To promote corporate sustainability and innovation, TSC has established an innovation proposal process that encourages active participation from employees and teams. Employees or teams may submit innovation proposals orally or in writing to the Innovation Development Committee, and committee members will assist in guiding these innovative ideas and conduct a preliminary innovation value assessment. If successfully approved by the General Manager, the innovation proposals will enter subsequent implementation stages such as project execution and results evaluation, and will be tracked and executed by the project team. Process flow (as illustrated):



Reward Mechanism

To encourage employees to actively participate in innovation proposals, TSC has established a reward mechanism, including proposal bonuses, project bonuses, and execution results bonuses. Upon submission of an innovation proposal, the proposer may receive a proposal bonus; a proposal recognized by the committee and submitted to the General Manager for approval may receive a project bonus; upon completion of project execution and presentation of the results, and after approval by the General Manager, the proposer may receive an execution results bonus. As of 2025, four proposals had received project bonuses and entered the project execution stage.

TSC firmly believes that innovation is the driving force behind continuous business development. The Company will continue to enhance its innovation management mechanisms, stimulate employees' innovative potential, and enable every employee to contribute their creativity through the platform, jointly driving innovation and promoting the Company's sustainable development.

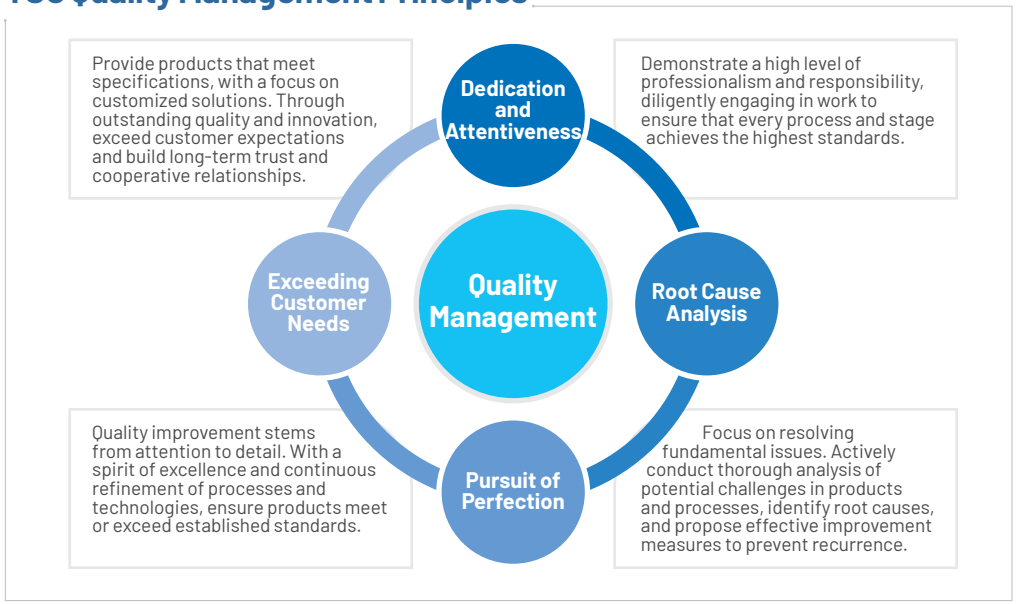
2.1.2 Product Quality Control

Material Topic	Product Quality and Safety – Quality and Safety Requirements and Inspection Lapses
Policy Commitment	TSC pursues excellence in quality management by adhering to the ISO 9001:2015 Quality Management System to comprehensively optimize its quality management processes and establish complaint and feedback channels. At the same time, TSC has formulated a Hazardous Substances Management Policy, with clear labeling of product components and recycling information to ensure accountability to the environment, society, and customers, thereby realizing sustainable development.
Management Actions	• Implementation of the ISO 9001:2015 Quality Management System (QMS) • Adoption of the Manufacturing Execution System (MES) to enhance risk management and data analysis • Regular training sessions to improve employees' quality awareness and professional skills • Establishment of supplier review and audit mechanisms to monitor the quality management system; joint development of stringent inspection standards and procedures with suppliers to comprehensively ensure high-quality control • Annual audits of more than 12 suppliers • In response to international environmental regulations, execution of a TBBPA (Tetrabromobisphenol A) reduction plan
Effectiveness of Management Actions	✓ For the ISO 9001:2015 Quality Management System, the headquarters and the Lize Plant completed certification renewal in 2023, and Tianjin TSC Auto ID passed certification in 2025 ✓ The headquarters and Tianjin TSC Auto ID communicate and conduct reviews with suppliers on a monthly basis to improve product quality and safety ✓ The TBBPA reduction plan has been officially launched, with a completion rate of 51.3% as of 2025 and a target of full elimination by 2028 ✓ Completed quality audits of 12 suppliers in 2025 ✓ No product recall incidents occurred in 2025 ✓ No product safety-related legal proceedings occurred in 2025

Quality Management Policy

TSC's quality management policy consistently upholds a philosophy of excellence, ensuring the provision of products and services that exceed customer expectations. With a committed and attentive attitude, the Company demonstrates a high degree of professionalism and responsibility, ensuring that every process and stage meets the highest standards. Through rigorous and root-cause analysis, TSC proactively addresses challenges in products and processes by implementing effective solutions. In pursuit of perfection and continuous improvement, TSC continually enhances its processes and technologies to ensure products meet and exceed customer expectations, thereby fostering long-term trust and cooperative relationships. TSC regards product quality as a critical pillar of sustainable development, continuously strengthening internal quality control to ensure products are accountable to the environment, society, and customers, and faithfully fulfilling its sustainability commitment.

TSC Quality Management Principles



Quality Management System

TSC places customer needs at the core and upholds the philosophy of "Quality First, Safety First Commercial". In accordance with the ISO 9001:2015 Quality Management System (QMS) of the International Organization for Standardization, the headquarters and the Lize Plant completed certification renewal in 2023, and Tianjin TSC Auto ID also obtained certification in 2025, comprehensively optimizing product quality management processes and ensuring that each product meets or exceeds customer expectations in terms of performance, reliability and safety. In addition, TSC has established a transparent and efficient complaint mechanism to continuously improve and refine product quality and safety.

In terms of internalizing quality culture, TSC integrates quality management concepts into the daily work of every employee. Education and training enhance employees' quality awareness, fostering a company-wide quality culture. Externally, TSC enforces stringent quality and safety standards for suppliers, ensuring that all raw materials and components comply with applicable regulations and standards. Through supplier review and audit mechanisms, the quality management systems of suppliers are monitored. Both the headquarters and Tianjin TSC Auto ID schedule quality audits for more than 12 suppliers each year to ensure a stable supply of high-quality materials. Furthermore, monthly communications and reviews are held with suppliers to continuously improve product quality and safety.

Quality Management Philosophy

Customer-Centric
- TSC's quality management is centered on customer needs, committed to delivering high-quality and innovative solutions to ensure that products meet the requirements of diverse application scenarios.

Process Optimization and Continuous Improvement
- Regular evaluations and improvements are conducted on the production processes, and the Manufacturing Execution System (MES) is implemented to enhance risk management and data analysis, ensuring process stability and product consistency.

Company-Wide Quality Culture
- TSC insists on embedding quality into the daily work of every employee. Through education and training, the Company enhances employees' awareness and professional skills related to quality, establishing a culture of quality with full participation.

Rigorous Supply Chain Management
- To ensure product quality consistency, TSC maintains close cooperation with suppliers, formulates strict inspection standards and procedures, and implements comprehensive quality control from raw materials to semi-finished product delivery.

To continuously and effectively improve product quality, employees may submit product quality complaints and suggestions to the Innovation Management Committee, which are regularly reviewed by cross-functional management and improvement measures are implemented; subsequently, the Innovation Management Committee regularly issues updates on work progress. In addition, external partners (including customers, distributors, and branch offices) may use the customer feedback system to report product-related issues and provide suggestions. TSC continues to optimize product design based on internal and external suggestions to ensure that, while improving product safety and quality, it meets customer expectations and enhances customer satisfaction.

Product Safety Certification

As an industry leader in label printers, TSC strictly controls and evaluates the impact of products on human health and safety, and all products and key components within products undergo electromagnetic wave and electrical safety testing. TSC requires suppliers to provide relevant safety certifications and uses a safety regulation control system to manage the safety certifications provided by suppliers. Three months before certificate expiry, suppliers are notified to renew them to ensure that product components continuously comply with safety standards. Through rigorous quality management mechanisms, TSC collaborates with suppliers to build safe, sustainable, and high-quality solutions.

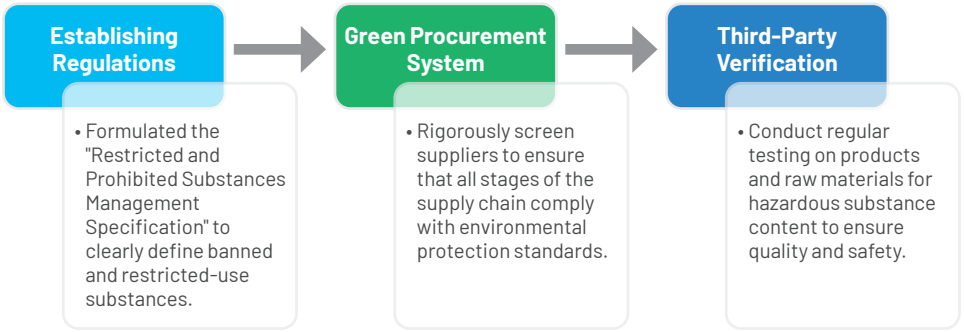
In 2025, all products provided by TSC completed human health impact assessments and safety assessments, and passed relevant tests and obtained certifications under national safety standards, U.S. standards, European standards, and international regulations. In addition, there were no violations of any health and safety laws or regulations, no product recall incidents, and no loss amounts incurred from legal proceedings related to product safety. In 2025, all TSC products passed the following tests:

Electromagnetic and Safety Tests	
✓CNS15598-1 ✓CNS15936 ✓CNS15663 Section 5 (including labeling requirements) ✓CCC China Compulsory Product Certification (applicable to Tianjin TSC Auto ID products) ✓U.S. Standard FCC CFR Title 47 Part 15 Subpart B Certification ✓European standard EN 55032 and EN 55035 certifications ✓International Regulation IEC 62368 3rd Edition Certification	All products **100%** compliant

Hazardous Substance Management

To manage hazardous substances, TSC has established a stringent hazardous substance management policy to ensure all products comply with substance restriction laws for electronic products in various countries (such as EU RoHS, REACH, etc.). The Company adopts the Green Product Management System (GPM) for comprehensive management, ensuring product compliance and environmental friendliness from aspects such as raw material selection and composition management. Through this system, product management efficiency is enhanced and environmental pollution is reduced. Meanwhile, TSC actively promotes environmental responsibility across the supply chain, aiming to leverage its influence to collaboratively achieve corporate sustainability goals with its value chain partners.

TSC has formulated the "Restricted and Prohibited Substances Management Specification," which includes 36 prohibited substances and 242 restricted-use substances. This ensures full compliance with relevant hazardous substance regulations and meets customer requirements. And further uses the Green Product Management System (GPM) to ensure that products in the supply chain do not contain prohibited or restricted substances, and regularly commissions third-party entities to test the content of hazardous substances in products and raw materials. TSC continues to proactively fulfill its environmental protection responsibilities through these measures, fully upholding its corporate duty to protect the environment and safeguard public health and safety.



Pollutant Reduction Plan

Tetrabromobisphenol A (TBBPA) is a commonly detected environmental pollutant found frequently in the natural environment. During the disposal and recycling processes of electrical and electronic products, TBBPA may pose unacceptable health risks to workers and could result in the generation of harmful residues or degradation byproducts. These byproducts can then spread uncontrollably into the environment, causing long-term pollution. To address this issue, the European Commission has proposed legislation to include TBBPA in the EU RoHS restricted substances list.

TSC has proactively responded to international environmental regulations by initiating monitoring of this substance starting in 2023, and officially launched its reduction plan in 2024. The overall reduction plan includes a comprehensive review of the current use of existing materials and the development of TBBPA-free flame-retardant material (PA-764) to replace existing plastic raw materials that cause environmental pollution, thereby progressively reducing and ultimately eliminating the use of TBBPA, with a completion rate of 51.3% as of 2025. Based on observations of the latest international regulations, product life cycle and implementation effectiveness, we adjusted the zero target from 2026 to 2028. TSC seeks, to the greatest extent possible while ensuring quality and safety, to synchronously plan the TBBPA replacement work and safety certification renewal, so as to improve resource efficiency and reduce unnecessary waste, and will continue to make steady progress toward the goal of fully eliminating TBBPA by 2028.

2026 Targets

Reduce TBBPA (tetrabromobisphenol A) contained in product lines by 70%

By 2028

Full elimination

of all TBBPA (tetrabromobisphenol A) in product lines is expected.

Product Information Labeling

To ensure transparency and environmental protection, TSC clearly discloses product components and recycling information to consumers through product labels and user manuals, assisting consumers in proper recycling and reducing environmental impact. The Company clearly marks recycling symbols on product labels, which are designed in accordance with international standards to facilitate consumer identification. Guided by the recycling labels, consumers can quickly understand how to sort and dispose of products and packaging properly, thereby promoting environmentally friendly practices.

TSC includes in its manuals the hazardous substance concentration table required under China RoHS (the Restriction of Hazardous Substances Directive for electrical and electronic products). This table details the use of hazardous substances in the product, such as Lead (Pb), Mercury (Hg), Cadmium (Cd), Hexavalent Chromium (Cr6+), Polybrominated Biphenyls (PBB), and Polybrominated Diphenyl Ethers (PBDE), allowing consumers to understand the content and environmental risks associated with these substances. TSC strictly complied with relevant regulations, and in 2025, there were no incidents of violation of regulations related to information labeling for products and services.

Compliance with Marketing and Labeling Safety Regulations: Product Categories and Percentages

Regulation / Standard / Directive	Main Product Category	Compliance Rate (%)	Description
EU Restriction of Hazardous Substances Directive (RoHS 2.0)	Label Printer	**100%**	All product models
EU Waste Electrical and Electronic Equipment Directive (WEEE)	Label Printer	**100%**	All product models
EU Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH)	Label Printer	**100%**	All product models
California Proposition 65	Label Printer	**100%**	All product models



2.1.3 Customer Relationship Management

TSC is committed to maintaining strong interaction and communication with customers. The Company has well-trained internal and external sales teams in Greater China, Northeast Asia, Southeast Asia, Central Asia, and India, along with professional engineers available to provide online technical support. In addition, regional application engineering departments and sales departments regularly hold events and education and training, report on the current status and development of each region, and formulate global sales strategies, setting clear performance targets for actual implementation. External sales are responsible for liaising with customers, while internal sales are responsible for controlling the interconnection of information among the Company's internal departments and conveying customer information obtained by external sales, communicating all internal and external correspondence, promptly and accurately grasping first-hand customer feedback information, and improving the efficiency of product and service quality optimization.



Enhancing Customer Satisfaction

To continuously enhance customer satisfaction, TSC sends online questionnaires separately to customers in different countries to conduct satisfaction surveys and solicit feedback on six major aspects: customer service, price, quality, delivery, marketing, and new products. Scores are rated on a scale from 1 to 5, from lowest to highest. The sales team then analyzes the results to identify root causes and propose solutions. Through a systematic survey and optimization process, TSC seeks to meet customer needs and expectations as much as possible, continuously improve product and service quality, consolidate long-term cooperative relationships with customers, enhance customer loyalty, and promote sustainable corporate development. In addition, starting from 2025, TSC has categorized satisfaction by region into Europe (TSCAE), the Americas (TSCAA), Asia (APAC), and Mainland China (TTSC). In the Asian region, the survey is based on the top 10 key customers. Taking into account sales volume and sales product diversity, this can more accurately reflect customer satisfaction.

- Conduct customer satisfaction surveys via Google Survey every six months Note: Tianjin TSC Auto ID uses Tencent Forms to conduct surveys
- Gather opinions in six key areas: customer service, pricing, quality, delivery, marketing, and new products
- Conduct surveys by customer location
- Consolidate feedback and responses for in-depth analysis and problem resolution
- Compile results into a customer satisfaction evaluation report to inform ongoing optimization strategies

Customer Satisfaction Survey Results

In 2025, among the six major aspects, "Customer Service" and "New Products" performed best, reflecting TSC's efforts and achievements in always focusing on customer relationship management and R&D technological innovation. However, in 2025, international developments and political tariffs affected product delivery times, resulting in lower customer satisfaction with delivery lead times. In addition, inflationary pressure caused currency growth in the Asia-Pacific region, which in turn affected the higher prices of new products and led to slightly weaker purchasing power, causing customer satisfaction with TSC product prices in 2025 to be lower than in 2024. At present, TSC continues to adjust prices and actively maintain customer relationships and improve satisfaction.

Satisfaction Across Six Key Areas

Six Key Areas	2023	2024	2025
1. Customer Service	4.39	4.46	4.05
2. Price	3.83	3.77	3.46
3. Quality	4	4.14	3.92
4. Delivery	3.66	3.51	3.08
5. Marketing	3.98	4.1	4.28
6. New Products	4.05	4.45	4
Overall Major Customer Satisfaction Score	**3.96**	**3.99**	**3.8**

Regional Major Customer Satisfaction

Region	2023	2024	Region	2025
EMEA	3.8	4.1	**TSCAE**	3.93
Americas	4.13	4.14	**TSCAA**	4.00
SA	4.27	4.29	**APAC (Top 10 Customers)**	3.78
China	4.13	4.04		
SEA1	3.91	4.1		
SEA2	3.77	3.74		
Korea	3.8	3.84		
Japan	4.12	4.28		
Taiwan	3.96	4.11	**TTSC**	3.88

Note 1: Southeast Asia Region 1 includes Thailand, Australia, New Zealand, and Singapore; Southeast Asia Region 2 covers other Southeast Asian countries.

Note 2: Information restated: Due to business reorganization changes in 2025, customer satisfaction in the Asia region was surveyed among the top 10 customers, and consolidated calculation has been applied since 2025.

TSC places customer satisfaction at the core of its operations, proactively coordinating improvement and optimization efforts to continuously enhance the performance of its products and services. Headquarters will formulate corresponding targets based on differences among regions to ensure balanced and stable business development in each region, and continue to enhance global brand awareness and market share to meet the comprehensive needs of customers worldwide.

2.2. Sustainable Products

2.2.1 Sustainable Product Management

Material Topic	Sustainable Product Management – Sustainable Product Design
Policy Commitment	TSC adopts a comprehensive sustainable design approach for its products, positioning it as a key strategy for the Company's sustainable development. From the product development stage, the Company adheres to stringent energy-saving and environmental protection regulations to reduce energy consumption and carbon emissions. Additionally, the products incorporate low-power electronic components and various energy-saving designs, with a commitment to using recycled materials to ensure all current and newly developed products comply with multiple international energy certifications. TSC will continue to implement ESG goals and fulfill its environmental protection and sustainable development responsibilities through sustainable transformation and green R&D technologies
Management Actions	• Continuously select low-power raw materials and electronic components to design products with multiple energy-saving features, achieving optimal energy-saving effects • Continuously ensure that all product lines are designed in compliance with regulations for electrical and electronic industries and meet international energy certification standards • Continue using recycled plastic and metal materials in product manufacturing, and each year complete the introduction of product series using recycled materials in accordance with target plans; new product series launched in 2026 are expected to simultaneously adopt recycled materials. • Fully switch to environmentally friendly packaging materials, introducing FSC-certified paper materials and recyclable paper-plastic packaging materials • Collaborate with the supply chain to design and develop sustainable (green) products
Effectiveness of Management Actions	✓ All industrial and desktop product series have passed U.S. Energy Star, and portable printers have passed multiple certifications, including U.S. DOE, California Energy Commission (CEC), and EU ERP energy efficiency certification ✓ In 2025, at least 10% recycled materials were introduced into the manufacturing process for 16 product models, including the housings of the MB, ML, MH and PEX-2000 series, which have used recycled and reused materials, and 20% of the materials come from recycled steel sheets ✓ In 2025, the product series under the target plan completed the use of environmentally friendly packaging materials, and the outer carton design complies with the FSC label ✓ Successfully developed wood fiber bags for MB, ML, MH and PEX-2000 series products to replace traditional PE bags, achieving a fully plastic-free packaging material design. ✓ The new MX6000 and MX8000 models have also introduced environmentally friendly recycled materials and ESG packaging at the design stage (such as FSC outer cartons, wood fiber straps, paper-plastic cushioning materials, paper partitions, and wood fiber packing straps), with formal mass production targeted by the end of 2026.

Sustainable Raw Materials and Packaging Management

TSC places importance on the environmental impact of the product life cycle and, while pursuing business growth, also regards circular regeneration and environmental sustainability as core values of corporate development. The Company actively invests in green R&D capabilities, promotes resource regeneration, the circular economy and pollution reduction, incorporates "resource circular regeneration" into product design and manufacturing, formulates circular economy promotion policies, focuses on aspects such as "low-carbon design", "introduction of recycled materials" and "environmentally friendly packaging materials", and is committed to reducing resource consumption and environmental burdens throughout the full product life cycle, while gradually building a circular model that delivers both environmental benefits and operational efficiency.

During the raw materials and manufacturing stages, TSC selects low-power electronic components and designs various energy-saving features. For example, products equipped with LCD screens will automatically enter screen saver mode after a period of inactivity and can disable unused functions to enhance energy efficiency. In addition, TSC Auto ID has adopted a circular design concept to enhance the recyclability and reuse value of product materials, and is committed to using at least 10% recycled and reused plastic and metal materials in products (by weight) to reduce dependence on virgin resources. The Company completed the design implementation for all planned models in 2025, including the DH240, TH240, DH220, TH220, TX and other series models. Going forward, it will continue to implement the use of recycled materials on the production lines of relevant models in line with the progress of natural material substitution, while also accelerating the penetration of newly designed products through the phase-out plan for older models. In the future, the Company will continue to expand the scope of recycled material applications and further strengthen the circular economy value of products.

In terms of packaging materials, TSC is comprehensively promoting its environmentally friendly packaging materials policy, striving to reduce the environmental impact of packaging and improve resource use efficiency. In 2025, the product series under the target plan completed the use of environmentally friendly packaging materials, and all paper outer cartons were ensured to comply with the FSC label. At the same time, TSC plans in the future to print data on the proportion of recycled materials used in each model on the outer packaging as a reference for customers when selecting sustainable products. All product series of the Company are fully compliant with RoHS and WEEE regulations to ensure proper recycling and disposal at the end of the product lifecycle. TSC has always believed that, through these efforts, it can not only provide high-quality products but also genuinely fulfill the responsibility for the earth's environmental protection and sustainable development, and in the future will continue to move toward green innovation and product optimization, while aspiring to start from itself to develop leading products in the industry that are more energy-efficient.

2023–2025 Total Weight and Percentage of Raw Materials and Packaging Materials Used

Lize Plant & Tianjin Plant						
Material Type	2023		2024		2025	
	Weight (metric tons)	Percentage	Weight (metric tons)	Percentage	Weight (metric tons)	Percentage
Total Production Material Usage						
Renewable Materials	0	0%	0	0%	0	0%
Non-renewable Materials	2410	100%	2047	100%	1722	100%
Total Materials Used	2410	100%	2047	100%	1722	100%
Recycled Materials Used in Products (Note 1)						
Recycled Materials	0	0%	2	0%	32	2%
包材物料使用總量						
Renewable Ma-terials	516	86%	452	87%	383	87%
Non-renewable Materials	82	14%	66	13%	59	13%
Total Materials Used	598	100%	518	100%	442	100%
Recycled Materials Used in Packaging (Note 2)						
Recycled Materials	361	60%	317	61%	271	61%

Note 1: The percentage of recycled materials used in products is calculated as (total recycled material used in product manufacturing / total materials used in product manufacturing).

Note 2: The percentage of recycled materials used in packaging is calculated as (total recycled material used in packaging / total materials used in packaging).

Low-Carbon and Energy-Saving Product Series

To provide customers with high-quality and environmentally sustainable products, TSC ensures that all industrial, desktop, and portable product series are equipped with comprehensive energy-saving designs. A total of 22 products have passed the U.S. Energy Star certification. Currently, the launched industrial and desktop products comply with and are certified under the U.S. Energy Star standard. Additionally, the portable Alpha 2-inch printer series has obtained multiple certifications, including the U.S. DOE (Department of Energy) energy efficiency certification for electronic and electrical products, the California Energy Commission (CEC) certification, and the EU Energy-related Products (ERP) certification.

2025 Green Product Categories and Certification Status

Low-Carbon / Energy-Saving Product Category	Main Product Series	Acquired Certification or Label
Industrial Printer	All Product Series	• U.S. Energy Star
Desktop Printer	All Product Series	• U.S. Energy Star
Mobile Printer	Alpha 2-inch Series Alpha-30 Series Alpha-40 Series TDM-30 Series TDM-20 Series RE310 Series	• DOE
		• CEC
		• ERP

Building sustainable products with the supply chain

TSC upholds the development of green products as its mission, joins hands with the supply chain to promote green procurement, and implements rigorous management mechanisms and advocacy from the source of product manufacturing to fulfill environmental protection responsibilities. The Company's sustainable project development expenses, including models such as the TH and DH desktop series and the MB, ML, MH and PEX-2000 industrial series, as well as the procurement of materials from FSC suppliers, have cumulatively exceeded NT$ 15 million over the past 3 years.

Green Development and Procurement Achievements

Green Development and Procurement Achievements		2023	2024	2025
Headquarters and Lize Plant Note 1	Amount (NT$)	7,552,347	5,269,909	2,842,453
Tianjin TSC Auto ID Note 2	Amount (RMB)	183,567	189,410	2,406,367

Note 1: Amounts for the headquarters and the Lize Plant for 2023-2024 include Taiwan sustainable project development expenses for the TH and DH series models and FSC material procurement costs; the 2025 amount mainly represents FSC material procurement costs, and as TH and DH have been transferred to Tianjin for mass production, development expenses were therefore not included.

Note 2: Tianjin TSC Auto ID procurement amounts include FSC material procurement costs for the TH and DH series models and MH sheet metal material procurement costs.

The TH and DH series desktop printers launched by TSC in 2024 are a major milestone for the Company's move toward green products. In the design of the new products, lower energy use was achieved, and recycled materials were used in both the products themselves and the packaging. For packaging, 100% recyclable materials were used from inside to outside. The outer carton uses FSC-certified eco-friendly cardboard, composed of 80% recycled pulp and 20% pulp sourced from responsibly managed FSC forests. Other packaging materials, including molded pulp cushioning and various packaging bags, are also 100% recyclable.

TH and DH series desktop printers

Make Full Use

30% made from recycled plastic

Recycle and Reuse

100% of the housing is recyclable

90% of the components are recyclable



In addition, the Company continues to promote sustainable cooperation projects with suppliers and expand the results to more related series models. In terms of material selection, TSC has introduced 20% recycled steel sheets produced by China Steel and recycled and reused into the housings of the MB, ML, MH and PEX-2000 series of industrial models. In terms of packaging material selection, the Company has fully adopted a 100% recyclable packaging material design. The outer box packaging also uses environmentally friendly cartons certified by the Forest Stewardship Council (FSC), and the Company has successfully developed wood fiber bags to replace traditional PE bags for the MB, ML, MH and PEX-2000 series products, achieving plastic-free packaging material design for the above models.

MB, ML, MH and PEX-2000 series industrial printers

Make Full Use

10% of the machine body weight uses recycled and reused materials

Recycle and Reuse

80% of the entire machine can be recycled



TSC has always believed that building a sustainable supply chain is one of the most critical indicators of corporate sustainability. The Company continues to leverage its influence to set product development directions and promote various sustainability projects. By establishing a sustainable supply chain and enhancing suppliers' awareness of sustainability, TSC encourages supply chain partners to reflect, design, and collaborate in developing green products.

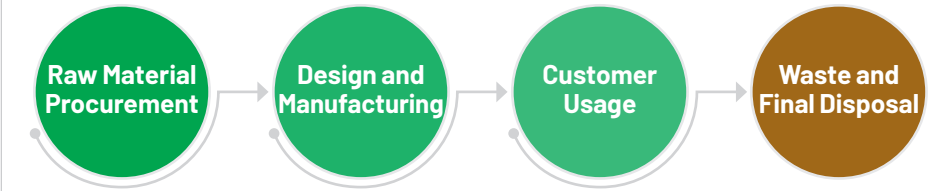
Product Lifecycle Management

TSC is committed to promoting environmental sustainability by implementing the concept of lifecycle assessment, conducting comprehensive analysis of the resources consumed and environmental impact throughout the entire lifecycle of its products and services. The goal is to optimize design and manufacturing processes, reduce carbon footprint, and enhance environmental friendliness.

Since 2022, TSC Auto ID has introduced the ISO 14001:2015 environmental management system, and both the Lize Plant and Tianjin TSC Auto ID passed recertification in 2025. From the perspective of the full product life cycle, including raw material procurement, design and manufacturing, customer product use, waste and final disposal, the Company has re-examined the complete process and continuously optimized product design and manufacturing, while also taking into consideration in product design a certain proportion of recycling rate under the EU Waste Electrical and Electronic Equipment (WEEE) Directive, comprehensively reducing negative environmental impacts. Moreover, for products that do not perform as expected in the market, the Company proactively issues End-of-Life Announcements (EOLA) to ensure that consumers receive timely and relevant information.

Upholding the philosophy of innovation with responsibility, TSC actively applies lifecycle assessment concepts in product design, manufacturing, and supply chain management to continuously enhance environmental benefits. This demonstrates TSC's commitment to sustainable development. Looking forward, TSC will continue deepening environmental impact assessments across all product lines and promoting green innovation to achieve optimal balance between global environmental sustainability and socioeconomic development.

TSC Product Lifecycle Concept Diagram



2025 Product Lifecycle Compliance Survey

Product Management Indicators	Unit	2025 Revenue Proportion
Products containing IEC 62474 declarable substances (Note 1)	percent	**15%**
Products certified with energy efficiency labels (Note 2)	NT$	**1,388,545,046** (Note 3)
	percent	**100%**
Revenue proportion of renewable energy and ener-gy-efficient products	NT$	**Not applicable** (Note 4)

Note 1: TSC currently uses the GPM system for substance management, and performs self-declarations based on REACH, RoHS, and other lists. Some of the substances are also included in the IEC 62474 declarable substance list. The revenue proportion is calculated based on the identified declarable substances.

Note 2: In 2025, TSC obtained energy efficiency certifications such as the U.S. Energy Star, U.S. Department of Energy (DOE) efficiency verification for electronic products, California Energy Commission (CEC), and the EU Energy-related Products (ERP) certification.

Note 3: Statistical amounts were calculated based on the models for which Energy Star, EU energy efficiency certification (ERP), California Energy Commission energy efficiency certification (CEC), and U.S. electronic and electrical product energy efficiency verification (DOE) were obtained in 2025.

Note 4: As TSC's principal business is the manufacturing and sale of label printers, various labels and consumables for printers, and enterprise handheld computers (EMC), it does not produce renewable energy-related or energy efficiency-related products.

2.3 Building a Sustainable Supply Chain

2.3.1 Supply Chain Overview

Supplier Composition and Types

TSC has supply chain partners located throughout Taiwan and overseas. In 2025, TSC had a total of 286 key suppliers. The Company categorizes suppliers into four main types based on procurement categories, including Raw Material Suppliers, Consumables Suppliers, Plant Engineering Suppliers and Equipment Suppliers. Among them, there are 262 suppliers of raw materials and consumables, and the major suppliers include suppliers of printheads, plastic processed products, metal processed products, power supplies, motors, cutters, wireless connectivity modules (Wi-Fi, BT, RFID), assembled circuit boards, and integrated circuits. TSC continues to implement focused supplier management through the Supplier Code of Conduct and conducts regular audits and assessments to ensure control over the quality of raw materials and consumables.

TSC Supplier Composition in 2025

Supplier Category	Head Office and Lize Plant		Tianjin TSC Auto ID	
	Number of Suppliers	Percentage of Total Suppliers	Number of Suppliers	Percentage of Total Suppliers
Raw Material Suppliers	243	85%	83	92%
Consumables suppliers	19	7%	3	3%
Plant Engineering Suppliers	9	3%	1	1%
Equipment Suppliers	15	5%	3	3%
Total Suppliers	**286**	**100%**	**90**	**100%**

TSC recognizes the importance of leveraging its influence and, while expanding global operations, continues to actively promote local procurement. Through long-term partnerships with local suppliers in Taiwan, TSC builds a stable and comprehensive sustainable supply chain while supporting local economic development. In 2025, due to model transitions and the reallocation of production bases, including shortening procurement chains and decentralized procurement, the proportion of local procurement by the Head Office and Lize Plant decreased to 62.49%; however, TSC continued to support local suppliers. Lize Plant's local procurement ratio exceeded 60% for 3 consecutive years, Tianjin TSC Auto ID maintained growth for 3 consecutive years, and its local procurement ratio exceeded 90% for 3 consecutive years. TSC will continue to establish stable cooperative relationships with suppliers and create more value for society through local procurement, achieving mutual prosperity and symbiosis between TSC and local development.

Local Procurement in Key Operational Locations

Procurement Amount/Percentage		2023	2024	2025
Percentage of pro-curement from local suppliers	Head Office and Lize Plant	73.46%	65.86%	62.49%
	Tianjin TSC Auto ID	98.90%	99.35%	99.55%

Note 1: Local procurement for the Head Office and Lize Plant is defined as procurement from local suppliers in Taiwan; local procurement for Tianjin TSC Auto ID is defined as procurement from local suppliers in mainland China

Note 2: Raw materials and consumables statistics are calculated up to 2025/12/31, excluding intra-Group transactions

Critical Raw Materials Management

In 2025, TSC's critical raw materials included printheads, cutters, motors, power supplies, wireless connectivity modules, and microcontrollers, with the Head Office's procurement amount accounting for 45% of the total annual procurement amount and Tianjin TSC Auto ID's procurement amount accounting for 42% of its total annual procurement amount. TSC does not use materials such as fluorspar or platinum group metals in any of its product lines. Other metal elements found in products (e.g., antimony, cobalt, gallium, germanium, graphite, indium, magnesium, niobium, tantalum, tungsten) and rare earth elements found in magnet-related components (including small amounts of yttrium (Y), cerium (Ce), dysprosium (Dy), praseodymium (Pr), lanthanum (La)) are inherently present in the raw materials themselves.

TSC continues to monitor raw material supply while considering potential risks, including supply chain disruption risks, geopolitical and manipulation risks, logistics risks, ESG, and increasingly stringent regulations, and therefore has adopted the following response strategies:

Key Risks	Risk Management Strategies
Supply Chain Dis-ruption Risk	• Strategic long lead-time planning for raw materials • Strengthen phase management and demand forecasting to balance cost efficiency and risk • Enhance supply chain visibility, strengthen supply chain resilience and agility, and establish strategic reserves to reduce the risks arising from supply chain disruptions
Geopolitical risks and manipulation risks	• Optimize supply chain configuration and invest in R&D to establish diversified sourcing channels • Avoid excessive dependence on specific countries or mar-kets to mitigate potential material shortage risks • Understand the distribution of suppliers' places of origin and establish cross-national regional production capacity allo-cation mechanisms
Logistics Risk	• Engage professional third-party logistics services to minimize and control shipping damage • Optimize transportation routes to ensure timely delivery to destinations • Assess climate risks and adjust transportation methods and demand allocation
ESG and Increasing Regulatory Stringency	• Require suppliers to sign a Green Compliance Statement, pledging not to use hazardous substances. • Utilize the Conflict Minerals Reporting Template (CMRT) from the Responsible Minerals Initiative (RMI), and conduct due diligence through the Green Product Management System (GPM) to ensure that no metals are sourced from conflict zones or uncertified smelters. • Continuously promote sustainability programs, encourage suppliers to participate in environmental initiatives, and focus on compliance and disclosure of information. • Respond promptly to regulatory requirements across countries by updating internal documentation, and make low-carbon sustainability a core operational benchmark, while enhancing supply chain management.

Conflict Minerals Management

TSC, based on the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas, has established an internal Conflict Minerals Management Policy aimed at ensuring transparency in the sourcing of materials such as tin, wolframite, coltan, gold, cobalt, and mica in the supply chain. Moreover, TSC explicitly commits to "not sourcing or using" minerals from armed conflict areas that have not been responsibly certified. In 2025, based on updated regulatory requirements, all suppliers were required to complete the latest Conflict Minerals Reporting Template (CMRT), including the Extended Minerals Reporting Template (EMRT), in order to avoid supporting human rights violations or funding armed groups, thereby fulfilling TSC's responsibilities and commitments to sustainable corporate operations, and TSC also expects to work together with supply chain partners to jointly reduce impacts on society and the environment. For details on conflict minerals management, please refer to the TSC Responsible Minerals website.

Responsible Mineral Management Process

Mineral Source Investigation and Identification
- TSC conducts due diligence procedures to systematically investigate the origins of materials such as tin, tungsten, coltan, gold, cobalt, and mica within its supply chain.

Supplier Commitment and Review
- Suppliers are required to submit the Conflict Minerals Reporting Template (CMRT) and the Extended Minerals Reporting Template (EMRT) to declare whether the materials they provide originate from conflict-affected areas.
- Clauses prohibiting the use of conflict minerals are included in the supplier RBA agreements, and suppliers are required to commit to reviewing the sources of their minerals.

Information Disclosure
- TSC discloses the implementation status of its Conflict Mineral Management Policy on its official website to ensure supply chain transparency and compliance, to avoid supporting armed conflicts or human rights violations, and to uphold its commitment to social responsibility.

Through the above conflict mineral management process, TSC continues to uphold the principle of responsible sourcing, ensuring that all mineral sources within the supply chain meet rigorous standards, protect human rights at their origin, and fulfill the Company's commitment to social responsibility.

2.3.2 Sustainable Supply Chain Management

Material Topic	Sustainable Supply Chain – Sustainable Supply Chain Management
Policy Commitment	TSC is committed to establishing a sustainable supply chain management system that adheres to green regulations, due diligence, and responsible sourcing, and strictly prohibits the use of conflict minerals. Upholding the value of integrity in business, TSC implements the Responsible Business Alliance (RBA) Code of Conduct, requiring suppliers to sign relevant agreements and declarations, with their compliance serving as a key criterion in procurement decisions. In addition, through irregular audits and guidance, TSC assists suppliers in improving their quality systems, environmental protection efforts, green procurement practices, and factory safety. This helps establish a stable and sustainable win-win partnership. TSC actively leverages the power of green manufacturing, working hand in hand with its supply partners to create social and environmental value through sustainability.
Management Actions	• Issue and track the signing status of the Supplier Code of Conduct and RBA survey forms through the Green Product Management System (GPM) • Following the implementation guidelines of RBA management, TSC has introduced a supplier sustainability assessment mechanism and established an effective management system to meet RBA certification requirements. • Tianjin TSC Auto ID continues to encourage local suppliers to use electric vehicles for material deliveries to reduce carbon emissions from delivery transportation
Effectiveness of Management Actions	✓ The signing rate for the Supplier Code of Conduct and the completion rate for RBA survey forms at the Head Office both exceeded 90%, while the completion rate for Tianjin TSC Auto ID's supplier RBA surveys was approximately 70% ✓ A total of 208 suppliers at the Head Office received RBA survey forms, and no high-risk suppliers were identified in the survey results, of which 3 suppliers are RBA members ✓ A total of 86 suppliers at Tianjin TSC Auto ID received RBA survey forms, and no high-risk suppliers were identified in the survey results, and 1 supplier obtained SA8000 certification ✓ Since May 2025, 3 suppliers of Tianjin TSC Auto ID have switched to using electric vehicles for material deliveries, effectively reducing transportation carbon emissions ✓ Sustainability project development costs for new models and material procurement from FSC suppliers

Sustainable Supply Chain Management Policy

To continually seek high-quality supply chain partners, TSC has integrated the Responsible Business Alliance (RBA) into its "External Provider Management Procedures," which governs the evaluation of new suppliers, on-site audits, and periodic evaluations of existing suppliers to ensure sound supply chain management. In evaluating new suppliers, TSC requires the signing of the following documents: Environmental, Health and Safety Agreement, Environmental, Health and Safety Supplier Questionnaire, Green Compliance Declaration, RBA Survey Form, and Supplier Code of Conduct Compliance Declaration, to ensure supplier commitment to five key areas: labor rights, health and safety, environmental protection, ethical standards, and management systems. In 2025, the supplier signing rates for both the Supplier Code of Conduct Compliance Declaration and the RBA Survey Form at the Head Office exceeded 90%, while the supplier signing rate for Tianjin TSC Auto ID was approximately 70%, demonstrating TSC's active efforts to build a sustainable supply chain.

Supply Chain-Related Education and Training

TSC regards corporate social responsibility and sustainable development as core to its operations. To implement sustainable supply chain management and prepare for external audits, TSC launched the "RBA Talent Development Spotlight Program" in 2024. This program systematically enhances employee understanding and application of RBA standards, further deepening compliance and transparency in supply chain management. Moreover, the program covers basic education and training involving employee participation, as well as advanced professional internal audit training for core audit members. In 2025, 20 internal auditors completed training in Taiwan, and 7 internal auditors completed training in Tianjin. Through a comprehensive and tiered rollout, the RBA Code of Conduct is embedded into daily operations, thereby enhancing TSC's overall ESG performance and international competitiveness. For detailed education and training, please refer to the Preface CH0 "Highlight Story: Building a Responsible Supply Chain from the Inside Out and Expanding RBA's Global Footprint".

Supplier Selection

TSC has established the "New External Provider Questionnaire" as a standard for screening new suppliers, categorized into three types based on nature: "Exempt from Evaluation," "Document Evaluation," and "On-site Evaluation." In addition, through the "External Provider Audit Record Form," suppliers conduct self-assessments across 13 dimensions, after which TSC's engineering, procurement, and quality assurance departments conduct on-site audits and assign final ratings to ensure the fairness and appropriateness of the on-site assessments.

Supplier Selection Dimensions



Supplier Survey and Evaluation Mechanism

TSC's RBA Survey Form is divided into 5 major categories, including separate scoring items for labor, occupational health and safety, environmental pollution, business ethics, and management systems. In 2025, the Head Office issued a total of 208 RBA survey forms through the Green Supply Chain Management Platform (GPM) system to annual transaction suppliers of raw materials and consumables, with 200 responses received and a response rate of over 95%; Tianjin TSC Auto ID issued a total of 86 survey forms, with 60 responses received and a response rate of approximately 70%, and no high-risk suppliers were identified in the survey results. In addition, all of the Head Office's top 30 suppliers by transaction amount, accounting for 80% of the transaction amount, complied with the Responsible Business Alliance (RBA) Code of Conduct, among which 3 suppliers with RBA VAP Silver level or above were exempt from evaluation; Tianjin TSC Auto ID conducted on-site audits of the top 5 suppliers by transaction amount, and the sampling results all complied with the requirements, among which 1 supplier also obtained SA8000 certification. TSC continues to closely monitor supplier risk; if issues such as human rights violations, major occupational accidents, or safety hazards arise, an investigation is launched immediately.

If any supplier experiences a significant risk incident relating to freedom of assembly and association, child labor, or forced labor, TSC will take relevant preventive and remedial actions to protect the rights of supplier workers.

Five Core RBA Investigation Categories

Labor

1. Prohibition of Forced Labor
2. Young Workers (Child Labor Prohibited)
3. Working Hours
4. Wages and Benefits
5. Non-Discrimination/No Harassment/ Humane Treatment
6. Freedom of Association and Collective Bargaining

Occupational Health and Safety

1. Occupational Health and Safety
2. Emergency Preparedness
3. Occupational Injury and Illness
4. Industrial Hygiene
5. Physically Demanding Work
6. Machine Safeguarding
7. Sanitation, Food, and Housing
8. Health and Safety Communication

Environmental pollution

1. Environmental Permits and Reporting
2. Pollution Prevention and Resource Conservation
3. Hazardous Substances
4. Solid Waste
5. Air Emissions
6. Material Restrictions
7. Water Management
8. Energy Consumption and Greenhouse Gas Emissions

Business ethics

1. Business Integrity
2. No Improper Advantage
3. Disclosure of Information
4. Intellectual Property
5. Fair Business, Advertising, and Competition
6. Protection of Identity and Non-Retaliation
7. Responsible Sourcing of Minerals
8. Privacy

Management System

1. Company Com-mitment
2. Management Ac-countability and Responsibility
3. Legal and Cus-tomer Require-ments
4. Risk Assessment and Risk Man-agement
5. Improvement Ob-jectives
6. Training
7. Communication
8. Stakeholder Par-ticipation and Remediation
9. Audits and As-sessments
10. Corrective Action Process
11. Documentation and Records
12. Supplier Respon-sibility

Deficiency Improvement and Counseling Program

Through its 2025 on-site audit mechanism, TSC established a comprehensive risk assessment system, categorized into Grade A (Low Risk), Grade B (Medium Risk), Grade C (High Risk), and Grade D (Non-Compliant). Existing suppliers are subject to regular evaluations. Those rated Grade D or lower in on-site audits are required to submit written responses within 30 days to address identified deficiencies. If issues involve human rights violations, breaches of business integrity, improper advantage, use of conflict minerals from high-risk areas, or violations of green regulations, TSC will demand immediate corrective actions. For major violations of CSR, ESG, or RBA principles with non-cooperation in audits or improvements, TSC will revoke supplier qualifications, and reapplication will not be accepted within six months. Tianjin TSC Auto ID has established an RBA grading assessment. If any deficiencies are identified, they will be indicated in the corrective action plan in the "Audit Checklist", and a written response on the improvement plan and supporting evidence of implementation will be required within 30 days.

2025 Overview of TSC Supplier Environmental Impact Assessments

Number of Suppliers	2023		2024		2025	
	Head Office and Lize Plant	Tianjin TSC Auto ID	Head Office and Lize Plant	Tianjin TSC Auto ID	Head Office and Lize Plant	Tianjin TSC Auto ID
Percentage of new suppliers screened using "environmental criteria"	68%	100%	75%	100%	92%	100%
Number of all suppliers assessed for environmental impacts using environmental criteria during the reporting period	15	81	269	82	271	86
Number of all suppliers identified as having significant actual or potential negative environmental impacts	0	0	0	0	0	2
Number of all suppliers assessed as having deficiencies that have been improved	0	0	0	0	0	2
Number of all suppliers with whom business relationships were terminated due to assessed deficiencies	0	0	0	0	0	0

Note 1: The Head Office and Lize Plant used Environmental, Health and Safety Agreements or Supplier Environmental, Health and Safety Management Questionnaires for environmental screening in 2023, and introduced the RBA Survey Form in 2024.

Note 2: Tianjin TSC Auto ID uses a Green Regulatory Declaration for environmental screening.

Overview of TSC's 2025 Supplier Social Impact Assessments

Number of Suppliers	2023		2024		2025	
	Head Office and Lize Plant	Tianjin TSC Auto ID	Head Office and Lize Plant	Tianjin TSC Auto ID	Head Office and Lize Plant	Tianjin TSC Auto ID
Percentage of new suppliers screened using "social criteria"	0%	0%	65%	0%	100%	100%
Number of all suppliers assessed for social impacts using social criteria during the reporting period	0	0	269	0	271	86
Number of all suppliers identified as having significant actual or potential negative social impacts	0	0	3	0	3	2
Number of all suppliers assessed as having deficiencies that have been improved	0	0	3	0	3	2
Number of all suppliers with whom business relationships were terminated due to assessed deficiencies	0	0	0	0	0	0

Note: Supplier social impact assessments for the Head Office and Lize Plant were implemented starting in 2024 after the introduction of the RBA Survey Form; Tianjin TSC Auto ID implemented them starting in 2025.

In 2025, TSC conducted on-site audits of suppliers regarding negative environmental, occupational safety, and social impacts. No suppliers were round violating environmental protection laws resulting in fines or enforced suspension of operations. As for occupational safety and social aspects, several negative impacts were identified. TSC has since communicated with and provided guidance to the suppliers in question and is continuing to track improvements. All audited suppliers completed corrective actions within the prescribed deadline in 2025, and no supplier relationships were terminated due to non-compliance with the Company's regulations.

Aspect	Negative Impact
Occupational Safety	• The on-site audit found that fire extinguishers were not properly placed and marked, and were not placed in conspicuous and readily accessible locations • Bottled substances in the work area were not clearly labeled, lacked hazard identification, and some locations lacked Material Safety Data Sheets (MSDS) • The chemical storage area was disorganized and labels were unclear • Occupational health and safety and machine guarding were not properly implemented, the freight elevator was not regularly maintained, fire protection equipment was not regularly inspected, and warning labels were insufficient • The first aid kit was not placed in an easily accessible location and labeling was insufficient • The evacuation route map was not correctly oriented • The power distribution box must display a high-voltage hazard warning (the box cover must be affixed with electric shock warning text and symbols)
Social	• Instances of extended working hours without additional wages paid in accordance with regulations, and extended working hours exceeding legal limits, in violation of the Labor Standards Act (Note 1) • A nursing room was not set up in accordance with regulations, and an appropriate venue was not provided for religious activities • When the payroll date fell on a holiday, payment was not made in advance • Labor representatives have not yet been elected in accordance with employee voting procedures • A few suppliers lacked employee grievance and complaint channels, and their handling procedures were inadequate (Note 2)
Environmental	• Some suppliers had not taken action to conserve energy and reduce con-sumption (Note 2)

Note 1: Audit findings applicable only to Taiwan TSC
Note 2: Audit findings applicable only to Tianjin TSC Auto ID

In light of increasing global awareness of sustainability, TSC regards the development of a sustainable supply chain as a key sustainability goal. In addition to improving supply chain management performance, TSC will continue to strengthen communication and awareness among suppliers and build their sustainability capacity in order to establish stable and mutually beneficial strategic partnerships for long-term development.

Supplier Reporting Mechanism

To ensure comprehensive environmental and social evaluation of suppliers, TSC has established internal and external grievance channels and aims to minimize potential supplier risks through appropriate remediation measures. Anyone who identifies potential legal violations by suppliers associated with the Company may file a report. For reporting procedures, please refer to section 1.2.3 "Integrity Management and Regulatory Compliance."

Upon receiving a case, the investigative unit will report it to the Chairman and notify the President when necessary. If the report concerns directors or senior management (Vice President level or above), the matter will also be reported to the Audit Committee. TSC has also established a whistleblower protection mechanism. All reports are handled confidentially, and whistleblowers will not face retaliation as a result of their complaints. The Company will keep the identity of the whistleblower strictly confidential to protect their rights and interests. In 2025, there were no supplier relationships terminated due to incomplete environmental or social assessments, and no whistleblower reports related to suppliers were received.

CH 3
Green Operations



TSC Auto ID upholds environmentally friendly values and remains committed to prioritizing environmental protection alongside its business development. Beyond regulatory compliance, TSC Auto ID actively fosters positive relationships with neighbors and the community, participating in local environmental initiatives. Through the establishment of the ISO 14001 system and regular audit mechanisms, TSC Auto ID conducts GHG inventories, sets carbon reduction goals, and reviews in-plant energy and resource consumption. The Company implements strategies for energy saving, water conservation, and waste reduction to meet all environmental regulatory requirements, minimize the environmental impact of business operations, and strengthen its actions in environmental protection and pollution prevention. The Company proactively promotes the following environmental principles:

- **Regulatory compliance:** Self-monitoring and management of air emissions, wastewater discharge, waste disposal, and noise control to ensure ongoing compliance with legal and regulatory requirements.
- **Zero hazard:** Environmental awareness promotion and labeling to prevent potential environmental incidents.
- **Waste reduction:** Waste classification and resource recycling to minimize waste generation.
- **Pollution reduction:** Application of improved pollution control technologies and equipment to reduce pollution levels.
- **Energy conservation:** Improving management methods and adopting high-efficiency equipment to reduce energy consumption.

Recommended Primary Readers:

- ■ Customers
- ■ Business Partners
- ■ Employees
- □ Shareholders/Investors
- ■ Government
- ■ Suppliers
- □ Local Communities

- ▶ 3.1.1 Climate Risk Management
- ▶ 3.1.2 Greenhouse gas emissions
- ▶ 3.1.3 Energy Management
- ▶ 3.1.4 Water Resources Management
- ▶ 3.2.1 Disposal and Recycling
- ▶ 3.2.2 Environmental Protection and Pollution Prevention

3.1 Energy and Resource Management

3.1.1 Climate Risk Management

TSC closely monitors the risks and business opportunities posed by climate change, striving to reduce the environmental impact of its operations and promote sustainable development. Since 2024, TSC has officially adopted the Task Force on Climate-related Financial Disclosures (TCFD) framework, using its Taiwan operating sites (headquarters and the Lize Plant) as the initial assessment scope, and plans to regularly disclose the assessment results on the Company website and in its sustainability report. TSC follows the Taiwan Stock Exchange's Regulations Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies and incorporates TCFD recommendations to transparently disclose climate-related risks, opportunities, and corresponding responses.

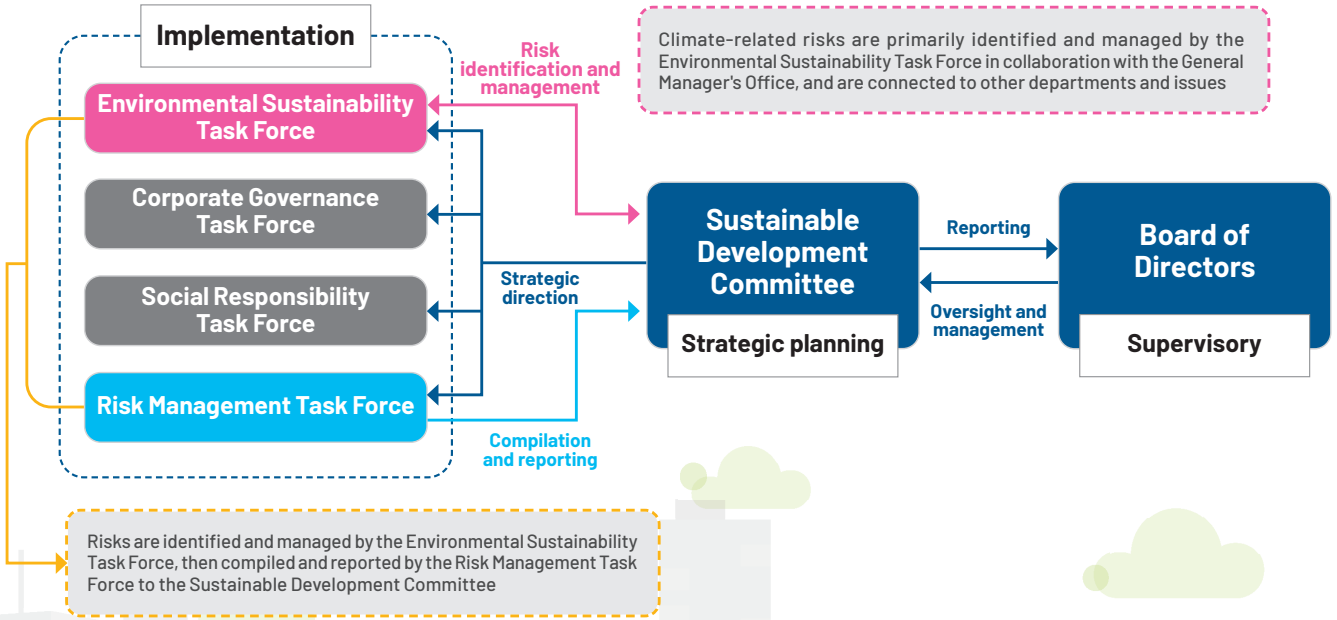
Climate governance and strategy

TSC's climate governance follows the TCFD framework, focusing on four key areas: governance, strategy, risk management, and metrics & targets. Relevant departments identify and analyze risks and opportunities based on policies, technological trends, market changes, reputation, and material risks, developing adaptive and responsive strategies. To enhance resilience against climate change, TSC will continue promoting low-carbon transformation and regularly review indicators and the implementation status of management strategies to meet its climate transition goals.

TCFD Dimensions	Management Content	Summary of Implementation Content and Staged Achievements
Governance	The Board of Directors serves as the highest governance body, implementing oversight of climate-related risks and opportunities	• Board of Directors: As the highest governance body, responsible for supervising climate-related risks and opportunities, response strategies, targets, response measures, and concrete outcomes • Sustainable Development Committee: Established in 2024, the Risk Management Task Force reports to the Committee at least once a year. In March each year, the Committee reports ESG topic implementation status to the Board
	Senior executive levels are responsible for the assessment and management of climate-related risks and opportunities	• Functional Task Force: Four functional task forces are established under the Sustainable Development Committee to jointly implement climate management actions, with the Environmental Sustainability Task Force primarily responsible for identifying and managing climate risks
Strategy	Identification of short-, medium-, and long-term climate-related risks and opportunities	• TSC's assessment of climate change risks and opportunities defines impact periods as short-term within 1 year, medium-term within 2-5 years, and long-term as beyond 5 years • With reference to international climate disclosure requirements, industry reports, and climate-related risks and opportunities of peer companies, a climate risk list has been developed. For the climate risk list and value chain impacts, please refer to the subsection "Climate Risk Identification Process" • Climate risks are identified by the Environmental Sustainability Task Force in conjunction with the General Manager's Office, which assess the potential impact level, TSC's vulnerability, and the likelihood of occurrence. A materiality screening principle is established to select major climate risks. For the process of climate change risk identification, please refer to the subsection "Climate-related Risks and Response Strategies"
	The impact of major climate risks and opportunities on business, strategy, and financial planning has been confirmed	• Short-, medium-, and long-term climate-related transition risks, physical risks, and climate opportunities have been identified. A qualitative analysis has been conducted to assess the impact of climate risks and opportunities on business, strategy, and finance. Please refer to the subsection "Climate-related Risks and Response Strategies" for details
	Climate risk analysis has been conducted under different scenarios to evaluate short-, medium-, and long-term carbon reduction strategies	• Scenario analysis has been adopted, considering both the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 Scenario (NZE) as two transition scenarios to analyze TSC's strategies and actions under different contexts
Risk Management	Implementation of climate-related risk identification, assessment, and management	• Climate risks are integrated by the Risk Management Task Force into the overall risk management framework. Risk response strategies and measures are formulated and implemented in daily operations upon confirmation by the Sustainable Development Committee
	The climate-related risk management process	
	Incorporated into the overall risk management framework	
Indicators and Target	Establish management indicators related to climate change to facilitate annual performance tracking	• A comprehensive GHG inventory schedule and multiple climate management action targets have been formulated. Please refer to the subsection "Climate Change Risk Indicators and Targets" • Based on the results of the GHG inventory, carbon reduction measures continue to be implemented to lower organizational GHG emissions. Please refer to section 3.1.2 GHG Emissions Management • Project teams execute climate action plans, and the Sustainable Development Committee regularly reviews the performance of each functional task force's implementation of climate actions. Indicator and target progress is consolidated and reported to the Board of Directors, which supervises performance on a regular basis
	Scopes 1 and 2 GHG emissions, as well as part of Scope 3 GHG emissions, are inventoried and disclosed annually to examine the operational impacts faced by the Company	
	The achievement status of climate management targets is reviewed annually	

Mechanism for Identification and Reporting of Climate-related Risks and Opportunities

The Board of Directors, as the highest governance body, is responsible for supervising climate-related risks and opportunities, response strategies, targets, response measures, and specific outcomes. The Sustainable Development Committee undertakes climate strategy planning, under which four functional task forces are established. The Risk Management Task Force reports to the Sustainability Development Committee at least once annually, and the Committee reports ESG topic implementation to the Board every March. The Environmental Sustainability Task Force, in conjunction with the General Manager's Office, is responsible for the identification and management of climate risks and collaborates on climate-related carbon reduction targets through the execution of various GHG reduction programs, product carbon footprint evaluations, and deployment of renewable energy. TSC's climate risk management process and division of responsibilities are as follows:



Climate risks and opportunities

TSC, based on the risk list from the TCFD disclosure framework, and with reference to international sustainability ratings as well as climate risks of concern to industry peers and upstream and downstream enterprises in the value chain, comprehensively identifies climate-related risks and opportunities. This is done by considering three dimensions: likelihood of occurrence, vulnerability, and severity of impact, taking into account key operational indicators and characteristics of the Company. This round of identification covers 7 climate-related risks and 3 climate-related opportunities. Among them, transition risks include the tightening of regulations on product energy efficiency, carbon taxes/fees (increased costs due to GHG emissions), and changes in customer behavior (demand for low-carbon production processes); physical risks include immediate extreme weather events (such as heavy rainfall and flooding), as well as long-term risks such as rising average temperatures. To ensure the accuracy and timeliness of risk identification, TSC plans to review the risk identification results once every year and to continuously focus on current risk changes and verify the appropriateness of response measures annually.

Following the guidance of the TCFD framework, TSC has established a climate-related risk management procedure to strengthen the mechanism for managing climate change-related risks and opportunities, including the following steps:



Climate risk identification process

Regarding the impact of climate risks on TSC's value chain, the Company, according to the identification process, reviews the degree and scope of impact of each risk on upstream suppliers (raw material manufacturers, various component suppliers, etc.), its own operations, and downstream customers (various end-use industry applications), and evaluates the timeframes in which these risks may have an impact: short-term (≤1 year, 2025), medium-term (1-5 years, 2026~2031), and long-term (more than 5 years, 2032~2050), categorizing impact levels into three grades, with scoring conducted by the Company's General Manager and management team. For each of the three groups—upstream suppliers, internal operations, and downstream customers—the level of impact of each risk is ranked as high, medium, or low. Further, the timing and severity of climate risk impacts on TSC's value chain are identified to serve as a reference for formulating response strategies and actions for climate risks.



Climate Risk List and Impact on the Value Chain

■ High ■ Medium ■ Low

Types of risks	Risk Dimension	Risk Name	Risk Description	Value Chain Impact		
				Upstream	Own Operations	Downstream
Transformation risks	Regulations and Policies	Tightening of product energy efficiency regulations	• Standards such as the EU's Energy-related Products (ErP), EPEAT, and Energy Star are raising product energy efficiency requirements. If TSC's products fail to meet these standards, it may face a decline in market share	■	■	■
		Carbon tax/fee (increased costs from GHG emissions)	• If carbon tax/fee or carbon tariff mechanisms are introduced in Taiwan and other countries in the future, the cost for TSC to procure energy and raw materials may increase	■	■	■
	Market	Changes in customer behavior (demand for low-carbon manufacturing)	• Customers are requiring suppliers to use renewable energy or low-carbon processes during manufacturing and to provide low-carbon products. If TSC is unable to meet these customer demands, it may negatively impact business performance	■	■	■
	Technology	Low-carbon alternatives to existing products and services	• The market demands advanced, energy-efficient technologies. If TSC's product technologies lag behind and fail to meet market needs, it will lose sales opportunities	■	■	■
	Business Reputation	Stakeholder concerns and negative feedback	• If TSC responds slowly to climate change actions or fails to disclose climate-related information, this may damage the Company's brand image and lower its value, making it less attractive to investors	■	■	■
Physical risk	Extreme	Extreme rainfall (short-duration intense rainfall)	• Extreme rain and flooding can lead to power shortages and outages, potentially disrupting the operations of TSC, its suppliers, distributors, or customers	■	■	■
	Long-term	Global rise in average temperatures	• A global rise in average temperatures may lead to increased air conditioning costs at TSC's operational sites or government-imposed energy restrictions, affecting plant operations and resulting in financial impacts • Rising temperatures may also increase the likelihood of forest fires, affecting the stable supply of paper raw materials for TSC and raising procurement costs	■	■	■

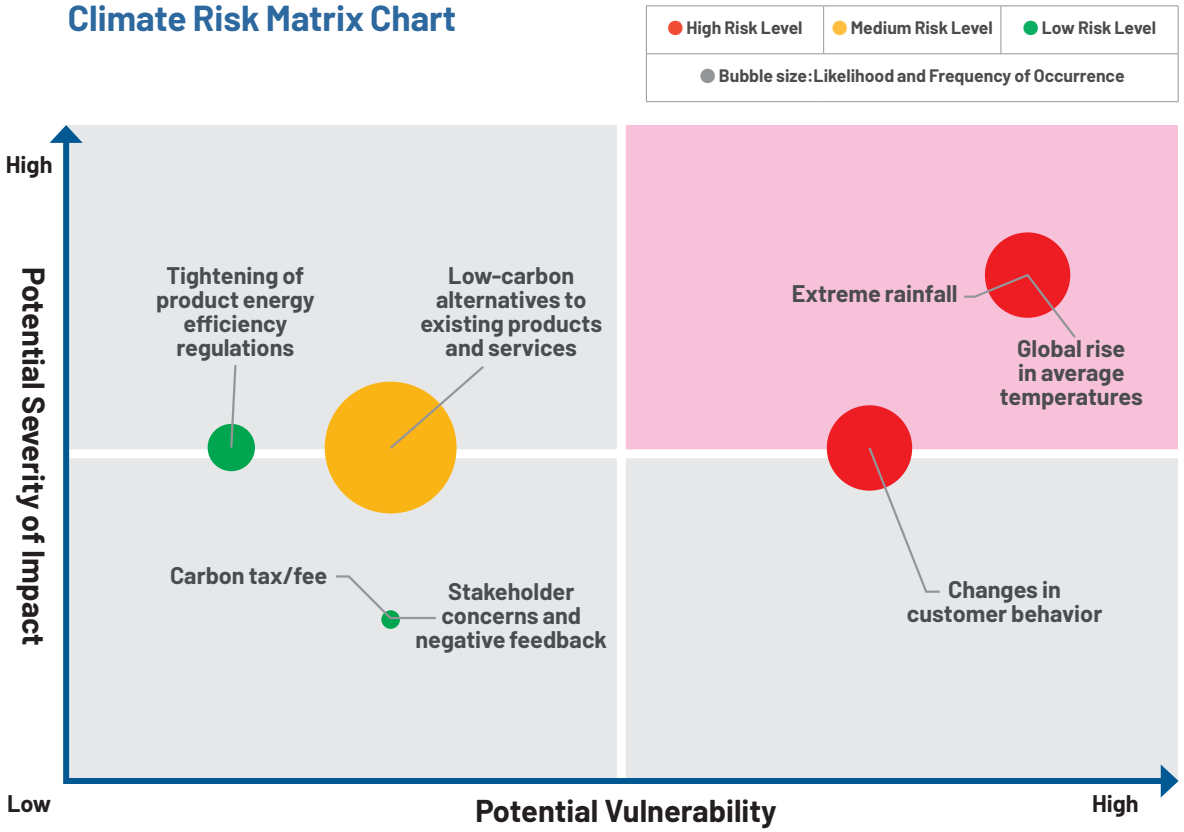
Materiality Identification of Climate Risks

To gain deeper insight into the impact of climate risks on the Company's operations, a comprehensive risk severity assessment was conducted by the General Manager and department heads. This assessment analyzed three aspects: potential vulnerability (X-axis), potential severity of impact (Y-axis), and likelihood/frequency of occurrence (bubble size), to determine the materiality of climate risks to business operations.

To further evaluate the impact of each risk, the Company assigned scores across the three axes for each risk item, then ranked them based on total impact scores as high, medium, or low risk. The results were used to position each risk item within a risk matrix. As identified, high-risk items include extreme rainfall, global rise in average temperatures, and changes in customer behavior — all located in the red zone in the upper right quadrant of the matrix with high vulnerability and high impact. Medium-risk items include low-carbon alternatives to existing products and services. Low-risk items include the tightening of product energy efficiency regulations, carbon tax/fee, and stakeholder concerns and negative feedback.

Through this identification process, TSC is able to clarify the potential operational impact of climate risks. The assessment results serve as a reference for the development of risk response measures and management mechanisms, ensuring the Company can effectively address the challenges and opportunities brought by climate change.

Climate Risk Matrix Chart



Climate-Related Risks and Response Strategies

Based on the results of the climate risk materiality analysis, TSC has evaluated the potential operational and financial impacts of the seven identified climate risks and developed corresponding response measures as shown in the table below. In addition, TSC actively promotes low-carbon manufacturing transition programs, invests in the development of energy-saving technologies, and tracks supplier carbon emissions as part of its management policy to ensure that all aspects of the Company's operations are equipped to respond to the impact of potential climate-related risks and opportunities. The Company remains committed to ongoing climate action and optimization of its day-to-day operational strategies.

Climate Risk Checklist and the Impact on the Value Chain

Note: Impact period definitions are short-term (≤ 1 year, 2025), medium-term (1-5 years, 2026~2031), and long-term (more than 5 years, 2032~2050).

No.	Risk Dimension	Risk Name	Description of Impact on TSC	Potential Financial Impact	Impact Period	Risk Level	Countermeasures
Transformation risks							
1	**Market**	Changes in customer behavior (demand for low-carbon manufacturing)	Changes in customer behavior may lead to stronger demands for low-carbon processes. This risk significantly impacts the entire value chain, causing compounding negative effects. Customers may require the supply chain to expand its use of renewable energy, which may result in increased quotes from suppliers due to higher costs, while TSC would also incur additional costs to implement renewable energy — facing dual cost pressure.	Increased costs	Mid-term	High	• Accelerate planning of the low-carbon manufacturing transition roadmap through 2030 • Enhance understanding of product carbon footprint and carbon reduction plans from suppliers and logistics partners • Plan to reduce product carbon footprints in response to customer demand for low-carbon products and processes
2	**Technology**	Low-carbon alternatives to existing products and services	Customers may strengthen energy-saving requirements for products. TSC is continuously improving product energy efficiency and possesses sufficient knowledge and skills to respond	Revenue decrease	Mid-term	Medium	• Strengthen tracking of market demand for energy-efficient products • Analyze the energy efficiency of competing products and increase communication frequency with customers • Prioritize investment in energy-saving technology development to improve energy efficiency during product use phase • Ensure TSC products are aligned in advance with customer needs
3	**Regulations and Policies**	Tightening of product energy efficiency regulations	Countries continue to tighten regulations related to product energy efficiency. While TSC closely monitors the latest regulations, unprepared suppliers may be significantly impacted, which could affect TSC's products in the long term	Increased costs	Long-term	Low	• In the short to medium term, prioritize monitoring supplier readiness • Identify new suppliers and enhance supplier capabilities • Reduce TSC's long-term risk of being unable to comply with stricter regulations due to supplier constraints
4		Carbon tax/fee (increased costs from GHG emissions)	TSC's Taiwan headquarters and Lize Plant have low GHG emissions and are not affected by carbon tax/fee regulations in the short to medium term. The Lize Plant is planning to install a renewable energy generation system for self-use, which is expected to reduce emissions.	Increased costs	Long-term	Low	• Continue to monitor regulatory developments and set emission reduction targets • Track supplier carbon emissions and the potential cost pass-through due to carbon tax/fee regulations
5	**Business Reputation**	Stakeholder concerns and negative feedback	In the short to medium term, TSC's and its value chain's climate actions can meet stakeholder expectations. In the long term (2030–2050) there may be potential risk due to net-zero requirements.	Decreased funding Revenue decrease	Long-term	Low	• Continuously strengthen climate risk management and related disclosures • Implement climate action to build a strong business reputation
Physical risk							
6	**Extreme**	Extreme rainfall (short-duration intense rainfall)	If extreme rainfall disrupts the supply chain and prevents shipments, TSC may face supply pressure and indirect negative impacts	Revenue decrease Increased costs	Mid-term	High	• Continue strengthening TSC's operational and supply chain disaster response capabilities • Plan to assist suppliers in assessing extreme weather risks and developing response measures, including the establishment of business continuity planning (BCP)
7	**Long-term**	Global rise in average temperatures	A global rise in average temperatures may impact infrastructure and corporate operations and could also lead to more frequent forest fires, affecting TSC's supply chain	Revenue decrease Increased costs	Mid-term	High	• Develop response strategies for rising temperatures and potential infrastructure damage • Improve the heat tolerance of equipment and products; prepare energy storage systems or generators to respond to power grid instability caused by high temperatures • Expand the use of automation and smart factory manufacturing equipment to mitigate labor efficiency loss due to heat waves • Increase R&D of linerless solutions to reduce paper demand

Climate Opportunity Identification

Based on the materiality analysis of climate risks, and after assessing the potential impacts of each identified risk, three climate-related opportunities have been identified. The implications of each opportunity for TSC's operations, as well as their potential financial impact and associated timeframes, are analyzed as shown in the table below:

No.	Opportunity Dimension	Opportunity Name	Implication for TSC	Potential Financial Impact	Impact Period
1	**Products and services**	**Development of new products**	Develop linerless solutions to reduce process-related carbon emissions and reliance on paper	Increased revenue	Mid-term
2	**Products and services**	**Development of energy-saving products**	Enhance energy-efficient product design to create added product value	Increased revenue	Mid-term
3	**Energy source**	**Use of renewable energy**	Install renewable energy systems for self-consumption to reduce GHG emission risk	Cost change	Short-term

Note: Impact period definitions are short-term (≤ 1 year, 2025), medium-term (1-5 years, 2026~2031), and long-term (more than 5 years, 2032~2050).



Climate Change Risk Indicators and Targets

To address the impacts and challenges posed by climate change, TSC actively implements carbon reduction strategies, covering product raw materials, energy management, and carbon management. Through multiple energy-saving and carbon reduction programs and the establishment of a complete inventory schedule, the Company aims to gradually achieve several climate-related carbon reduction targets, including the following:

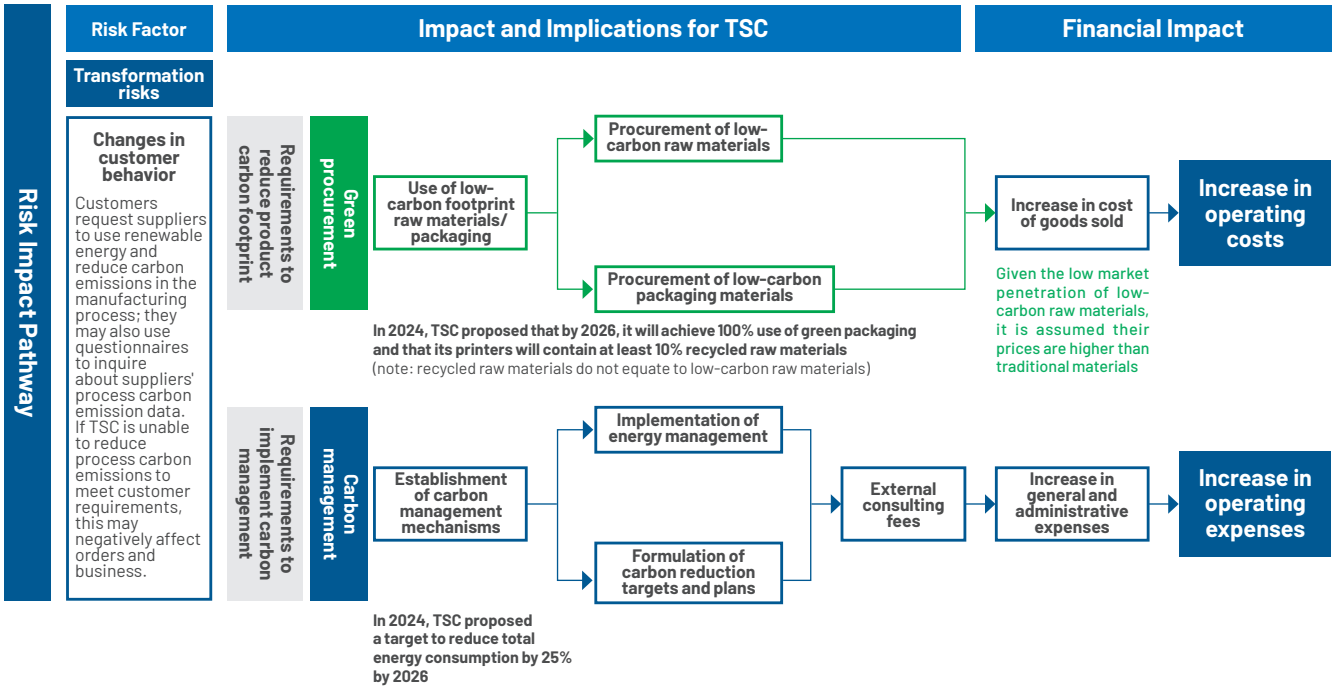
Carbon Reduction Strategy Indicator	Target Description
Energy Management and Renewable Energy Integration	Continuing to focus on reducing its carbon footprint, TSC completed the installation of solar power equipment at the Yilan Lize Plant in 2025, and has set a target to achieve a 25% reduction in energy consumption by 2026, while continuing to expand the use of renewable energy, promote innovation, and improve energy efficiency to create cleaner energy use for the future.
Product and Raw Material Carbon Reduction	In 2025, the R&D and manufacturing teams were still in the product evaluation and selection stage. The target for this year has been adjusted to complete product carbon footprint inventories by 2026, and the Company will continue to promote supply chain adjustment and transformation, with the aim of achieving the use of 10% recycled materials in hardware components and 100% green packaging by 2026 to enhance carbon reduction in products and raw materials.
Carbon Management and Corporate Operational Carbon Reduction	To effectively reduce GHG emissions, TSC has defined clear carbon reduction strategies. Starting in 2025, the Company will conduct GHG inventories for its overseas subsidiaries; verification of the Taiwan plant sites will be completed by 2027, and assurance of overseas subsidiaries by 2028. A 20%-40% reduction in GHG emissions is targeted for 2030 Note 1. In the future, climate-related targets will be integrated into the Company's compensation policy to ensure that performance is closely tied to carbon reduction goals, thereby advancing sustainable corporate development.

Note 1: Information restatement: The 2024 sustainability report incorrectly stated "a projected 25% reduction in greenhouse gas emissions by 2026" and was corrected in this year's sustainability report.

Material Climate Risk Scenario Analysis and Impact Assessment

To analyze the operational impact of future climate transition, TSC adopts the Global Energy and Climate Model developed by the International Energy Agency (IEA), and conducts analysis based on the Stated Policies Scenario (STEPS) and the Net Zero Emissions by 2050 Scenario (NZE). The Company evaluates the potential impacts on "operating costs" and "operating expenses" under different scenarios, specifically focusing on the transition risk of "changes in customer behavior":

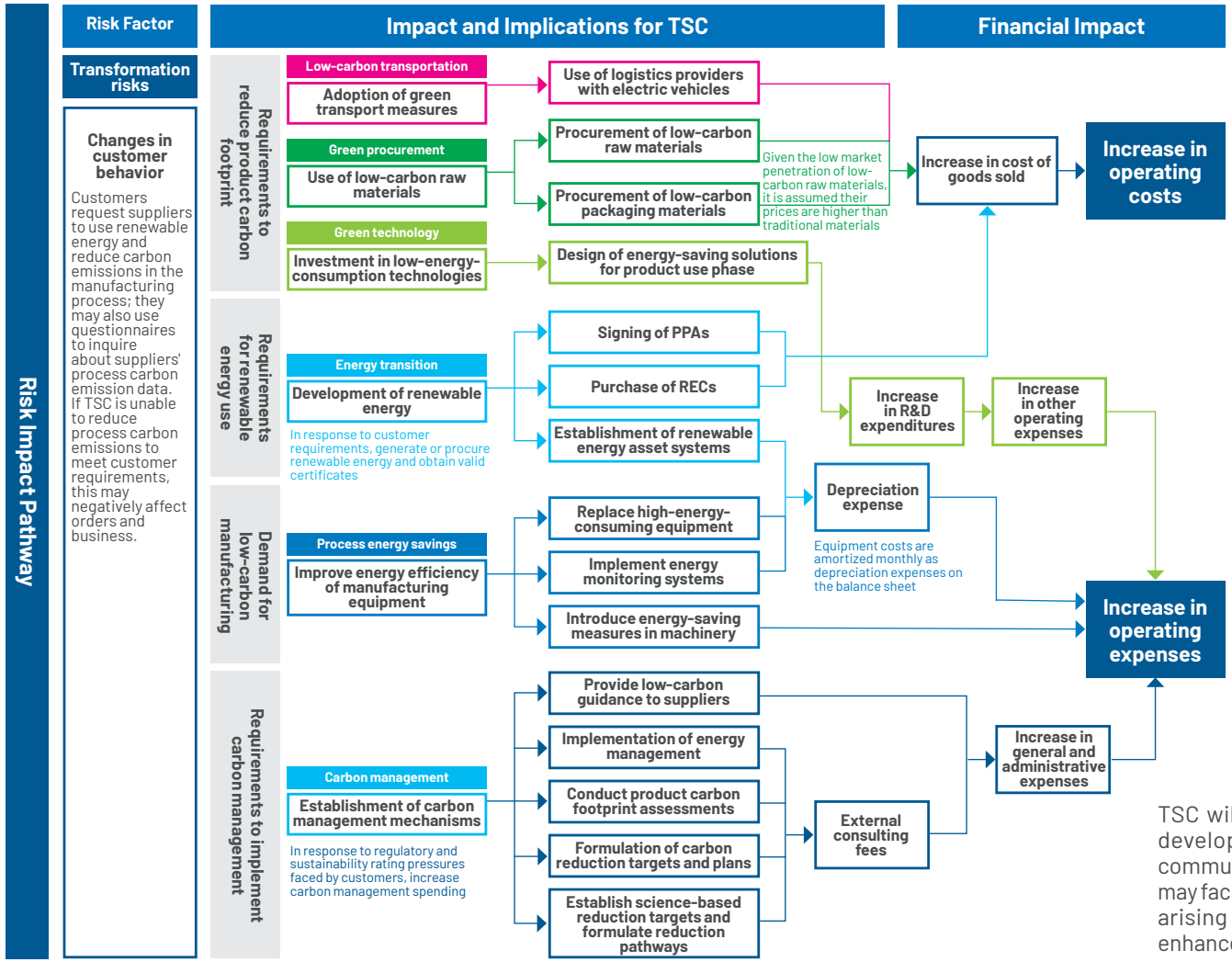
STEPS Scenario: Impact of Changes in Customer Behavior on TSC



Under the baseline STEPS scenario, changes in customer behavior mainly focus on environmental requirements for suppliers, such as requiring suppliers to use renewable energy in the manufacturing process, reduce process-related carbon emissions, or provide carbon emissions data through questionnaires. If TSC is unable to reduce process carbon emissions to meet customer demands, this may result in two types of negative financial impacts on orders and business, as follows:

Financial Impact	Description of Impact
Increase in operating costs	To address changes in customer behavior, TSC is committed to reducing product carbon footprints. Therefore, TSC has adopted green procurement strategies and uses low-carbon raw materials and packaging. However, due to the relatively low market availability of such materials and their higher costs compared to traditional options, cost of goods sold and operating costs increase.
Increase in operating expenses	To address rising customer expectations on carbon reduction, TSC may need to establish carbon management mechanisms, formulate reduction targets and plans, and implement energy management. These measures result in increased management costs or consulting fees. Additionally, to meet customer demands, TSC may need to self-generate renewable energy, sign power purchase agreements with renewable energy providers, or purchase renewable energy certificates — all of which require additional capital investment.

NZE Scenario: Impact of Changes in Customer Behavior on TSC



Under the NZE scenario, changes in customer behavior similarly focus on environmental requirements but with stricter expectations. Customers demand that suppliers use renewable energy during manufacturing, reduce process carbon emissions, and conduct product carbon footprint assessments. If TSC fails to meet these expectations, the impact on orders and business may be even more significant.

Financial Impact	Description of Impact
Increase in operating costs	To continuously reduce product carbon footprints, TSC will need to ensure low-carbon transportation by implementing green transport measures, while also using low-carbon raw materials and packaging. In addition, to support energy transition, it will be necessary for TSC to develop renewable energy, such as through self-generation or external procurement. These transition measures will further result in increased operating costs.
Increase in operating expenses	In order to reduce product carbon footprints, technological R&D will require investment in low-energy-consumption technology development and the design of energy-saving solutions for the product use phase, thereby increasing research and development expenses. Moreover, in terms of process energy efficiency, improving the energy performance of manufacturing equipment will require replacement of high-energy-consuming machines or the implementation of energy-saving measures and energy monitoring systems. Furthermore, in establishing a carbon management mechanism, a series of strategies must be executed — including low-carbon guidance for the supply chain and the formulation of carbon reduction targets and plans. These efforts will increase general administrative expenses, including external consulting fees and other operating expenses.

TSC will continue to monitor climate-related trends and regulatory developments both domestically and internationally, while actively communicating with suppliers to clearly understand the challenges they may face during the climate transition, and to minimize the financial impact arising from raw material procurement. In addition, the Company will enhance its own carbon emission management and establish a renewable energy self-generation system to meet increasing environmental demands from customers, ensuring order stability and supporting the Company's sustainable transformation.

3.1.2 GHG Emissions Management

The environmental impact caused by global climate change and GHG emissions has become a major issue of international concern. As a member of the global community, TSC Auto ID upholds the concept of sustainable development, actively fulfills its corporate social responsibility. In 2025, the Lize Plant passed ISO 14001: 2015 Environmental Management System recertification audit, and Tianjin TSC Auto ID also passed the recertification audit in 2025 and obtained third-party verification. In accordance with international standard frameworks, the Company continues to reduce environmental impact through GHG inventory and management, implements carbon reduction actions, and strives to mitigate the effects of climate change, while ensuring that its operations comply with international standards to achieve the goal of sustainable development.



TSC Auto ID GHG Emissions Management System

P Establish an annual inventory plan to conduct GHG emissions inventory for TSC Auto ID and ensure accurate understanding of emissions status

D Actively promote GHG emission reduction measures, implement energy-saving actions, and introduce renewable and alternative energy sources to reduce emissions

C Regularly inspect and evaluate the effectiveness of emission reduction measures to ensure efficacy, and make necessary adjustments based on the results

A Continuously improve based on inventory results to meet and exceed customer requirements and regulatory standards, reduce or mitigate the impact of GHG emissions on global warming, and realize sustainable development

The Company has initiated GHG inventory work to enhance the transparency of emissions data, ensure data accuracy, and gain a precise understanding of current emissions status, serving as the basis for future voluntary reduction plans. TSC will gradually implement carbon reduction targets to respond to global stakeholder expectations.

GHG Inventory and Management

TSC Auto ID has established a comprehensive GHG inventory mechanism in accordance with ISO 14064—1:2018 since 2023. In 2025, in line with international standards and government regulatory trends, the Company adopted the GHG Protocol as the standard for its inventory, and conducts annual inventories of GHG emissions from its Xindian Headquarters, Yilan Lize Plant, and Tianjin TSC Auto ID, covering seven types of GHGs: carbon dioxide (CO2), methane (CH4), nitrous oxide (N2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF6), and nitrogen trifluoride (NF3). In 2025, TSC not only completed the GHG inventory for its Taiwan facilities, but also expanded the inventory disclosure scope to Tianjin TSC Auto ID, and included the inventory progress as a regular reporting item to the Board of Directors.

For the Taiwan region, 2023 was set as the baseline year for the first inventory. Combined Category 1 GHG emissions from Headquarters and the Lize Plant totaled 50.7606 metric tons CO2e, and combined Category 2 GHG emissions totaled 475.4281 metric tons CO2e, for a total of 526.1887 metric tons CO2e. In 2025, Scope 1 greenhouse gas emissions totaled 36.7387 metric tons CO_2e, and Scope 2 greenhouse gas emissions (market-based) totaled 363.0963 metric tons CO_2e. The total combined emissions for 2025 were 399.8350 metric tons CO_2e, representing a reduction of approximately 126.3537 metric tons CO_2e compared to the baseline year 2023. The reduction in greenhouse gas emissions this year was mainly attributable to the implementation of rooftop solar photovoltaic self-consumption systems at the plants, which increased renewable energy utilization and effectively decreased indirect emissions from purchased electricity.

The first inventory year for Tianjin TSC Auto ID was 2024. Category 1 GHG emissions totaled 52.7243 metric tons CO_2e, and Category 2 GHG emissions totaled 212.61 metric tons CO_2e, for a total of 265.3343 metric tons CO_2e. In 2025, Scope 1 greenhouse gas emissions totaled 52.5144 metric tons CO_2e, and Scope 2 greenhouse gas emissions totaled 239.3306 metric tons CO_2e. The total combined emissions for 2025 were 291.845 metric tons CO_2e, representing an increase of approximately 26.5107 metric tons CO_2e compared to 2024. The primary reason for the increase in greenhouse gas emissions was the rise in annual production volume, which drove higher energy consumption demand and consequently led to an increase in indirect emissions from purchased electricity.

TSC Auto ID will continue to strengthen its greenhouse gas inventory capabilities and progressively expand the disclosure of Scope 3 to Scope 6 emissions, providing a more comprehensive representation of greenhouse gas emissions associated with the Company's operations. The Company plans to complete third-party assurance of its Taiwan plants in accordance with the GHG Protocol by 2027, while Tianjin factory is scheduled to complete third-party assurance by 2028, thereby enhancing data credibility and transparency and further advancing carbon reduction management.

GHG Emissions Data for the Past Three Years

(Unit: t-CO2e)

Emissions Category		Headquarters			Lize Plant			Tianjin TSC Auto ID Technology CO., LTD.	
		2023	2024	2025	2023	2024	2025	2024	2025
Category 1 Direct GHG Emissions		13.3526	13.8973	9.2205	37.4081	32.8519	27.5182	52.7243	52.7805
Carbon dioxide (CO2)		4.1178	4.2535	3.5195	2.0882	1.6371	2.7817	0.85	0.8896
Methane (CH4)		8.3237	8.7285	4.8088	22.9217	22.8829	10.1882	0.0013	0.009
Nitrous oxide (N2O)		0.1298	0.134	0.1109	0.0295	0.0231	0.037	0.0191	0.028
Hydrofluorocarbons (HFCs)		0.7813	0.7813	0.7813	12.3687	8.3088	14.5113	51.8539	51.8539
Category 2 Indirect GHG Emissions	Market-based	71.5831	72.5628	76.4609	403.845	379.911	286.6354	212.61	180.3562
	Local-based	-	-	76.4609	-	-	379.5659	-	180.3562
Category 3–6 Indirect GHG Emission		71.7393	97.6831	114.3155	138.6056	123.292	109.3457	94.5685	65.3425

Emissions Category		TSC Auto ID		
		2023	2024	2025
Category 1 Direct GHG Emissions		50.7607	99.4735	89.5192
Category 2 Indirect GHG Emissions	Market-based	475.4281	665.0838	543.4525
	Local-based	-	-	636.383
Category 3–6 Indirect GHG Emissions		210.3449	315.5436	289.0037

GHG Intensity

	Unit	2023	2024	2025
Total GHG Emissions (Category 1 & Category 2 Market-based)	t-CO2e	526.1888	764.5573	632.9717
Annual Revenue	NT$ Million	3,784.49	5270.81	5702.75
Emissions Intensity	t-CO_2e / NT$ Million	0.139	0.145	0.111

Note 1: Emission categories include CO2, CH4, N2O, HFCs, and the Company has no greenhouse gas emissions of PFCs, SF6, or NF3, nor CO2 emissions generated from the use of biofuels.

Note 2: The calculation scope covers the headquarters, the Lize Plant and Tianjin TSC Auto ID, of which Tianjin TSC Auto ID has been included in the calculation scope since 2024.

Note 1:
The calculation boundary covers headquarters, the Lize Plant, and Tianjin TSC Auto ID, among which Tianjin TSC Auto ID has been included in the calculation boundary since 2024.

Note 2:
The Company does not emit PFCs, SF6, or NF3, nor does it account for CO2 emissions from biofuel use.

Note 3:
Greenhouse gas emissions are consolidated using the operational control approach; GWP values are based on the IPCC 2021 6th Assessment Report, and the greenhouse gas emission factors for headquarters and the Lize Plant are referenced from the Ministry of Environment, Executive Yuan Greenhouse Gas Emission Factor Management Table Version 6.0.4, the Product Carbon Footprint Information Platform, the EPA Carbon Footprint Calculation Service, and the ICAO Carbon Emissions Calculator; the greenhouse gas emission factors for Tianjin TSC Auto ID are referenced from the IPCC 2021 6th Assessment Report, the Ministry of Environment, Executive Yuan Greenhouse Gas Emission Factor Management Table Version 6.0.4, the annual electricity emission factor announced by China's National Energy Administration, and the Product Carbon Footprint Information Platform of China's Ministry of Ecology and Environment.

Note 4:
For Categories 3–6, indirect GHG emissions are identified based on control authority. Headquarters and the Lize Plant selected the following: (1) GHG emissions from raw material transport; (2) GHG emissions from transportation generated by products; (3) GHG emissions from employee business travel; (4) GHG emissions generated upstream from energy and resource transmission and distribution; (5) GHG emissions from purchased goods; (6) GHG emissions from final waste disposal; (7) GHG emissions from waste transportation. Tianjin TSC Auto ID selected the following: (1) GHG emissions from upstream transportation; (2) GHG emissions from downstream transportation; (3) GHG emissions from business travel; (4) GHG emissions from purchased goods.

Note 5:
Information restatement: In the 2024 sustainability report, the Scope 1 direct greenhouse gas emissions of the Lize Plant were incorrectly stated as "34.408" and were corrected in this year's sustainability report.

Carbon Reduction Targets and Action Plan

To reduce GHG emissions during operations, TSC Auto ID has developed a three-phase carbon management plan and set long-term reduction targets to achieve carbon neutrality by 2050. In the 1st phase, the Company gradually introduced the "Carbon Manager—Cloud Carbon Management Platform" across global operating sites to digitally manage greenhouse gases, enhance data collection, calculation and management capabilities, ensure effective monitoring and management of greenhouse gas emission sources, and successfully completed the introduction of the digital carbon management platform at Tianjin TSC Auto ID in 2025.

In the 2nd phase, the Company introduced the use of renewable energy at production sites. Lize Plant completed the installation of a rooftop solar power self-generation and self-consumption system in 2025. Through the introduction of renewable energy, the Company aims to reduce greenhouse gas emissions during the production process and expects to reduce greenhouse gas emissions in Taiwan by 20%-40% by 2030. In addition, Tianjin TSC Auto ID reviews the carbon emissions status of the previous month on a regular monthly basis, focusing on monitoring carbon emissions from product transportation and promptly adjusting delivery frequency, with the goal of reducing greenhouse gas emissions in the China region by 10% in 2026 compared with the 2024 baseline year.

In the 3rd phase, the Company implemented a carbon neutrality plan by consolidating global emission reduction efforts to evaluate progress and achieve carbon neutral by 2050.

TSC's Path Toward Net Zero: Carbon Emissions Reduction Strategy

Phase 1 – Global Carbon Data

- Inventory across global operations
- Digital management of GHG emissions

Phase 2 – Emissions Reduction Measures

- Global operating sites are expected to reduce greenhouse gas emissions by 20%-40% before 2030
- Regularly monitor carbon emissions from product transportation and adjust transportation frequency
- 100% green packaging1
- Use of 10%+ recycled materials in printer construction2

Phase 3 – Carbon Neutrality Plan

- Integration of global emission reduction experience
- Carbon neutrality target

Note 1: For details on green packaging, refer to Section 2.2.1 "Development of Sustainable Products"

Note 2: For the use of recycled materials in printers, refer to Section 2.2.1 "Development of Sustainable Products"



Looking ahead, TSC Auto ID will continue to review and optimize carbon reduction measures, enhance energy management efficiency, and actively refer to international initiatives to ensure that its sustainability strategies align with global environmental standards. Through scientific management and technological innovation, the Company will steadily advance toward a low-carbon transition and fulfill its commitment to sustainable corporate development.

3.1.3 Energy Management

Global climate change and energy issues have drawn increasing attention. A company's actions in energy management not only affect its operational efficiency but are also closely tied to environmental sustainability and social responsibility. TSC Auto ID, upholding the spirit of corporate social responsibility, actively responds to international energy transition trends. The Company is committed to strengthening energy management, improving energy use efficiency, and promoting the development of renewable energy, with the aim of gradually reducing dependence on conventional fossil fuels year by year. Although TSC is not currently classified as a high electricity user under Taiwan's Renewable Energy Development Act, the Company continues to carefully assess global renewable energy regulations and trends, proactively planning long-term energy management strategies to reduce environmental impact and enhance corporate competitiveness.

Overview of Energy Use

In 2025, the main types of energy used by TSC Auto ID included purchased electricity 83.21%, gasoline 1.24%, and diesel 0.78%. Total non-renewable energy consumption was 4077.74 gigajoules (GJ); total renewable energy consumption was 705.96 gigajoules (GJ), accounting for 14.76%. In 2025, total non-renewable energy consumption decreased by 11.83% compared with the previous year, while energy consumption per unit of revenue in 2025 declined by 0.04 gigajoules (GJ)/million compared with 2024. In 2025, TSC Auto ID showed differentiated trends in energy use across its various plant sites. Due to the installation of rooftop solar power generation equipment at the Lize Plant, non-renewable energy consumption decreased significantly, effectively reducing greenhouse gas emissions generated by purchased electricity; by contrast, Tianjin TSC Auto ID experienced a significant increase in energy consumption due to increased production capacity and the addition of Design Quality Assurance equipment.

In the future, TSC will improve energy use efficiency through enhanced equipment management and the promotion of energy-saving technologies, continue to strengthen energy-saving measures, reduce energy intensity, and gradually decrease its reliance on conventional energy sources.

Energy use data of all operating sites over the past three years

(Unit: gigajoules GJ)

Type of Energy Consumption	Headquarters			Lize Plant			Tianjin TSC Auto ID Technology CO., LTD.	
	2023	2024	2025	2023	2024	2025	2024	2025
Gasoline	59.44	61.38	50.19	0	0	0	16.9	9.36
Diesel	0	0	0	28.17	22.09	37.49	0	0
Purchased electricity	521.78	551.24	580.85	2,943.67	2886.06	2177.47	1085.9	1222.38
Renewable energy generated on-site	0	0	0	0	0	705.96	0	0
Total Energy Use	581.22	612.62	631.04	2,971.84	2908.15	2920.92	1102.8	1231.74
Share of purchased electricity	89.77%	89.98%	92.05%	99.05%	99.24%	74.55%	98.47%	99.24%
Share of renewable energy	0%	0%	0%	0.00%	0.00%	24.17%	0%	0%

Note 1: The calculation boundary covers headquarters, the Lize Plant, and Tianjin TSC Auto ID, among which Tianjin TSC Auto ID has been included in the calculation boundary since 2024.

Note 2: The energy conversion factors for headquarters and the Lize Plant are based on the "Table of Calorific Values of Energy Products" published by Taiwan's Ministry of Economic Affairs Energy Administration for calorific value conversion; the energy conversion factors for Tianjin TSC Auto ID are based on the "Energy Statistics Reporting System" published by China's National Bureau of Statistics for calorific value conversion.

Overall energy use data over the past three years

(Unit: gigajoules GJ)

Type of Energy Consumption	TSC Auto ID		
	2023	2024	2025
Gasoline	59.44	78.28	59.55
Diesel	28.17	22.09	37.49
Purchased electricity	3465.45	4523.2	3980.7
Renewable energy generated on-site	0	0	705.96
Total Energy Use	3553.06	4623.57	4783.70

Note 1: The calculation boundary covers headquarters, the Lize Plant, and Tianjin TSC Auto ID, among which Tianjin TSC Auto ID has been included in the calculation boundary since 2024.

Note 2: The energy conversion factors for headquarters and the Lize Plant are based on the "Table of Calorific Values of Energy Products" published by Taiwan's Ministry of Economic Affairs Energy Administration for calorific value conversion; the energy conversion factors for Tianjin TSC Auto ID are based on the "Energy Statistics Reporting System" published by China's National Bureau of Statistics for calorific value conversion.

Note 3: TSC Auto ID's renewable energy use is primarily solar power generation, and it currently does not use renewable fuels.

Energy Intensity Over the Past Three Years

	Unit	2023	2024	2025
Total GHG Emissions	Gigajoules (GJ)	3553.06	4624.69	4783.7
Annual Revenue	NT$ million	3784.49	5270.81	5702.75
Emissions Intensity	GJ per NT$ million	0.94	0.88	0.84

Note 1: Types of energy consumption include gasoline, diesel, purchased electricity, and renewable energy.

Note 2: The calculation scope covers the headquarters, the Lize Plant and Tianjin TSC Auto ID, of which Tianjin TSC Auto ID has been included in the calculation scope since 2024.

Note 3: Total energy use is calculated based on energy consumed within the organization.

Energy-Saving Measures

To reduce energy consumption during operations, TSC headquarters and the Lize Plant have implemented a series of energy-saving and carbon-reduction initiatives across four areas: lighting and equipment management, air conditioning management, equipment optimization, and the integration of renewable energy. First, TSC Auto ID has fully implemented energy-efficient lighting control systems, including high-efficiency LED fixtures and smart lighting systems, to significantly reduce power consumption. Second, for air conditioning management, cooling temperatures during summer are controlled within a reasonable range to ensure efficient operation. Additionally, TSC has introduced fast-rolling shutter doors to reduce cold air loss and improve energy efficiency. Finally, TSC Auto ID is actively planning to increase its use of renewable energy, including the installation of solar panels, to reduce reliance on traditional energy sources.

Tianjin TSC Auto ID also continued to promote energy-saving management measures, including the comprehensive adoption of energy-efficient lighting equipment, the implementation of zoned temperature control in the factory during winter, and the installation of insulated door curtains in the warehouse to reduce the loss of cold and warm air and improve energy use efficiency. These measures not only improve energy use efficiency but also significantly reduce GHG emissions, demonstrating TSC Auto ID's commitment to environmental protection.

Lighting and Equipment Management

- Full implementation of energy-saving lighting controls to enhance energy use efficiency

Air Conditioning Management

- Control air-conditioning temperatures in summer and adopt zoned temperature management in winter to improve overall air-conditioning efficiency

Equipment Optimization

- Introduce high-speed roll-up doors and insulated door curtains to reduce the loss of cold and warm air and improve energy efficiency

Integration of Renewable Energy[1]

- Actively planning to increase the proportion of renewable energy to reduce overall carbon emissions

Note 1: For details on renewable energy integration, see Section 3.1.1 "TSC's Path Toward Net Zero: Carbon Emissions Reduction Strategy"

In addition, TSC Auto ID has incorporated achieving carbon neutrality by 2050 as a long-term development goal. The Company will continue to evaluate and improve energy management, actively referencing international initiatives to ensure that its sustainability strategies align with global environmental standards. Through scientific management and technological innovation, TSC will steadily progress toward low-carbon transformation and fulfill its commitment to sustainable corporate development.

3.1.4 Water Resource Management

TSC Auto ID adheres to the business philosophy of environmental sustainability and is committed to water resource management and environmental protection. The Company follows the ISO 14001:2015 management system for self-inspection and oversight, ensuring that wastewater discharge complies with local regulatory standards. Through an internal audit mechanism, the Company strengthens supervision and continuously improves the effectiveness of water resource management, thereby fulfilling its environmental principles and commitment to corporate social responsibility.

Water Resource Risk Assessment

TSC Auto ID conducted analysis using the water risk assessment tool developed by the World Resources Institute (WRI), the WRI Aqueduct Tool. Headquarters and the Lize Plant are both located in medium-to-low water stress risk areas, while Tianjin TSC Auto ID is located in a high water stress risk area. Overall, water resource supply conditions at each operating site remained stable. TSC Auto ID also continued to monitor changes in local water resource risks and promote water-saving management measures. In 2025, TSC Auto ID did not experience any incidents affecting operations due to water use.

Plant Site	Water Resource Risk Assessment	Description
Headquarters	Medium-to-low water stress risk area	The water source in Xindian District, New Taipei City is primarily the Feitsui Reservoir. Based on the daily water withdrawal of the operating headquarters, water shortage issues rarely occur.
Lize Plant	Medium-to-low water stress risk area	Although Yilan City does not have any reservoirs throughout its territory, it has abundant annual rainfall and surface water resources. In practice, its water source is Wulao River water, which has never dried up over the years, and there has been no water rationing or water shortage crisis.
Tianjin TSC Auto ID Technology CO.,LTD.	High water stress risk area	Tianjin is a high water stress risk area, and the plant site's water source is primarily municipal tap water, with no groundwater used. Although local water resources are relatively limited, there have been no water rationing or water outages affecting operations at present

Water Use Profile

TSC Auto ID's water source is primarily municipal tap water, with no groundwater extraction. Water is mainly used to meet daily office and production needs. According to water usage assessments, there is no large-scale water demand in production processes. The primary structure of water use is for general domestic purposes and facility operations, including cooling water for air conditioning systems. In terms of the overall water use trend, the Lize Plant's water use in 2025 showed an upward trend. In terms of water withdrawal, TSC's total water withdrawal in 2025 was approximately 43,100 liters, an increase of approximately 0.4 million liters compared with the previous year; in terms of total water discharge, total water discharge in 2024 was approximately 3.448 million liters, an increase of approximately 0.318 million liters compared with the previous year. Total water consumption increased by approximately 0.082 million liters compared with the previous year, representing an increase of approximately 10.23%. Based on the assessment, the increase in annual water use was mainly attributable to the expansion of operational scale and the increase in actual water demand, indicating that the existing water-saving measures were not yet able to fully offset the pressure from growing water use during the current period. In the future, water use structure and management strategies will continue to be reviewed, water-saving practices will be adjusted in line with operational needs, and water use efficiency management will be progressively strengthened through regular monitoring of water use.

To improve water use efficiency, the Company continues to optimize equipment operation and adopt various domestic water conservation measures. These include installing water-saving devices throughout offices and public areas, monitoring water use through utility billing, minimizing unnecessary consumption, and assessing the introduction of more efficient water-saving strategies. The goal is to continuously improve water efficiency and ensure that water management aligns with TSC's sustainable development vision.

Water Use Profile Over the Past Three Years

Unit: Megaliters

Water Use Profile	Lize Plant			Tianjin TSC Auto ID Technology CO., LTD.		
	2023	2024	2025	2023	2024	2025
Total Withdrawal	3.97	3.91	4.31	0.2195	0.1997	0.2089
Total Discharge	3.18	3.13	3.45	-	-	-
Total Consumption	0.79	0.78	0.86	-	-	-

Note 1: As TSC Headquarters is located in a shared building and does not have an independent water meter, water consumption cannot be separately measured. The data in this table include only the Lize Plant and Tianjin TSC Auto ID.

Note 2: Tianjin TSC Auto ID has compiled water withdrawal volume statistics since 2025, and as it is located in an industrial park and does not have an independent water meter, it is unable to compile statistics on wastewater discharge volume and water consumption.

Wastewater Management

Wastewater from Headquarters is uniformly treated by the office building; at the Lize Plant and Tianjin TSC Auto ID, wastewater is collected through facility pipelines to pretreatment equipment, then discharged into the industrial park wastewater sewer system, and uniformly treated by the industrial park wastewater treatment plant. Their wastewater discharge is based on the water quality standards of the industrial park wastewater sewer system to ensure compliance with environmental regulatory requirements. In 2025, the Lize Plant strengthened runoff wastewater management by adding interception ditches at two entrances and exits of the plant to fully collect runoff wastewater within the plant area into the stormwater system for unified discharge through the stormwater outfall, thereby reducing the impact on the external environment. The Company will continue reviewing the status of wastewater treatment. In 2025, there were no violations of wastewater-related regulations.

In addition, with respect to wastewater pollution prevention and control, TSC generated no industrial wastewater during operations and generated only domestic wastewater, which was properly treated and discharged in accordance with relevant regulations. The Company continues to strengthen employees' awareness of domestic wastewater management through internal communication and management, and regularly reviews wastewater discharge conditions to reduce potential impacts on the environment.

Wastewater Discharge Over the Past Three Years

Unit: megaliters (ML)

Year	2023	2024	2025
Wastewater Volume (million liters)	3.18	3.13	3.45

Note 1: As the TSC Headquarters is located in a shared-use building and does not have a dedicated water meter, it is unable to track wastewater volume; Tianjin TSC Auto ID is also located in an industrial park and does not have a dedicated water meter, and therefore is unable to track wastewater volume. Accordingly, the data in this table include only the Lize Plant.

3.2 Pollution and Prevention

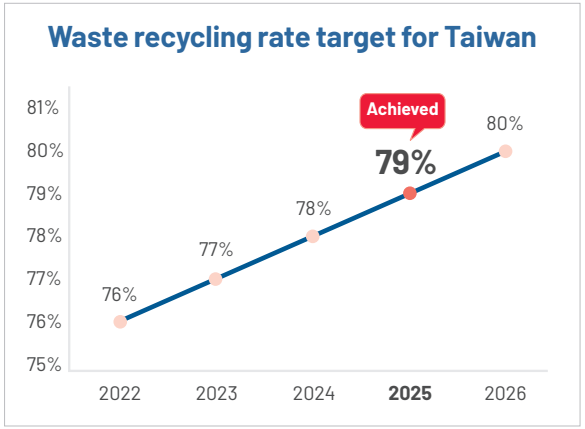
3.2.1 Waste and Circularity

Material Topic	Waste and Circular Symbiosis – Resource Recycling and Reuse
Policy Commitment	• **TSC Environmental Principles:** ▪ **Regulatory compliance:** Self-monitoring and management of air emissions, wastewater discharge, waste disposal, and noise control to ensure ongoing compliance with legal and regulatory requirements. ▪ **Waste reduction:** Waste classification and resource recycling to minimize waste generation. • Comply with the WEEE Directive to ensure that all product design and manufacturing meets environmental standards
Management Actions	• Actively monitor and properly handle waste through the ISO 14001:2015 Environmental Management System • TSC reduces electronic waste through product design optimization and recovery mechanisms
Effectiveness of Management Actions	• Conduct unscheduled audits to ensure waste removal processes meet environmental standards and avoid environmental pollution risks. • In 2025, the waste recycling rate in Taiwan reached 80.3%.

TSC Auto ID operates under the principle of "diligent waste reduction," and while pursuing business growth, regards environmental sustainability as a core value of corporate development. The Company not only ensures its operations comply with environmental regulations but also actively builds strong relationships with local communities, participates in local environmental initiatives, promotes pollution reduction, resource regeneration, and a circular economy to create greater value for society and the environment.

Waste Management and Resource Recycling Promotion

To improve the effectiveness of waste management, TSC Auto ID has established clear environmental performance targets and has been promoting waste reduction and recycling programs. Main recyclable items include process and domestic waste, such as paper, plastics, and reusable packaging materials. In 2021, the Taiwan region set a waste recycling rate requirement of 76% as one of its environmental performance indicators, with a target of increasing it by 1% each year, ultimately reaching 80% by 2026. Headquarters and the Lize Plant achieved a waste recycling rate of 80.3% in 2025, meeting the set target. It is subsequently planned that the next-phase waste recycling rate target for Taiwan will be set in H2 2026, as efforts continue to actively advance toward higher circular utilization efficiency.



Circular Regeneration

TSC Auto ID actively promotes a circular economy by strengthening resource reuse to improve the sustainability of waste processing. The Company aims to maximize the value of all reusable materials by proactively identifying reuse partners and enhancing the recycling and reuse of packaging materials such as cartons, plastics, casings, pallets, and paper. Internal waste classification mechanisms are also continuously optimized to maximize the utilization of recyclable waste. In 2025, the Taiwan region signed a contract with Suao Steel Environmental Protection Co., Ltd. for the reuse treatment of waste wooden pallets to increase waste reuse; the Tianjin plant further collaborated with suppliers to encourage greater use of recycling boxes and strengthen waste reduction at the source. In the future, TSC Auto ID will continue to optimize waste management processes, improve recycling rates, and work with supply chain partners to jointly promote green production models and achieve the goal of sustainable resource development. For TSC's sustainable raw material and packaging material management, please refer to 2.2.1 Sustainable Product Management.

Current Status of Waste Management

In terms of waste management, TSC Auto ID has established a comprehensive and traceable environmental management mechanism through the ISO 14001:2015 Environmental Management System, actively monitoring and properly handling waste to minimize environmental impact while maintaining robust operational development. Each of the Company's operating sites follows environmental management standards, has established sound waste monitoring and management mechanisms, and undergoes regular internal and external audits under the ISO 14001:2015 system to ensure full implementation of environmental measures.

TSC Auto ID is in the label printer industry, with upstream suppliers being manufacturers of various components and downstream being customers. As the Company's primary business involves contract manufacturing and assembly, the input materials include parts such as motors, power supplies, and LCD displays for printer assembly and sales. Thus, the types of waste generated are relatively simple; the main type of waste during assembly is mixed metal scrap, and the Company does not generate hazardous industrial waste. In the downstream segment of the value chain, label printers, enterprise mobile computers and their components will become waste electrical and electronic equipment, while used label paper and consumables, and product packaging materials, will turn into general industrial waste, and the related disposal and recycling operations are usually handled by customers or recycling systems in accordance with local regulations. The Company is not currently directly involved in waste treatment during the product use and final disposal stages, and will continue to monitor relevant regulations and industry trends as a reference for future product responsibility management.

At the Xindian Headquarters office, general industrial waste consists mainly of domestic waste such as paper and miscellaneous office waste. All waste is collected by the shared-use building and entrusted to qualified third-party contractors for incineration. The main industrial waste generated at the Lize Plant and Tianjin TSC Auto ID can be divided into categories including general industrial waste, recyclable and reusable waste, and mixed metal scrap. Among these, general industrial waste is domestic garbage and is uniformly collected, transported and processed by the park management center; recyclable waste is entrusted to external waste haulers for collection and transportation; and mixed metal scrap generated from manufacturing processes is handled by qualified waste haulers approved by government authorities. In addition, Tianjin TSC Auto ID also generates hazardous industrial waste during manufacturing operations, such as ethanol and isopropyl alcohol, all of which are classified and stored according to their properties and properly handled by legally qualified collection, transportation and treatment service providers. All waste generated at the plant is first weighed and recorded, then centrally collected and classified for storage according to its properties. Tianjin TSC Auto ID conducts weighing on a daily basis to monitor waste generation.

As waste removal is conducted only once a year, the Company conducts unscheduled audits to ensure that removal processes meet environmental standards and mitigate environmental pollution risks. Simultaneously, environmental awareness is reinforced through labeling and employee education, embedding sustainability into the corporate culture to ensure that all employees uphold sustainable practices in daily operations.

Highlight Story: Regenerative Design of Worktables for the industrial printer production line at Tianjin TSC Auto ID

To improve production line space utilization efficiency and implement resource circular utilization, Tianjin TSC Auto ID re-examined the layout of on-site operating space based on actual manufacturing process requirements after completion of the construction of the industrial printer automated production line. As the new production line officially commenced operations in June 2025, the types of on-site materials, equipment and packaging materials increased, and the original worktables could no longer meet the needs of multi-process operations. The team therefore launched an improvement project to plan and install multi-tier worktables better aligned with the production process.

During the improvement process, the team gave priority to using profiles and work surfaces dismantled from the original production line that still retained use value, and through recutting, design and assembly, created a multi-tier work platform that met on-site requirements. In addition to suspending computer equipment, the new platform also enables the proper placement of materials, testing equipment and packaging materials, effectively improving operational convenience and space integration efficiency. At the same time, the team also added partitions to the new automated production line to prevent materials from falling into the drive chain area, further reducing operational risks and improving the effectiveness of on-site 5S management (Sort, Set in Order, Shine, Standardize, Sustain).





Through this improvement project, TSC Auto ID not only successfully put waste circular utilization into practice, but also reduced the need for procurement of new equipment. This case demonstrates the Company's concrete achievements in integrating circular utilization, lean improvement and cost optimization into production site management, and its continued implementation of sustainability concepts in daily operations through concrete actions.

Outsourced Waste Disposal Model

General Industrial Waste+	Recyclable and Reusable Waster	Mixed Metal Scrap+	Hazardous Industrial Waster
Handled by the Industrial Park Management Center	Handled by externally contracted waste removal vendors	Handled by government-approved qualified waste disposal vendors	Handled by legally qualified waste haulers

Note: The Tianjin Plant does not generate mixed metal scrap waste and therefore has no handling procedures for this category

General Industrial Waste Treatment

Unit: Metric Tons

	Lize Plant					
	2023		2024		2025	
Recycling and Reuse	On-site	Off-site	On-site	Off-site	On-site	Off-site
Recyclable Materials	0	66.081	0	48.578	0	42.72
Regenerated Use	0	17.694	0	12.81	0	14.584
Other Reuse	0	22.171	0	12.929	0	8.969
On-site Storage	0	2.353	0	3.3	0	0
Reuse Preparation	0	0	0	0	0	0
Total	108.299		77.617		66.273	
Direct Disposal	On-site	Off-site	On-site	Off-site	On-site	Off-site
Incineration (with energy recovery)	0	14.926	0	13.399	0	16.255
Incineration (without energy recovery)	0	0	0	0	0	0
Total	14.926		13.399		16.255	

Note 1: The calculation boundary covers the Lize Plant.

Note 2: As the headquarters is located in a shared-use building, waste output is uniformly collected and transported by the building and is not weighed. Tianjin TSC Auto ID only began weighing waste in November 2025, and therefore does not disclose full-year data this year. Therefore, the data in this table only includes figures from the Lize Plant. Therefore, the data in this table only includes figures from the Lize Plant.

Note 3: The Company does not dispose of waste via landfill.

Hazardous Industrial Waste

Unit: Metric Tons

Plant Site	Tianjin TSC Auto ID Technology CO., LTD.
Year	2025
Hazardous waste composition	
Ethanol	0.0067
Isopropyl alcohol	0.006
Total Waste Volume (metric tons)	0.0127

Note 1: Only Tianjin TSC Auto ID generated hazardous waste during the production process, and data collection began in 2025; the weight of hazardous waste generated by headquarters and the Lize Plant was 0.

Note 2: Tianjin TSC Auto ID did not conduct any direct hazardous waste disposal operations in 2025.

Note 3: The total amount of chemical spills at headquarters, the Lize Plant and Tianjin TSC Auto ID was 0.

Total Volume of General Industrial Waste

Unit: Metric Tons

Waste composition	Lize Plant		
Year	2023	2024	2025
General Waste (metric tons)	14.926	13.399	12.37
Plastics (packaging)(metric tons)	17.694	12.81	12.146
Paper	88.122	61.167	55.216
Packaging and Office Paper (metric tons)	66.081	48.578	42.72
Test Paper (metric tons)	22.041	12.589	12.496
Waste wood (pallets)(metric tons)	2.353	3.3	2.438
Mixed Metal Scrap (metric tons)	0.13	0.34	0.358
Total general waste (metric tons)	123.225	91.016	82.528

Note 1: The calculation boundary covers the Lize Plant.

Note 2: As the headquarters is located in a shared-use building, waste output is uniformly collected and transported by the building and is not weighed; Tianjin TSC Auto ID only began weighing waste in November 2025, and therefore does not disclose full-year data this year. Therefore, the data in this table only includes figures from the Lize Plant.

3.2.2 Ecology and Environmental Protection

Environmental Pollution Prevention

TSC Auto ID actively strives to reduce the environmental impact resulting from its business operations by closely managing emissions of air and water pollutants. The Company ensures that its operations do not adversely affect the surrounding ecosystem of its facilities or the quality of life in nearby communities. In terms of air pollution control, the Company ensures that its processes do not generate exhaust emissions, including air pollutants such as nitrogen oxides (NOx), sulfur oxides (SOx), persistent organic pollutants (POP), volatile organic compounds (VOC), hazardous air pollutants (HAP), and particulate matter (PM). Only the Lize Plant uses R22 refrigerant. To uphold the environmental protection principles of TSC Auto ID, the Company no longer refills this refrigerant and plans to gradually phase out the use of R22 refrigerant. In 2025, 2 30-ton water-cooled packaged air conditioners using R-22 refrigerant were replaced, with the goal of fully replacing all R22 refrigerant models by 2036 to reduce ozone layer harm caused by corporate operations. The use of ozone-depleting substances (ODS) at the Lize Plant is detailed as follows:

Use of Ozone-Depleting Substances (ODS)

Unit: Metric Tons

Year	2023	2024	2025
R22 Refrigerant Usage (tons)	0.1251	0.1251	0.1087
CFC-11 Equivalent (tons)	0.006881	0.006881	0.005979

Note 1: With reference to the ozone depletion potential (ODP) coefficient in the annex to the Montreal Protocol, the ODP value of R22 refrigerant is 0.055 (according to the Montreal Protocol announcement), and the ODP value of CFC-11 is 1. The amount of R22 refrigerant used is converted into CFC-11 equivalent (tons), as shown in the above data.

Note 2: The statistical scope covers the Lize Plant; neither headquarters nor the Tianjin Plant uses ozone-depleting substances (ODS).

Biodiversity Commitment and Management

Biodiversity conservation helps enhance climate change mitigation and adaptation capabilities and is of great significance to global agricultural development, food security, public health and sustainable economic development. The Company upholds the spirit of the United Nations Convention on Biological Diversity and has established a biodiversity commitment, with the aim of protecting biodiversity, ensuring the sustainable use of biodiversity, and the fair and equitable sharing of the benefits arising from the use of genetic resources.

The Company's commitments are as follows:

1. Ensure that operating activities comply with international, national and local biodiversity laws.
2. Avoid damaging endangered and protected species and their habitats through operating activities.
3. Refrain from development and construction in important biodiversity areas protected by law.
4. Actively invest in the conservation of biodiversity areas protected by law.
5. Refrain from converting areas of high conservation value.
6. Ensure that services or products involved in operating activities do not use threatened or endangered species listed on the IUCN Red List or in the Convention on International Trade in Endangered Species of Wild Fauna and Flora.
7. Under informed circumstances, not procure goods from suppliers that cause biodiversity loss or illegal logging.
8. Support biodiversity conservation actions or initiatives.
9. Explore opportunities to invest in natural carbon sinks (including forests, soil and oceans).
10. Promote the use of appropriate tools for biodiversity risk assessment and management, such as the mitigation hierarchy (including avoidance, minimisation, mitigation or offsetting), in order to achieve a net positive impact or no net loss.
11. Respect Indigenous Peoples' right to free, prior and informed consent.
12. Encourage suppliers to participate in this commitment and jointly protect biodiversity.

The Company fully understands the negative impact of deforestation on biodiversity and ecosystems and is committed to complying with the globally leading EU Deforestation Regulation (EUDR), eliminating any activities and products related to deforestation, while actively promoting forest land restoration to support sustainable land management through concrete actions.

To specifically implement the above commitments, the Company is promoting the following measures:

- **Promote the "digitised processes and paperless office" policy:** since 2023, continuously compiling statistics on and managing photocopy paper usage at TSC Auto ID headquarters and its subsidiary Tianjin TSC Auto ID. The data show that in 2025, the Company's overall paper usage decreased by 20% compared with the previous year, demonstrating significant management effectiveness.
- **Fully introduce FSC-certified paper materials into product packaging design:** starting from 2025, the Company's product packaging fully adopts paper materials that comply with the standards of the Forest Stewardship Council (FSC). It is expected that by the end of 2026, 100% of product lines will have fully completed mass production implementation, ensuring that all paper materials are traceable and completely decoupled from deforestation activities.

Photocopy Paper Usage Statistics for the Most Recent 3 Years

Unit: sheets

	2023	2024	2025
TSC Auto ID (Headquarters, Lize Plant)	316,657	248,288	178,937
Tianjin TSC Auto ID Technology CO.,LTD.	145,217	93,399	91,245
Total	461,874	341,687	270,182
Annual Rate of Change	-	-26.02%	-20.93%

Natural Carbon Sink Actions

Since 2025, TSC has partnered with Green Village to launch the internal corporate initiative "TSC Tree Planting Day", inviting more than 100 employees and their family members to participate. During the event, 200 Taiwan incense cedar (Calocedrus formosana) trees were planted on Type 3 agricultural development land in Shiyingzi Village, Emei Township, Hsinchu County, to strengthen the carbon sequestration capacity of forest land and align with the policy direction of "Increase Forest Area 1-1: Carry out afforestation on national, public and private land to increase forest coverage and carbon sink volume" under the "Taiwan 2050 Net-Zero Transition Natural Carbon Sink Key Strategic Action Plan".

According to estimates by Green Village, each tree can absorb an average of approximately 12 kilograms of carbon dioxide per year. Accordingly, 200 Taiwan incense cedar (Calocedrus formosana) trees can absorb approximately 2.4 metric tons of carbon dioxide annually and, after an estimated 30-year growth period, can cumulatively absorb approximately 72 metric tons of carbon dioxide.

"TSC Tree Planting Day" has been designated as a key corporate sustainability and social responsibility action of the Company and will continue to be promoted annually in the future, while more employees will be encouraged to participate through employee welfare policies, thereby expanding the Company's long-term contribution to natural carbon sinks.

CH 4
Safe Workplace



Talent serves as the core driving force behind TSC Auto ID's continued growth and sustainable operations. The Company is committed to becoming an outstanding and fulfilling workplace, dedicated to building a diverse, inclusive, safe, and attractive work environment. Through a comprehensive talent recruitment strategy, systematic career development and training programs, as well as robust employee health and safety management mechanisms, the Company strives to ensure that every colleague can work with peace of mind, fully apply their capabilities, and grow alongside the organization, jointly creating a sustainable future.

Recommended Primary Readers:

- ■ Customers
- ■ Business Partners
- ■ Employees
- □ Shareholders/Investors
- □ Government
- ■ Suppliers
- □ Local Communities

- ▶ 4.1.1 Talent Recruitment and Retention
- ▶ 4.1.2 Talent Development
- ▶ 4.1.3 Diversity, Equality and Inclusion
- ▶ 4.1.4 Human Rights Management and Labor-Management Communication
- ▶ 4.2.1 Workplace Safety Maintenance
- ▶ 4.2.2 Creating a Happy Workplace

4.1 Talent Attraction and Retention

4.1.1 Talent Recruitment and Retention

Material Topic	Human Resource Management - Difficulty in talent recruitment
Policy Commitment	TSC Auto ID believes that human capital is the cornerstone of sustainable corporate development and remains committed to recruiting and retaining talent. By valuing human rights, promoting diversity and inclusion, fostering a friendly workplace, and enhancing employee well-being, TSC strives to create a Great Place to Work and achieve the goal of sustainable operations.
Management Actions	• Conduct strategic workforce planning based on the Company's operational direction and develop a comprehensive recruitment plan. • Increase recruitment channels to expand access to talent in the labor market • Establish employee care mechanisms to detect early signs of resignation and retain talent effectively • Establish an internal talent pool, cultivate long-term relationships with potential talent, and enhance recruitment efficiency and shorten the recruitment process through a strategic talent pipeline mechanism • In the China region, an internal referral incentive mechanism is promoted, under which referrers who successfully refer candidates that are hired and pass the probation period will receive corresponding incentives, thereby comprehensively enhancing employee participation and referral momentum
Effectiveness of Management Actions	✓ Perform an annual labor market salary competitiveness analysis in line with the recruitment plan and market trends. ✓ Review recruitment efficiency on a monthly basis and evaluate positions with prolonged vacancies. ✓ Expand recruitment channels by increasing partnerships with staffing agencies, engaging in campus recruitment, participating in vocational training agency job fairs, and using social media ✓ Offer above-industry-entry-level leave benefits to attract talent ✓ Implement a cross-department buddy program for new hires to help new employees quickly integrate into organizational life, and conduct interviews with new employees 1.5 months after onboarding to understand their adaptation status ✓ In Taiwan, the voluntary turnover rate for direct labor (DL) was 15.28%, and the voluntary turnover rate for indirect labor (IDL) was 11.39%; in China, the voluntary turnover rate was 2.94% for direct labor (DL) and 3.33% for indirect labor (IDL), maintaining healthy employee turnover ✓ The recruitment target in China for 2025 was 22 employees, with an achievement rate of 100%

Employee Structure

Talent is the foundation of innovation at TSC Auto ID. To establish a diverse and inclusive workplace, TSC prioritizes talent retention and development while maintaining a diversified workforce structure. The Company primarily employs local talent but also actively recruits international professionals to retain its competitive edge in the industry. In 2025, the number of regular employees at the Headquarters and Lize Plant was 337, including 146 males and 191 females, while non-regular workers consisted of 3 contractors (security guards); the number of regular employees at Tianjin TSC Auto ID was 222, including 46 males and 176 females.

Full-Time Employment Statistics – Employment Contracts

Type		Male		Female		Total number of employees
		Number of employees	Proportion	Number of employees	Proportion	
Permanent employees	Taiwan	146	43.32%	191	56.68%	337
	China	46	20.72%	176	79.28%	222
Temporary employees	Taiwan	2	100%	0	0.00%	2
	China	0	0.00%	0	0.00%	0

Note 1: Permanent employees refer to those with open-ended (indefinite) contracts; temporary employees have fixed-term contracts or contracts ending due to specific events
Note 2: Taiwan includes the Headquarters and Lize Plant, and China includes Tianjin TSC Auto ID
Note 3: Headcount is calculated based on the number of employees as of December 31, 2025
Note 4: Male permanent employee ratio = Number of male permanent employees / Total permanent employees; female permanent employee ratio = Number of female permanent employees / Total permanent employees; similar calculations apply for temporary employees

Statistics on Regular Employees – Employment Type

Type		Male		Female		Total number of employees
		Number of employees	Proportion	Number of employees	Proportion	
Full-time employees	Taiwan	147	43.49%	191	56.51%	338
	China	46	20.72%	176	79.28%	222
Part-time employees	Taiwan	1	100%	0	0.00%	1
	China	0	0.00%	0	0.00%	0
Employees with no guaranteed hours	Taiwan	0	0.00%	0	0.00%	0
	China	0	0.00%	0	0.00%	0

Note 1: Full-time employees' work hours as defined by national labor laws and practices; part-time employees work fewer than the defined legal hours or lack a formal definition; employees with no guaranteed hours have no minimum daily, weekly, or monthly work hours
Note 2: Taiwan includes the Headquarters and Lize Plant, and China includes Tianjin TSC Auto ID
Note 3: Headcount is calculated based on the number of employees as of December 31, 2025
Note 4: Full-time employees – male ratio = Number of full-time male employees / Total number of full-time employees; Full-time employees – female ratio = Number of full-time female employees / Total number of full-time employees; Part-time employees – male ratio = Number of part-time male employees / Total number of part-time employees

New Hires and Employee Turnover

In 2025, the Headquarters and Lize Plant recruited a total of 24 new employees, maintaining a level similar to that of the past two years, mainly because the Company's manpower needs and organizational structure had gradually stabilized; Tianjin TSC Auto ID successfully recruited a total of 22 new employees in 2025 due to business expansion and the establishment of a new R&D department, laying the foundation for subsequent growth. In the future, the Company will continue to optimize the recruitment process and strengthen the collection and analysis of feedback on the interview experience as an important basis for continuously enhancing human resource management.

2023-2025 New Hire Numbers and Ratios of Full-Time Employees in Taiwan

Year	Age	Number of new hires			New hire ratio		
		Male	Female	Total	Male	Female	Total
2023	Under 30 years old	7	30	37	1.89%	8.11%	10.00%
	31–50 years old	15	32	47	4.05%	8.65%	12.70%
	Over 51 years old	0	1	1	0.00%	0.27%	0.27%
	Subtotal	**22**	**63**	**85**	**5.95%**	**17.03%**	**22.97%**
2024	Under 30 years old	3	4	7	0.84%	1.12%	1.96%
	31–50 years old	9	10	19	2.52%	2.80%	5.32%
	Over 51 years old	0	1	1	0.00%	0.28%	0.28%
	Subtotal	**12**	**15**	**27**	**3.36%**	**4.20%**	**7.56%**
2025	Under 30 years old	5	4	9	1.47%	1.18%	2.65%
	31–50 years old	8	7	15	2.36%	2.06%	4.42%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	**13**	**11**	**24**	**3.83%**	**3.24%**	**7.08%**

Note 1: New hire ratio = number of new hires/total number of active employees; excludes contract employees and interns

Note 2: Taiwan includes the Headquarters and Lize Plant

2023-2025 New Hire Numbers and Ratios of Full-Time Employees in China

Year	Age	Number of new hires			New hire ratio		
		Male	Female	Total	Male	Female	Total
2023年	Under 30 years old	1	5	6	0.47%	2.35%	2.82%
	31–50 years old	1	24	25	0.47%	11.27%	11.74%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	**2**	**29**	**31**	**0.94%**	**13.62%**	**14.55%**
2024年	Under 30 years old	2	2	4	0.95%	0.95%	1.90%
	31–50 years old	1	9	10	0.47%	4.27%	4.74%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	**3**	**11**	**14**	**1.42%**	**5.21%**	**6.64%**
2025年	Under 30 years old	3	2	5	1.35%	0.90%	2.25%
	31–50 years old	9	8	17	4.05%	3.60%	7.66%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	**12**	**10**	**22**	**5.41%**	**4.50%**	**9.91%**

Note 1: New hire ratio = number of new hires/total number of active employees; excludes contract employees and interns

Note 2: China includes Tianjin TSC Auto ID

TSC conducts annual analyses of employee turnover. In 2025, the total number of employees who left was 47 in Taiwan and 7 in the Tianjin region. Through interviews, TSC gained an in-depth understanding of the specific reasons for employee departures. Analysis showed that the reasons were mainly concentrated in job adaptation, career development planning, personal career needs, family planning, and other factors. TSC actively conducts internal reviews and improvements based on the interview results, such as adjusting the onboarding training process or adding practical tests during the recruitment stage to improve person-job fit, and will strengthen career planning guidance to assist employees in formulating career paths suited to their personal development goals, thereby reducing turnover intention and enhancing workforce stability. The 2025 voluntary turnover rate target for Taiwan was set at 25% for direct labor (DL) and 10% for indirect labor (IDL), while the actual voluntary turnover rate for the year was 15.28% for direct labor (DL), outperforming the annual target. The voluntary turnover rate for indirect labor (IDL) was 11.39%, slightly higher than the annual target, mainly due to increased talent mobility in the industry and certain intra-Group personnel transfers, based on the analysis. Overall, employee turnover remained within the normal range and did not affect organizational operations. The Company will continue to promote compensation optimization, diversified training, and personal development plans to enhance employee retention and organizational stability. The 2025 voluntary turnover rate of Tianjin TSC Auto ID was 2.94% for direct labor (DL) and 3.33% for indirect labor (IDL).

2023-2025 Turnover Numbers and Ratios of Full-Time Employees in Taiwan

Year	Age	Number of turnovers			Turnover ratio		
		Male	Female	Total	Male	Female	Total
2023	Under 30 years old	5	19	24	1.35%	5.14%	6.49%
	31–50 years old	10	32	42	2.70%	8.65%	11.35%
	Over 51 years old	0	1	1	0.00%	0.27%	0.27%
	Subtotal	**15**	**52**	**67**	**4.05%**	**14.05%**	**18.11%**
2024	Under 30 years old	2	8	10	0.56%	2.24%	2.80%
	31–50 years old	11	17	28	3.08%	4.76%	7.84%
	Over 51 years old	1	1	2	0.28%	0.28%	0.56%
	Subtotal	**14**	**26**	**40**	**3.92%**	**7.28%**	**11.20%**
2025	Under 30 years old	3	7	10	0.88%	2.06%	2.95%
	31–50 years old	13	21	34	3.83%	6.19%	10.03%
	Over 51 years old	2	1	3	0.59%	0.29%	0.88%
	Subtotal	**18**	**29**	**47**	**5.31%**	**8.55%**	**13.86%**

Note 1: *Turnover ratio = Number of employees who left / Total number of employees; excludes contractors and interns
Note 2: Taiwan includes the Headquarters and Lize Plant
Note 3: Turnover statistics include voluntary resignations, as well as departures due to dismissal, retirement, or work-related fatalities

2023-2025 Turnover Numbers and Ratios of Full-Time Employees in China

Year	Age	Number of turnovers			Turnover ratio		
		Male	Female	Total	Male	Female	Total
2023	Under 30 years old	1	3	4	0.47%	1.41%	1.88%
	31–50 years old	2	23	25	0.94%	10.80%	11.74%
	Over 51 years old	0	1	1	0.00%	0.47%	0.47%
	Subtotal	**3**	**27**	**30**	**1.41%**	**12.68%**	**14.08%**
2024	Under 30 years old	0	0	0	0.00%	0.00%	0.00%
	31–50 years old	2	13	15	0.95%	6.16%	7.11%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	**2**	**13**	**15**	**0.95%**	**6.16%**	**7.11%**
2025	Under 30 years old	0	0	0	0.00%	0.00%	0.00%
	31–50 years old	1	5	6	0.45%	2.25%	2.70%
	Over 51 years old	0	2	2	0.00%	0.90%	0.90%
	Subtotal	**1**	**7**	**8**	**0.45%**	**3.15%**	**3.60%**

Note 1: *Turnover ratio = Number of employees who left / Total number of employees; excludes contractors and interns
Note 2: China includes Tianjin TSC Auto ID
Note 3: Turnover statistics include voluntary resignations, as well as departures due to dismissal, retirement, or work-related fatalities

Diverse Recruitment and Retention Management

Diverse Recruitment Channels

TSC Auto ID actively leverages diversified recruitment channels to broaden talent outreach and enhance the visibility of its employer brand. The Company continues to attract talent with potential and professional expertise through multiple channels, including job platforms, social media (Facebook, LinkedIn, Instagram), job fairs, campus recruitment briefings, internship programs, headhunting consultants and internal referral mechanisms. In terms of campus recruitment, the Company maintains close cooperation with National Taipei University, National Taiwan University of Science and Technology, and Ming Chi University of Technology, and deepens its connections with young talent through activities such as briefings and job fairs, while effectively enhancing campus groups' awareness of and interest in the Company's brand. In addition, in 2025, the Company participated for the 1st time in a career fair hosted by 104 Job Bank, successfully generating more than 1,000 on-site contacts and demonstrating the Company's recruitment capabilities and proactive deployment in the job market. In China, the Company uses mainstream recruitment websites as its core recruitment platform, selects key recruitment channels based on the requirements of different positions, and gives priority to paid recruitment plans based on recruitment needs in order to enhance job vacancy exposure, with recruitment focused on mature talent with extensive practical experience, thereby supporting local operational development and professional workforce deployment.



Highlight Story: Deepening industry-academia collaboration to cultivate technology professionals

TSC Auto ID is committed to cultivating technological talent, demonstrating the Company's focus and commitment to future human capital. Each year, TSC hosts 2 to 3 corporate campus briefings and has received over 480 résumés, attracting a large number of outstanding students. These briefings not only allow students to understand TSC's corporate culture and development vision but also provide direct communication opportunities with senior company leadership, enabling students to gain deeper insights into corporate needs and expectations.

More than 480 job application resumes

4 recruitment fairs and briefings

In the future, TSC will continue strengthening cooperation with academic institutions, promoting internships, scholarships, professional lectures, and career development seminars, offering greater support and assistance to young students. TSC believes that through strong industry-academia cooperation, more students can discover their own career paths and more outstanding talent can be nurtured. TSC Auto ID will remain steadfast in offering better internship platforms, enabling students to gain valuable hands-on experience before entering the workforce and laying a solid foundation for their future careers.

To continuously optimize recruitment processes and outcomes, TSC has established a recruitment dashboard to track monthly progress and develop improvement plans. For example, for positions with prolonged unfilled vacancies, HR and the hiring department managers jointly re-examine the talent requirements and job content to ensure the recruitment of suitable and high-potential candidates. TSC uses interview experience questionnaires to promptly understand job applicants' genuine perceptions of the interview process, helping the Company identify process blind spots and optimize recruitment quality, thereby enhancing the Company's image, reducing cases of candidates declining to report for duty after accepting offers and recruitment risks, and making the recruitment system more effective and competitive. In addition, the Company has also established an external talent database to cultivate long-term relationships with potential talent, and enhance recruitment efficiency and shorten the recruitment process through a strategic talent pipeline mechanism. Furthermore, if an applicant experiences unfair or unethical treatment during the interview process, TSC provides a grievance mechanism and has implemented formal investigation and handling procedures to protect the rights of all applicants. Related grievance mechanisms are detailed in the chapter "Material Topic Identification and Stakeholder Communication."

Talent Retention Management

(I) New Employee Onboarding Support

TSC Auto ID deeply understands the importance of employee retention for maintaining a stable talent structure. The Company continuously strengthens effective retention measures, beginning with onboarding support for new employees. Interviews are conducted 1.5 months after onboarding to assess adaptation and provide timely assistance. In 2025, the probation pass rate for new employees reached 92.59%. Additionally, Taiwan launched a new employee buddy program in 2022, while Tianjin TSC Auto ID established a newcomer training system in 2025 to help new employees adapt to TSC's corporate culture through a dual-mentor development program.

New Employee Buddy Program for Taiwan Headquarters and Lize Plant

To effectively improve new employee retention, TSC designed the "New Employee Buddy Program". This system assigns a senior buddy from another department to accompany and support the new hire, helping them quickly adapt to the corporate culture and work environment. The senior buddy not only helps the new hire understand TSC's culture and core values but also offers support and companionship in daily life, allowing new employees to feel the Company's care and importance placed on them.

In 2025, the Company continued to optimize the buddy program. In addition to increasing the activity budget, it also integrated the program with other Company activities and encouraged new employees and buddies from different departments to meet for meals. Through these cross-departmental interactions, new employees can become acquainted more quickly with senior colleagues within the organization and establish diverse communication channels; senior colleagues can also use this opportunity to engage with new talent from different backgrounds, promoting two-way learning and knowledge sharing.

According to the satisfaction survey, newcomer satisfaction with this program in 2025 reached as high as 95.8 points. Feedback from colleagues showed that the friendly relationships established during the program continued to develop even after the buddy program had ended. Through these interactions, including team-building, gatherings, and learning and training, new and senior colleagues spontaneously meet for meals and interact during lunch breaks and arrange to participate in Company activities together, greatly enhancing team cohesion. Looking ahead, TSC will continue to optimize the buddy program and promote interaction and exchanges between new employees and senior colleagues, with the aim of creating a joyful and collaborative work atmosphere through these measures so that every employee can find a sense of belonging and achievement here.

Feedback from Employees:

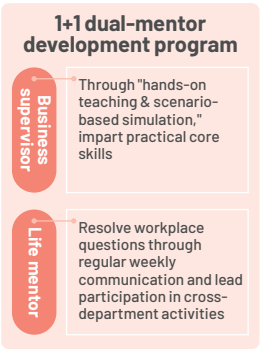
I am very grateful to my buddy for enthusiastically helping me enter a new environment	It is great to be able to interact with colleagues outside my usual department	This is an opportunity to get to know colleagues from other departments
New Hire	Senior Buddy	Senior Buddy

Tianjin TSC Auto ID Establishes a New Hire Training System - 1+1 Dual-Mentor Development Program

Upholding the talent development philosophy of "people-oriented and growth-empowering," Tianjin TSC Auto ID has established a new hire training system built on three core elements—psychological integration, capability enhancement, and career grounding—and has set up a three-stage integration plan covering pre-onboarding, the 3 days before onboarding, and post-onboarding to help new employees quickly adapt to the corporate culture and work environment.

Before onboarding, Tianjin TSC Auto ID explains core responsibilities and performance assessment standards to new hires in advance to reduce gaps in understanding and expectations between both parties. In the 3 days before onboarding, department supervisors proactively offer individual greetings, while department mentors also make contact in advance to express expectations for and the importance attached to new employees, and to help them become familiar with the team early on. After formal onboarding, new employees officially join the "1+1 Dual-Mentor Development Program," under which each new employee receives timely guidance from one business mentor and one life mentor. The business mentor is responsible for imparting core practical skills for the workplace, while the life mentor provides emotional support and assists employees in integrating into the team through intensive weekly care and communication.





Qualitative feedback from new employees in 2025:

Since joining the team, all my colleagues have given me meticulous guidance at work, helping me quickly become familiar with the business and integrate into the team; in life, they have also shown me great care, making me feel extremely warm	During this period since onboarding, I have gained a great deal. I am very grateful for the section chief's meticulous guidance and the patient teaching and assistance of my supervisors and colleagues, which enabled me to quickly integrate into the team and continue to grow	The department team's atmosphere is very harmonious, and the leaders and mentors teach carefully and patiently guide work direction and key points. Company activities are rich and colorful, making it possible to work in a relaxed yet positive manner
New Hire	New Hire	New Hire

(II) Retirement System

The Company complies with the Labor Standards Act, the Labor Pension Act, and related regulations to safeguard employees' retirement pension rights. In addition, TSC offers a preferential retirement benefit: employees with fifteen or more years of service who are aged forty-five or older may voluntarily apply for early retirement. Upon approval by the authorized supervisor, the preferential retirement is executed. This preferential retirement system is designed to offer employees more choices and flexibility, allowing them to enjoy retirement life earlier, provided they meet the eligibility criteria.

(III) Welfare Policy

Through diversified welfare policies, TSC Auto ID enhances employees' sense of recognition and belonging in a happy workplace. To meet employees' life needs at different stages, the Company actively designs various benefit measures. TSC offers parental leave, reduced working hours for childcare, and flexible working hours to help employees better achieve work-life balance.

Diversified Welfare Measures

Welfare Measures	Content
Group Insurance	The Company provides comprehensive group insurance and social insurance. In addition to providing employees with labor insurance, National Health Insurance, and five social insurances and one housing fund in accordance with the law, the Company also provides group insurance for employees employed by TSC Auto ID. For dependents, TSC Auto ID offers a self-paid group insurance plan and organizes explanatory sessions to ensure employees understand the benefits and coverage details.
Additional Annual Leave Beyond Legal Requirement	New hires in Taiwan are entitled to a more employee-friendly 7-day annual leave benefit beyond statutory requirements, enabling them to quickly adapt to workplace life, adjust their physical and mental well-being, and increase new employee retention rates
TSC assisted reproduction leave	When an employee in Taiwan or the employee's spouse undergoes assisted reproduction treatment (IVF or artificial insemination), two days of paid assisted reproduction leave are provided for each treatment cycle, with the hope of helping employees and spouses reduce psychological pressure and achieve a successful pregnancy on this difficult journey. In 2025, 1 employee used assisted reproduction leave.
Parental leave, paternity check-up leave, prenatal check-up leave, maternity leave	Parental leave without pay, paternity check-up leave, prenatal check-up leave, maternity leave in accordance with legal regulations
Reduced Working Hours for Parenting	Considering the needs of raising young children (under 3), employees in Taiwan may apply based on actual needs to reduce daily working hours by 1 hour. If an employee of Tianjin TSC Auto ID gives birth to multiple babies, an additional 1 hour of breastfeeding time per day may be added for each additional baby breastfed. In 2025, 1 employee used the reduced working hours for childcare benefit.
TSC Family-Friendly Leave	TSC Family-Friendly Leave is provided in Taiwan to assist employees in balancing family life while striving in the workplace, thereby creating a family-friendly work environment. In 2025, no employee applied for TSC Family-Friendly Leave.
Nursing leave	Tianjin TSC Auto ID provides nursing leave. If an employee's parent is aged 60 or above and requires the employee's care during hospitalization due to illness, the employee may use nursing leave. If an employee is an only child, such employee may enjoy 20 days of nursing leave per year; if such employee is not an only child, such employee may enjoy 10 days of nursing leave per year
Flexible Working Hours	Flexible working hours are implemented in Taiwan, allowing employees to start work up to 30 minutes earlier or later according to their needs
Team-building	Thematic collaboration activities promote interaction across departments, enabling employees to connect beyond daily work and create stronger working relationships and collaboration opportunities
Referral Bonus	Employees are encouraged to recommend outstanding talent who embody the core values of TSC Auto ID Technology and Tianjin TSC Auto ID, and together build a high-performance team with shared values
Employee Stock Options	Employee stock options were issued in Taiwan in August 2023 to motivate employees to deliver better job performance and help retain outstanding key employees
Preferential Retirement System	A preferential retirement system is established in Taiwan, and the Company employees with 15 or more years of service and aged 45 or above may voluntarily apply for preferential retirement

Note: The scope of implementation for welfare items is consistent with the operational scope disclosed in this report



TSC actively supports the government's parental leave without pay policy, enabling employees to arrange time more flexibly for parenting and childcare. The Company is committed to ensuring that employees returning from leave are reinstated to their original positions, thus safeguarding their career continuity. In addition, if an employee requests a transfer due to family care responsibilities, the Company will proactively assist in reassigning the employee to a suitable position after returning to work, helping them achieve a better balance between family and career.

In the future, TSC Auto ID will continue advancing its people-centered sustainable talent development strategy, deepening various talent recruitment and retention measures. Through a comprehensive and robust talent management system, the Company is committed to fostering a diverse, fair, and inclusive workplace environment, further strengthening its competitive edge and realizing its vision and commitment to sustainable development.

2023-2025 Parental Leave Without Pay Status in Taiwan

Parental Leave Application Overview	2023		2024		2025	
	Male	Female	Male	Female	Male	Female
Number of employees eligible to apply for parental leave in the year	152	218	152	205	148	191
Number of employees who actually applied for parental leave in the year	2	7	4	6	3	5
Number of parental leave applicants due to return to work in the year	0	11	4	6	4	7
Number of employees who actually returned to work in the year	0	9	3	4	4	7
Return-to-work rate	-	82%	75%	67%	100%	100%
Number of employees who returned to work after completing parental leave in the previous year	1	1	0	9	3	4
Number of employees still employed twelve months after returning from parental leave	1	1	0	5	0	3
Retention rate	100%	100%	-	56%	0%	75%

Note 1: Taiwan includes the Headquarters and Lize Plant
Note 2: Return-to-work rate = Total number of employees who actually returned to work after parental leave / Total number of employees scheduled to return after parental leave × 100%
Note 3: Retention rate = Total number of employees still employed twelve months after returning from parental leave / Total number of employees who returned from parental leave in the previous reporting period × 100%

2023-2025 Parental Leave Without Pay Status in China

Parental Leave Application Overview	2024		2025	
	Male	Female	Male	Female
Number of employees eligible to apply for parental leave in the year	38	173	46	176
Number of employees who actually applied for parental leave in the year	4	10	4	8
Number of parental leave applicants due to return to work in the year	4	10	4	8
Number of employees who actually returned to work in the year	4	10	4	8
Return-to-work rate	100%	100%	100%	100%
Number of employees who returned to work after completing parental leave in the previous year	-	-	4	10
Number of employees still employed twelve months after returning from parental leave	-	-	0	0
Retention rate	-	-	0%	0%

Note 1: China includes Tianjin TSC Auto ID, and parental leave data has been compiled since 2024
Note 2: Return-to-work rate = Total number of employees who actually returned to work after parental leave / Total number of employees scheduled to return after parental leave × 100%
Note 3: Retention rate = Total number of employees still employed twelve months after returning from parental leave / Total number of employees who returned from parental leave in the previous reporting period × 100%

4.1.2 Talent Development

Material Topic	Human Resource Management - Difficulty in talent recruitment
Policy Commitment	TSC Auto ID places great importance on talent cultivation and is committed to planning a comprehensive training blueprint through a Human Resource Development (HRD) system and Personal Development Plan (PDP) mechanism. By promoting cross-disciplinary learning and self-directed growth, the Company continuously enhances professional skills and work performance, fulfilling its promise of sustainable talent development and corporate co-growth.
Management Actions	• Through the Human Resource Development system (HRD), TSC integrates digital learning resources to provide flexible and convenient online and in-person courses, fostering a digital learning culture focused on self-learning and knowledge transfer to enhance employee professional capabilities • In conjunction with the annual training needs survey, various competency, professional, and leadership workshop programs are planned The "Personal Development Plan" is promoted to assist employees in setting development goals and learning activities based on their competencies and career development aspirations • Real-time feedback during PDP implementation and annual performance evaluations ensure alignment between personal development direction and organizational goals
Effectiveness of Management Actions	✓ In 2025, the total training hours for all employees in Taiwan reached 7168.09 hours. ✓ In 2025, satisfaction with professional training courses in Taiwan reached 4.65 out of 5, indicating that employees' willingness to learn and course quality received a high degree of recognition ✓ In 2025, 100% of all employees completed annual performance evaluations

Talent Development Strategy and Approach

TSC Auto ID firmly believes that talent is the fundamental driving force behind sustainable business development. To strengthen organizational competitiveness and continuously improve employee quality and work efficiency, the Company is committed to promoting a systematic and comprehensive training strategy. Through annually developed training plans, TSC Auto ID continuously implements pre-employment training, on-the-job training, and external professional courses. These are further supported by the HRD system, which effectively integrates internal and external resources to provide employees with diverse and flexible learning channels. In addition to recording individual training histories, the system enables cross-departmental knowledge sharing, making learning a part of daily work. This encourages a culture of interdisciplinary learning and nurtures professional talents equipped with multiple competencies and forward-looking perspectives.

Diverse Training System

TSC Auto ID builds a complete and systematic training system tailored to employees' different functional attributes and career stages, encompassing three major areas: general learning, competency learning, and professional learning. In general learning, the Company offers organizational training courses, regulatory compliance courses, and health and wellness courses to help employees fully understand company policies, compliance requirements, and physical and mental health knowledge—establishing proper workplace awareness. In competency learning, TSC focuses on three key areas: core competencies, leadership competencies, and professional competencies. Through a clear competency model, the Company comprehensively develops employees' critical workplace capabilities. TSC Academy and various external professional course resources serve as vital pillars for professional learning, allowing TSC to continuously deepen professional knowledge and skills in response to industry changes—fostering a comprehensive learning environment.



In addition to competency planning designed for organizational needs, TSC Auto ID has also introduced the Individual Development Plan (IDP) system. Starting from the time new employees join the Company, different learning objectives and learning methods are designed based on organizational goals as well as individual competencies and characteristics, so that while organizational goals are achieved, employees' professional capabilities and career planning can also be continuously strengthened.

TSC Auto ID conducts an annual year-end training needs survey to dynamically plan various professional and general courses, ensuring that training content aligns with employee development needs and organizational strategic direction. In addition, to continuously strengthen organizational leadership, TSC offers annual leadership workshops tailored to different levels of management. The course design integrates leadership competencies such as collaboration, team building, and strategic planning. These are paired with job rotation and promotion mechanisms to cultivate leadership personnel with comprehensive management literacy and adaptability.

TSC Auto ID also actively promotes the application of digital learning resources. Through the Human Resource Development (HRD) system, training resources are integrated to provide employees with a real-time and convenient learning platform, fostering a digital learning culture of self-directed learning and knowledge transfer. Employees may participate in online and in-person courses according to their job requirements and career development direction, breaking time and location constraints and enhancing learning effectiveness. In 2025, the total training hours for all employees in Taiwan reached 7168.09 hours, while those in China reached 4560 hours. The average satisfaction with training courses in Taiwan remained at a high level, reaching 4.65 out of 5; the average satisfaction with training courses in China reached 4.77 out of 5, exceeding the annual target of 4.6, fully reflecting employees' strong recognition of course quality and content.

To strengthen employee competencies and innovative thinking, TSC Auto ID has been promoting "The Innovator's DNA" book club program in Taiwan since 2024. Through guided reading of The Innovator's DNA, discussions, and practical exercises, the program focuses on the five key innovation skills: associating, questioning, observing, networking, and experimenting. It encourages employees to deepen innovative behavioral patterns through systematic thinking, enhance innovation capabilities, and establish a common organizational language and interpersonal network. The Company provides a full subsidy for e-books, and to date has launched 10 reading group course sessions, designating the course as mandatory for all employees in 2024. Starting from 2025, it has been designated as mandatory content for new employees.

The course is led by supervisors to conduct cross-departmental exchanges, video and case sharing, and group activities, helping employees apply innovative methods to daily work. Employees generally reported that the course helped break through existing thinking, improve communication processes, and enhance process optimization and product development efficiency; R&D personnel also indicated that the five major skills can strengthen creative thinking and R&D effectiveness. Overall, the "The Innovator's DNA" book club has effectively enhanced innovation competencies and deepened the collaborative culture, serving as an important measure for the Company to promote competency internalization and innovative culture.

2023-2025 Employee Training Hours in Taiwan - By Job Level

	2023			2024			2025		
	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)
Training Hours	1041.5	5097.66	607	893.66	6458.38	1611.25	1038.51	5847.75	281.83
Number of employees	30	197	133	30	208.5	122.5	32	216.5	97.5
Average Training Hours	34.72	25.88	4.56	29.79	30.98	13.15	32.45	27.01	2.89

Note 1: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors

Note 2: Taiwan includes the Headquarters and Lize Plant

Note 3: Headcount is calculated as the average of the total number of employees at the beginning (January 1) and end (December 31) of the year.

2023-2025 Employee Training Hours in Taiwan - By Gender

	2023			2024			2025		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Training Hours	3931.92	2814.24	**6746.16**	4597.69	4365.6	**8963.29**	3868.46	3299.63	**7168.09**
Headcount[1]	149	211	**360**	152.5	211.5	**364**	148	198	**346**
Average Training Hours	26.39	13 .34	**21.69**	30.15	20.64	**24.62**	26.14	16.66	**20.72**

Note 1: Headcount is calculated as the average of the total number of employees at the beginning (January 1) and end (December 31) of the reporting year.

Note 2: Taiwan includes the Headquarters and Lize Plant

2025 Employee Training Course Satisfaction

Employee Training		Course Satisfaction Score
Professional Learning	Taiwan	**4.82**
	China	**4.75**
General Education	Taiwan	**4.55**
	China	**4.76**
Competency Learning	Taiwan	**4.85**
	China	**4.82**

Note 1: Professional learning, general education, and competency learning apply to all employees.

Note 2: Taiwan includes the Headquarters and Lize Plant, and China includes Tianjin TSC Auto ID

Note 3: Maximum course satisfaction score is 5 points.

2024-2025 Employee Training Hours in China - By Job Level

	2024			2025		
	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)
Training Hours	55	894	2249	32	793	3735
Number of employees	5	75	131	5	94.5	115.5
Average Training Hours	11	11.92	17.17	6.4	8.39	32.34

Note 1: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors

Note 2: China includes Tianjin TSC Auto ID, and education and training data has been compiled since 2024

Note 3: Headcount is calculated as the average of the total number of employees at the beginning (January 1) and end (December 31) of the year.

2024-2025 Employee Training Hours in China - By Gender

	2024			2025		
	Male	Female	Overall	Male	Female	Overall
Training Hours	914	2284	**3198**	1632.5	2927.5	**4560**
Headcount[1]	37	174	**211**	40.5	174.5	**215**
Average Training Hours	24.7	13.13	**15.16**	40.31	16.78	**21.21**

Note 1: Headcount calculation method: the average is calculated by adding the number of persons as of January 1 at the beginning of the year and the number of persons as of December 31 at the end of the year, and because the average calculation involves decimals, the original number of persons for 2024 and the actual overall number of persons resulted in a tail-end difference, therefore the adjusted data are uniformly processed by unconditional truncation after the decimal point.

Note 2: China includes Tianjin TSC Auto ID, and education and training data has been compiled since 2024

Performance Management and Talent Incentives

TSC Auto ID emphasizes the integration of talent development and performance management to ensure that organizational goals and employee growth progress in alignment. The Company has fully implemented a performance management system. Through goal setting at the beginning of the year, real-time feedback and improvements throughout the process, and year-end evaluations, employees' efforts are kept in line with the Company's strategic direction. In 2025, TSC Auto ID achieved a 100% annual performance appraisal completion rate in Taiwan; the completion rate in China was 95.5%, as 1 person with disabilities was not included in the appraisal, and some employees had not yet completed their probation period by year-end, and therefore were not included in the regular performance and career development evaluation. For employees requiring performance improvement, TSC has implemented a three-month PIP (Performance Improvement Plan), under which supervisors assist employees in clearly setting goals through one-on-one meetings and continuously track improvement progress to ensure overall team performance enhancement. Furthermore, to encourage employees to continually exceed themselves, the Company promotes diverse incentive mechanisms, including the quarterly "OTG500 Star" selection to publicly recognize outstanding performers, boost morale, and establish learning benchmarks for TSC's seven core competencies.

2023-2025 Number of Employees Receiving Regular Performance and Career Development Reviews in Taiwan - By Gender

	2023			2024			2025		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees receiving regular performance and career development reviews[1]	156	248	**404**	152	205	**357**	148	191	**339**
Number of employees	156	248	**404**	152	205	**357**	148	191	**339**
percentage	100%	100%	**100%**	100%	100%	**100%**	100%	100%	**100%**

Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.

Note 2: Taiwan includes the Headquarters and Lize Plant

2024-2025 Number of Employees Receiving Regular Performance and Career Development Reviews in China - By Gender

	2024			2025		
	Male	Female	Total	Male	Female	Total
Number of employees receiving regular performance and career development reviews[1]	38	173	**211**	39	173	**212**
Number of employees	38	173	**211**	45	177	**222**
percentage	100%	100%	**100%**	86.67%	97.74%	**95.50%**

Note 1:
The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.

Note 2:
China includes Tianjin TSC Auto ID, and performance appraisal data has been compiled since 2024

Goal Setting	Personal Development Plan Setting	Real-Time Feedback and Improvement	Year-End Performance Evaluation	Personal Development Plan Evaluation	Performance Feedback Interview
At the beginning of the year, set annual individual performance goals based on organizational and departmental objectives, and establish clear evaluation criteria for each goal.	Based on performance goals and individual career development plans, employees propose personal development plans, which are finalized after discussion with supervisors.	Periodically review the implementation of performance goals and personal development plans, and provide employees with timely feedback and suggestions to help them improve their job performance	1. Employees provide detailed reports on the results of each performance goal and conduct self-evaluation based on the assessment criteria. 2. Department supervisors evaluate employees' performance outcomes according to assessment principles. Evaluation results must include clear feedback to guide employees in enhancing or improving job performance and developing their competencies.	1. Review annual performance outcomes. 2. Review the achievement of personal development plans	Supervisors provide feedback, guidance, and performance review.

Career Development and Internal Mobility

TSC Auto ID actively fosters a diverse career development environment by continuously implementing promotion and rotation mechanisms to help employees realize self-worth and pursue diverse growth paths. Each year, based on employees' competency performance, supervisors nominate candidates for promotion. Upon review by the Personnel Review Committee, promotions or internal transfers are arranged. In 2025, 4 employees successfully completed internal transfers and 4 supervisory vacancies were filled through internal promotion. Going forward, the Company will continue to enhance employee training and develop supervisory competencies, demonstrating organizational agility and talent development outcomes while providing employees with diverse career development opportunities.

Through a systematic, diverse, and flexible training system, TSC Auto ID continues to build professional capabilities, strengthen leadership, and broaden international perspectives. Combined with a comprehensive performance management system and incentive programs, the Company injects a steady stream of talent momentum into sustainable business development and co-creates long-term value with its employees.

2023-2025 Number of Employees Receiving Regular Performance and Career Development Reviews in Taiwan - By Job Level

	2023			2024			2025		
	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)
Number of employees receiving regular performance and career development reviews[1]	30	202	172	32	217	108	32	220	87
Number of employees	30	202	172	32	217	108	32	220	87
percentage	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.

Note 2: Taiwan includes the Headquarters and Lize Plant

Note 3: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors

Note 4: Supervisory level is defined as Assistant Manager level and above

2023-2025 Number of Employees Receiving Regular Performance and Career Development Reviews in China - By Job Level

	2024			2025		
	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Supervisory Staff	General Staff (Non-Production)	General Staff (Production)
Number of employees receiving regular performance and career development reviews[1]	5	117	89	5	104	103
Number of employees	5	117	89	5	113	104
percentage	**100%**	**100%**	**100%**	**100%**	**92.04%**	**99.04%**

Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.

Note 2: China includes Tianjin TSC Auto ID, and performance appraisal data has been compiled since 2024

Note 3: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors

Note 4: Supervisory level is defined as Assistant Manager level and above

4.1.3 Diversity, Equity, and Inclusion

Promotion of a Diverse and Inclusive Workplace

TSC firmly believes that a culture of diversity and inclusion can stimulate the innovative momentum of the organization and serve as a vital cornerstone for sustainable business development. TSC actively supports CommonWealth Magazine's initiative "TALENT, in Taiwan - Taiwan Talent Sustainability Action Alliance" and is committed to fostering a diverse and inclusive workplace through six major action guidelines: "Meaning and Value," "Diversity and Inclusion," "Compensation and Incentives," "Physical and Mental Health," "Cultivation and Growth," and "Communication and Experience." The Company actively recruits employees from diverse backgrounds in terms of gender, age, ethnicity, and more.

Six Strategic Action Principles

Purpose and Value
Communicate a clear corporate culture, enabling employees to feel the value of their work

Diversity and Inclusion
Set clear indicators and action strategies; actively recruit diverse talents

Rewards and Incentives
Offer fair and competitive compensation and benefits

Well-being and Health
Ensure a workplace free from discrimination, bullying, and harassment; establish work-life balance

Development and Growth
Support employees in realizing their potential and strengthening resilience among diverse talent

Communication and Experience
Build a culture of trust and respect; implement employee listening mechanisms

TSC regards employees as its most valuable asset. Upholding fair, open, and transparent hiring principles, TSC respects the uniqueness of each employee and will never apply differential treatment on the basis of race, skin color, gender, religion, political beliefs, nationality, or other backgrounds. Hiring decisions are based solely on professional competence, experience, and competencies to ensure that every candidate enjoys equal employment opportunities. To more comprehensively implement the concept of diversity and inclusion, TSC systematically promotes diversity and inclusion education and training, designs various thematic training courses, and makes them mandatory courses for every employee, thereby fundamentally establishing employees' correct understanding of diversity and inclusion and cultivating a truly diverse and inclusive corporate culture. In 2025, TSC offered Diversity, Equity and Inclusion (DEI) and diverse workplace-related courses, with an annual cumulative total of 52 participant-times and 6.5 hours in Taiwan.

2025 Diversity and Inclusion Training Courses

Course Topic	Number of Participants	Total Training Hours
What is Diversity, Equity and Inclusion? Break Your Unconscious Bias	26	4.33 hours
Sexual Harassment Prevention Act	26	2.17 hours

Note: The statistical scope includes the headquarters and the Lize Plant, and Tianjin TSC Auto ID did not offer any related courses in 2025

Diverse Welfare Measures

In its daily operational management, TSC Auto ID actively practices a friendly workplace and, through diversified welfare policies, fully addresses the needs of employees at different life stages and from different backgrounds in terms of childbirth and family care. For example, employees with family caregiving needs are granted 15 days of "TSC Family-Friendly Leave" in excess of statutory requirements, allowing employees sufficient time to arrange daily care for family members.

In addition, considering the physical and psychological stress that assisted reproductive treatment may cause to employees and their spouses, in the Taiwan region, from 2025 onward, "TSC assisted reproduction leave," which is more favorable than legal requirements, has been provided. During the period in which the employee or such employee's spouse undergoes related treatment, two days of paid leave may be taken for each treatment cycle in order to provide necessary rest and flexible support. It is hoped that substantial support and companionship can be provided as employees move into a new stage of family life, while encouraging partners to participate and share responsibilities together, thereby further creating a gender-equal and family-friendly working environment.

TSC hopes that every colleague can feel the Company's genuine care and support while balancing work and life. At the same time, through cross-departmental exchanges, colleagues are also given opportunities to interact with one another, so as to maintain good collaborative relationships and enhance employees' identification with and sense of belonging to a happy workplace. For details on TSC's benefit policies, please refer to Section 4.1.1 Talent Recruitment and Retention.

Diverse Talent Composition

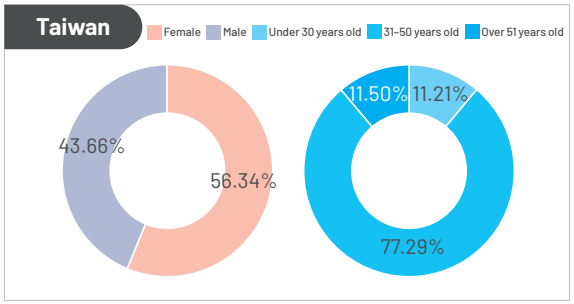
In terms of workforce structure, in the Taiwan region of TSC Auto ID, male employees account for 43.66% and female employees account for 56.34%. Supervisory positions comprise 9% of the total workforce, of which women in managerial positions account for 31.25%; in the China region, male employees account for 20.72% and female employees account for 79.28%, while supervisory positions comprise 2.25% of the total workforce, demonstrating the Company's efforts and emphasis on gender-equal hiring and promotion. In terms of age distribution, in the Taiwan region, employees under the age of 30 account for 10.62%, employees aged 31 to 50 account for 75.52%, and employees aged 51 and above account for 13.86%; in the China region, employees under the age of 30 account for 5.86%, employees aged 31 to 50 account for 92.79%, and employees aged 51 and above account for 1.35%.

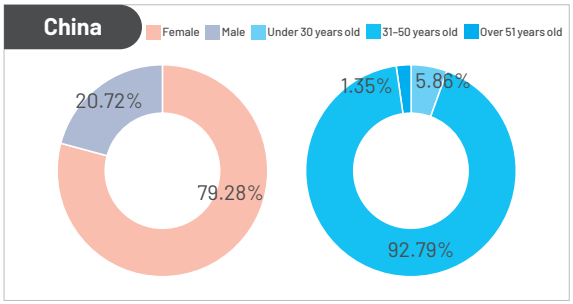
Category			Supervisory Staff	General Staff (Non-Production)	General Staff (Production)	Percentage	Total
Taiwan	Gender	Female	10	99	82	56.34%	100%
		Male	22	121	5	43.66%	
	Age	Under 30 years old	-	19	19	11.21%	100%
		31–50 years old	20	179	63	77.29%	
		Over 51 years old	12	22	5	11.50%	
China	Gender	Female	0	64	112	79.28%	100%
		Male	5	39	2	20.72%	
	Age	Under 30 years old	0	11	2	5.86%	100%
		31–50 years old	5	90	111	92.79%	
		Over 51 years old	0	2	1	1.35%	

Note 1:
General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors

Note 2:
Considering that the sustainability report will gradually include TSC Auto ID's global subsidiaries in the future, the statistical method has therefore been adjusted to facilitate subsequent calculations

Note 3:
The Taiwan region includes the headquarters and the Lize Plant, and the China region includes Tianjin TSC Auto ID=



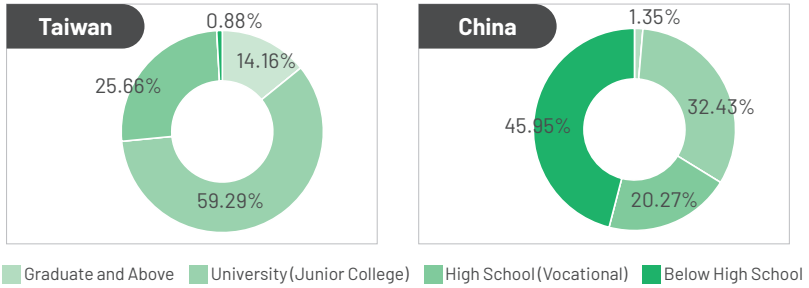


TSC Auto ID also values diversity in educational background. In the Taiwan region, employees with a graduate degree or higher account for 14.16%, those with a university (including junior college) degree account for 59.29%, and those with a high school (vocational) education or below account for 26.55%; in the China region, employees with a graduate degree or higher account for 1.35%, those with a university (including junior college) degree account for 32.43%, and those with a high school (vocational) education or below account for 66.22%. Employees' diverse educational backgrounds help bring different perspectives into contact and enhance the Company's overall innovation vitality.

Employee Education Level Distribution Statistics

Category			Graduate and Above	University (Junior College)	High School (Vocational)	Below High School
Taiwan	Gender	Female	11	97	80	3
		Male	37	104	7	-
		Subtotal	**48**	**201**	**87**	**3**
		Percentage	**14.16%**	**59.29%**	**25.66%**	**0.88%**
China	Gender	Female	1	37	37	101
		Male	2	35	8	1
		Subtotal	**3**	**72**	**45**	**102**
		Percentage	**1.35%**	**32.43%**	**20.27%**	**45.95%**

Note: The Taiwan region includes the headquarters and the Lize Plant, and the China region includes Tianjin TSC Auto ID



TSC Auto ID also actively supports the government's employment policy for persons with disabilities and actively promotes employment opportunities for diverse groups, with the aim that all employees can feel at ease and comfortably apply their strengths. Furthermore, TSC Auto ID proactively promotes the employment of Indigenous peoples, recognizing their professional capabilities. By embracing diverse cultural backgrounds and perspectives, TSC aims to spark greater innovation and collaboration. In 2025, the number of Indigenous employees and employees with disabilities in Taiwan was 3 and 6, respectively, while the number of employees with disabilities in China was 2, in compliance with legal requirements.

Key Compensation Data

In terms of pay equity, to enhance internal salary competitiveness and attract and retain outstanding talent, TSC regularly reviews its compensation policies to ensure that the Company's revenue and profit performance are reasonably reflected in employee compensation, and that salary levels and compensation payments at each job grade do not differ on the basis of gender. The basic salary of full-time employees not serving in supervisory positions is more favorable than the statutory standard, demonstrating TSC's emphasis on employees through concrete action. In the future, the Company will also continue to focus on conducting analysis and review by job grade and region to ensure the reasonableness and consistency of the compensation system, and will continue to monitor changes in gender pay differences in order to implement the management principles of fairness and diversity and inclusion.

Ratio of Female to Male Base Salary and Compensation in the Past 3 Years for TSC Auto ID

	Ratio of Female to Male Base Salary						Ratio of Female to Male Total Compensation					
	2023		2024		2025		2023		2024		2025	
Category	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Supervisory Staff	1.00	0.91	1.00	0.98	1.00	0.85	1.00	1.05	1.00	1.03	1.00	0.91
General Staff (Non-Production)	1.00	1.44	1.00	1.40	1.00	1.42	1.00	1.39	1.00	1.41	1.00	1.43
General Staff (Production)	1.00	1.29	1.00	1.40	1.00	1.49	1.00	0.98	1.00	1.14	1.00	1.31

Note 1: Base salary excludes any additional compensation, such as overtime pay or bonuses; compensation includes bonuses (including cash), benefits, overtime pay, compensatory leave and any other allowances

Note 2: The calculation scope covers employees in the Taiwan region and the China region who were employed throughout the entire year, and the scope of operating sites is consistent with the operational scope disclosed in this report

Note 3: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors

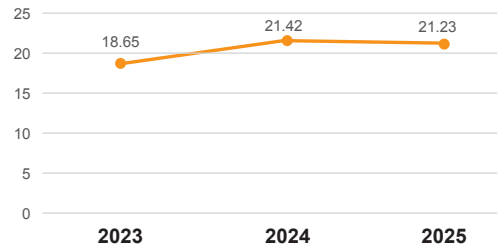
Note 4: Supervisory level is defined as Assistant Manager level and above

Note 5: Considering that the sustainability report will gradually include TSC Auto ID's global subsidiaries in the future, the statistical method has therefore been adjusted to facilitate subsequent calculations

In terms of the ratio of highest compensation to median employee compensation, it decreased slightly in 2025 compared to the previous year, emphasizing in the overall salary distribution that the Company should share operating results with employees and value employee contributions as core values. Looking ahead, TSC Auto ID will continue to promote and deepen its diversity and inclusion strategies—from policy development to employee growth and workplace optimization—working together with employees to shape a sustainable future.

Annual Compensation Ratio for TSC Auto ID

	2023	2024	2025
Ratio of the Annual Total Compensation of the Highest-Paid Individual in the Company to the Median Annual Compensation of All Employees	18.65	21.42	21.23
Change in Ratio	-	14.85%	-0.89%



Note 1: Considering that the sustainability report will gradually include TSC Auto ID's global subsidiaries in the future, the statistical method has therefore been adjusted to facilitate subsequent calculations, and compensation calculation includes employee salaries, bonuses (including cash), benefits, overtime pay, compensatory leave and any other allowances

Note 2: The calculation scope for median employee compensation covers employees employed throughout the entire year; the Taiwan region includes the headquarters and the Lize Plant, and the China region includes Tianjin TSC Auto ID

Note 3: Ratio of the annual total compensation of the highest-paid individual in the Company to the median annual compensation of all employees = Annual total compensation of the highest-paid individual / Median annual total compensation of all employees (excluding the highest-paid individual)

Note 4: The exchange rate for the China region was calculated based on the exchange rate adopted in the 2025 annual report of TSC Auto ID Technology

Note 5: Information restated: The 2024 sustainability report used fixed salary for calculation, while in this year's sustainability report, the compensation ratios for 2023 and 2024 were recalculated based on compensation

4.1.4 Human Rights Management and Labor Relations Communication

Human Rights Policy and Management

TSC Auto ID is committed to creating a work environment that respects human rights and fosters inclusion and dignity. In full alignment with the Responsible Business Alliance (RBA) Code of Conduct, the Company has established a comprehensive Human Rights Policy and corresponding management systems. This policy applies to all employees and non-employee workers at the headquarters, Lize Plant and Tianjin TSC Auto ID, and also requires suppliers to comply with RBA standards.

TSC's human rights policy affirms employees' fundamental right to freely choose their occupation, strictly prohibits all forms of forced labor, and does not employ child labor. A comprehensive protection mechanism for young workers (under 18) is in place to safeguard their physical and mental well-being. The Company strictly complies with labor laws in all its operating regions, offers fair and reasonable compensation and working conditions, ensures that all overtime is voluntary, and never imposes wage deductions as a disciplinary measure. TSC Auto ID also firmly opposes all forms of discrimination and inhumane treatment, fosters a workplace that respects employee privacy and supports freedom of association, and regularly conducts internal human rights risk assessments. The Company actively implements improvement measures and remediation plans to continuously reinforce trust in human rights protections both internally and externally.

Ten Core Contents of the Human Rights Policy

Policy	Content
Prohibition of Forced Labor	1. Employees can freely leave or terminate their employment relationship after reasonable notice in accordance with the law or labor contract. 2. Any form of forced labor is prohibited, and suppliers are not allowed to use forced labor.
Prohibition of Child Labor	1. The use of child labor (under 15 years old or below the compulsory education age) is prohibited, and all suppliers or subcontractors are also not allowed to use child labor. If child labor is found, assistance or remediation must be provided. 2. For juvenile workers (under 18), protection mechanisms are in place to ensure physical and mental health and safety.
Fair Compensation and Working Conditions	1. Employees should rest at least one day per week, and weekly working hours should not exceed 60 hours, except in emergencies or special circumstances. 2. All overtime must be voluntary. 3. Wages must comply with applicable laws, including minimum wage, overtime, and legal benefits. 4. Deducting wages as a disciplinary measure is prohibited.
Prohibition of Discrimination	1. All forms of discrimination and incitement to discrimination are prohibited. 2. Basic human rights must be respected. All forms of demeaning conduct—including sexual harassment, abuse, corporal punishment, mental or physical coercion, or verbal abuse—are forbidden. Threats of such actions are also prohibited. Relevant policies and preventive measures should be effectively communicated to employees.
Freedom of Association	1. Personal data must be collected, stored, processed, transmitted, and shared in compliance with privacy and data security laws. 2. Employees' rights to freedom of association, collective bargaining, and peaceful assembly must be respected.
Responsible Mineral Sourcing	In the process of sourcing raw materials and production, no metals obtained through armed conflict, illegal mining, or poor working conditions, known as "conflict minerals," should be used.
Independent Grievance/ Reporting Mechanism	Ensure that internal and external stakeholders can provide feedback in real time without fear of retaliation, threats, or harassment. Anonymity can also be used to provide feedback.
Career Skills Development and Training Programs	Provide a supportive environment and establish effective training plans for employees' career development.
Major Operational Changes	Establish clear labor-management communication channels to ensure employees have access to information and the right to voice opinions on Company operations and decisions.
Remediation and Mitigation Measures	Regularly review company systems to promptly address deficiencies found during internal or external audits and implement effective remedies.

TSC Auto ID's headquarters, Lize Plant and Tianjin TSC Auto ID have fully adopted the Responsible Business Alliance (RBA) Code of Conduct as the basis for managing human rights- and labor-related risks, and have established a regular internal human rights risk inventory and review mechanism. With respect to the three major human rights issues of freedom of association, child labor and forced labor, the Company conducts risk management in accordance with established procedures. The 2025 management results showed that no incidents of discrimination or restriction of freedom of association occurred at TSC Auto ID's own operating sites, no violations involving the employment of child labor or forced labor were identified, and there were no related material risks.

Management Process for the 3 Major Human Rights Issues

Institutional Review

- Review the compliance of internal systems based on the RBA Code of Conduct and local regulations (such as work rules and personnel employment regulations)

Personnel Employment Control

- The recruitment process includes an age verification mechanism to avoid the risk of child labor

Working Hours and Attendance Management

- Through the attendance system and internal audit mechanism, forced labor or excessive working hours are prevented

Employee Communication and Grievance Mechanism

- Employee grievance channels are in place to ensure that employees can freely express opinions or file grievances without retaliation, thereby implementing the labor-management communication mechanism and demonstrating respect for the rights to freedom of association and freedom of expression

Employee engagement surveys

TSC Auto ID places employee well-being at the core and conducts an annual Employee Engagement Survey using the internationally recognized Gallup Q12 methodology, focusing on five core dimensions: clarity of work goals and responsibilities, availability of workplace resources and support, opportunities for personal development and recognition, interpersonal relationships and team collaboration atmosphere, and performance feedback and room for growth. Each department thoroughly analyzes the survey results and initiates proactive communication with employees on lower-scoring items. Together, they draft specific improvement plans, integrate them into the following year's improvement goals, and conduct regular follow-ups to ensure effective implementation.

In 2025, English and local language versions were provided for the first time, strengthening the spirit of diversity, equality and inclusion, while also echoing the vision of "One Brand, One Company," and completing an employee engagement survey covering the entire Group ahead of industry peers. The overall response rate in the Taiwan region reached 99%, an increase from last year, demonstrating colleagues' high level of commitment to jointly creating a better workplace. Overall engagement reached 86.8 points (out of 100), down 0.7 points from the previous year. In this survey, employees showed the highest satisfaction with "Clearly understand the Company's requirements for my work" and "Transparency of goal communication." For the relatively lower-scoring items of "Job feedback" and "Commitment to talent development," TSC has formulated the following specific response strategies: for the "Job feedback" item, TSC encourages a feedback culture by setting feedback frequency as a criterion in supervisors' performance evaluations and encouraging supervisors to provide colleagues with more immediate feedback. As for "Commitment to talent development," based on the competency model, TSC strengthens the practical application of competencies at work through education and training and workshops, and has also established a "Career Café" to provide colleagues with career consultation, enabling colleagues to obtain support and advice at any time according to their needs, continuously enhancing the employee growth experience and demonstrating the Company's commitment to talent development.

The overall response rate in the China region reached 98.8%, an increase of 0.1% from last year, demonstrating colleagues' high level of commitment to jointly creating a better workplace. Overall engagement reached 83.8 points (out of 100), down 2.3 points from the previous year. In this survey, employees showed the highest satisfaction with "I know the Company's requirements for my work" and "My manager/deputy manager can clearly connect OTG500's vision and mission with our department's goals." For the relatively lower-scoring item of "In the past 3 months, someone in my work unit has talked with me about my progress," Tianjin TSC Auto ID has formulated specific response strategies, including holding one-on-one communication meetings with employees at least once each quarter, establishing and standardizing templates for employee communication content, and establishing a growth cycle of "feedback, improvement, and feedback again" between employees and supervisors.

In the future, the Company will continue to promote related improvement actions based on the survey results and encourage all colleagues to continue, through dialogue and participation, to jointly create a working environment in which every partner can be heard, be seen and grow with peace of mind.

Comprehensive and Confidential Grievance Mechanism

TSC Auto ID is committed to building a transparent and highly trusted communication environment and adopts a "zero tolerance" policy toward any form of unlawful workplace conduct. The Company provides diverse and convenient grievance channels, including a sexual harassment complaint inbox, employee suggestion box, whistleblower reporting inbox, and an unlawful workplace conduct complaint platform, all available 24 hours a day, offering employees the choice of filing complaints either anonymously or under their name. Upon receiving a complaint, the Company immediately establishes a dedicated investigation team, which completes the investigation process within 30 days while strictly implementing confidentiality measures to fully protect the privacy and safety of the complainant. Preliminary findings of the investigation are communicated in writing to the involved parties.

In addition, TSC has established clear internal regulations such as the "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures," the "Operational Guidelines for the Prevention of Unlawful Workplace Conduct During Duty," and the "Whistleblower Reporting and Protection System Management Regulations," effectively preventing any form of retaliatory behavior. In 2025, the Taiwan region received 3 complaints through the unlawful workplace conduct complaint platform, involving issues in employee interactions. All cases were fully investigated and appropriately handled, with corresponding psychological support and assistance provided to the individuals concerned; in the China region, no complaints related to unlawful workplace conduct were received in 2025.

Utilization of Grievance Mechanisms

Grievance Mechanism	Communication Frequency	Key Communication Topics	Improvement Measures	Number of Complaints in 2025
Taiwan				
Sexual Harassment Complaint Inbox	Monthly	Issues related to workplace sexual harassment	Investigation initiated within 3 days of receiving a complaint	**0**
Employee suggestion boxes	Quarterly	Issues related to company systems, working environment, etc.	Upon receiving suggestions, corresponding action plans are initiated with relevant units. Concrete responses and progress updates are provided at each quarterly employee assembly	**0**
Whistleblower Reporting Inbox	Daily	Issues related to crime, fraud, or potential legal violations	The investigating unit must report to the Chairman and notify the President when necessary. The investigating unit shall immediately ascertain facts, seek assistance from relevant departments if needed, or commission independent external professionals for investigation.	**0**
Unlawful Workplace Conduct Complaints	Monthly	Issues related to unlawful conduct encountered during duty	Upon receipt of a complaint, a case is filed and an investigation team is formed. Action plans are initiated with relevant units. Investigation results are provided in writing to the complainant	**3**
China				
Employee suggestion boxes	Monthly	Issues related to company systems, working environment, etc.	Upon receiving suggestions, corresponding action plans are initiated with relevant units. Concrete responses and progress updates are provided at each quarterly employee assembly	**0**

Note: The Taiwan region includes the headquarters and the Lize Plant, and the China region includes Tianjin TSC Auto ID.

Diverse Communication Platforms and Channels

TSC Auto ID believes that transparent and two-way communication helps enhance internal corporate trust and employees' sense of belonging. The Taiwan region and the China region both regularly promote information exchange through various platforms and channels, including quarterly employee meetings, global management meetings and monthly head office management meetings, to accurately and promptly convey the Company's operating guidelines and policy updates, thereby strengthening cross-departmental collaboration and understanding. Additionally, the Company continuously publishes the "Global Newsletter Quarterly" to share important updates from subsidiaries around the world and highlight outstanding employee achievements, thereby reinforcing interaction and cohesion among global staff.

In addition, TSC also ensures that both labor and management can fully express their opinions through quarterly labor-management meetings and monthly migrant worker forums, thereby building a healthy and equal workplace atmosphere. The effectiveness of meeting resolutions covers 100% of employees, ensuring that the results of labor-management communication safeguard all TSC colleagues. At present, no union has yet been established in the Taiwan region; nevertheless, the Company still safeguards employees' right to freely participate in unions and encourages employees to proactively express their opinions. In the China region, an employee union has been established and can represent employees in coordinating with the Company and proactively seeking rights and interests when labor-management conflicts arise. In 2025, neither the Taiwan region nor the China region had any labor-management disputes arising from major operational changes (such as plant closures or business shutdowns). If dismissals or severance due to major operational changes occur, in the Taiwan region, employees are notified in advance in accordance with the Labor Standards Act: those who have worked continuously for more than 3 months but less than 1 year are given 10 days' prior notice; those who have worked for more than 1 year but less than 3 years are given 20 days' prior notice; and those who have worked continuously for more than 3 years are given 30 days' prior notice; Tianjin TSC Auto ID, on the other hand, gives employees 4 weeks' prior notice in accordance with law, thereby properly safeguarding employees' rights and interests.

Moving forward, TSC Auto ID will continue to deepen two-way labor-management communication, actively enhance the workplace environment, and promote the use of various communication channels such as suggestion boxes and grievance mailboxes. Employees are encouraged to share their thoughts and feedback actively, and the Company will respond regularly to employee input, striving to become a model enterprise recognized for employee satisfaction and well-being.

4.2 Protecting a Healthy Workplace

4.2.1 Workplace Safety Maintenance

Workplace Health and Safety Management System and Objectives

TSC Auto ID is committed to creating a safe and healthy working environment, ensuring the occupational safety and health of employees and contractors, and has established an Occupational Safety and Health Committee to supervise and improve occupational safety plans through regular meetings. Under the framework of Plan-Do-Check-Action (PDCA), management effectiveness is continuously enhanced. Since 2021, the Lize Plant has fully implemented the ISO 45001:2018 Occupational Safety and Health Management System, which covers 100% of all employees at the Lize Plant, totaling 224 employees, and the effectiveness of its operation is ensured through internal audits and external third-party verification. As the head office has not reached the threshold set by regulations in terms of personnel numbers, it is not required to establish a complete occupational safety system, but it still maintains high internal safety management standards; Tianjin TSC Auto ID began implementing ISO 45001 in 2025 and obtained certification in April 2026. The system covers 100% of all employees at Tianjin TSC Auto ID Plant, totaling 222 employees.

To strengthen occupational safety and health management, TSC has set a target for the severity rate of disabling injuries (SR). The target for 2025 was less than half of that of the computer and peripheral equipment manufacturing industry in 2024. Ultimately, 2 collision incidents involving minor injuries occurred during the year, and relevant improvements and personnel training have been carried out in response to the incidents. In 2025, the disabling injury frequency rate (FR) was approximately 3, and the disabling injury severity rate (SR) was also approximately 3. In the future, TSC will continue to uphold the quality of occupational health and safety management, with the goal for 2026 set at achieving less than half of the 2024 industry average, and for 2027, achieving less than one-third of the 2025 average, moving toward a safe environment with zero occupational accidents and zero risks.

Hazard Identification and Risk Assessment

TSC Auto ID has established a comprehensive hazard identification and risk assessment mechanism. A hazard evaluation team—consisting of certified operators—regularly assesses both routine and non-routine occupational safety and health risks. These include potential risks in operational processes, machinery, equipment, and the working environment. Supervisors then review the evaluations and assess the effectiveness of existing control measures, recording them in the Hazard Identification and Risk Assessment Form as a basis for ongoing management. For high-risk items, special assessments are conducted annually. A full-scale hazard identification and risk assessment is carried out every three years. Risks are ranked and managed accordingly to ensure the effectiveness of control measures. In addition, the Company promptly evaluates and adjusts controls upon incidents or near-misses to prevent recurrence. In 2025, no major occupational accidents occurred, affirming the effectiveness of current risk controls. Preventive mechanisms will continue to be reinforced to ensure workplace safety.

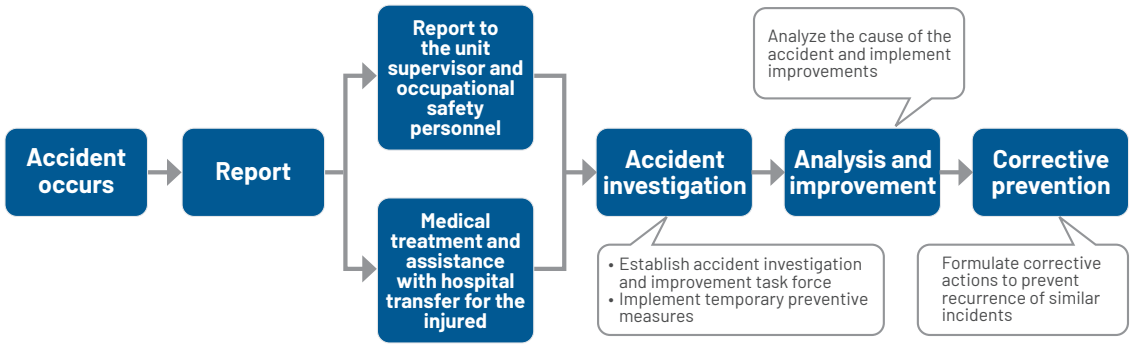


Occupational Accident Management and Reporting

TSC Auto ID has established the "Occupational Accident Handling and Investigation Procedures," ensuring timely reporting and investigation when incidents occur. Appropriate corrective measures are formulated accordingly. Departments are also encouraged to report near-misses to ensure that employees who report or file complaints about occupational safety hazards are not subject to any punishment. If an employee detects a potential danger while on duty, they may immediately stop operations and evacuate to a safe area without compromising others' safety, and promptly report the situation to their supervisor. Upon receiving a report, the Company performs data analysis and develops improvement plans to strengthen overall occupational safety management. TSC's risk assessment process covers all potential hazards in the work environment, including fire, falls, electric shock, machinery entrapment, and object collapse. Effective preventive and emergency response measures are ensured. In the event of an accident, prompt reporting, investigation, and corrective action implementation are mandated.

When an accident occurs, the employee shall immediately notify the respective department supervisor and occupational safety personnel, perform on-site emergency response and transport to a medical facility, or immediately evacuate from the hazardous area. Subsequently, the Company will conduct a detailed investigation into every incident. A task force for incident investigation and improvement will be formed by the accident-involved unit, occupational safety unit, and labor representatives to promptly implement temporary precautionary measures, jointly analyze the causes of the accident from the perspectives of personnel operation, equipment condition, and environmental factors, and implement effective corrective measures based on the findings of the investigation. Beyond internal incident management, TSC promotes cross-departmental experience sharing, ensuring that lessons learned and improvement measures are disseminated across all departments to prevent similar incidents from recurring.

Occupational Incident Reporting and Handling Procedures



Occupational Safety and Health Education and Training

To strengthen employees' safety awareness and disaster prevention capabilities, TSC Auto ID designs diverse safety education courses based on departmental and job characteristics, including general safety and health literacy, chemical hazard protection, fire safety, and emergency response training. The Company requires all new employees to complete basic occupational safety training before officially starting work, and provides additional professional training for employees in high-risk positions. Furthermore, management-level personnel are encouraged to participate in occupational safety training to enhance leadership-level safety management capabilities, ensuring that occupational safety awareness is thoroughly implemented from the top down. In 2025, the headquarters and the Lize Plant jointly offered 23 courses, with 1,243 participant-times receiving training and a total of 1,227.73 training hours; the Tianjin plant offered 1 course, with 9 participant-times receiving training and a total of 9 training hours. TSC also provides online learning resources to enhance learning flexibility and ensure that all employees acquire the necessary safety knowledge and skills.

Employee Participation and Communication Mechanism

TSC values employee input and participation. Through the Workplace Safety and Health Committee, employees' voices are incorporated into management decision-making. Members participate in quarterly meetings, are responsible for reviewing safety policies, supervising the working environment and assisting in accident investigations, as well as participating in discussions on various occupational safety and health issues, with resolutions made collectively by the committee. Meanwhile, TSC actively communicates with non-employee workers. All contractors entering the facility must undergo hazard awareness training and follow the application and safety management procedures for construction work. As a result, no safety- or health-related disputes occurred in 2025.

Contractor Safety Management

TSC Auto ID ensures the safety of contractor operations through a comprehensive contractor safety management mechanism. The scope of related policy commitments covers all contractor personnel, with the implementation of preventive management and audit systems to ensure the safety of the working environment and the physical and mental well-being of contractor personnel.

Contractor Safety Management Items	Item Content
Policy Commitment	The scope of the safety policy commitment covers contractor personnel, including implementation of preventive management and audit systems, ensuring a safe working environment and operations, and safeguarding the physical and mental well-being of contractors through relevant protection clauses
Risk Assessment	The "External Provider Management Procedures" have been established to evaluate the safety performance of suppliers and contractors and identify potential risks, based on occupational safety and health as well as RBA-related indicators
Implementation Guidelines	The "Contractor Management Plan Operating Procedures" serve as the safety management standard to ensure construction safety.
Education and Training & Agreement Signing	Safety and health training sessions are held for contractors. General safety notifications are provided to contractor personnel entering the facility, and the "Work Permit Application and Hazard Notification Form" must be signed to ensure adherence to the Company's safety standards before operations may begin.
Performance Review	The Company regularly convenes Safety and Health Committee meetings to review contractor safety performance and plant incident indicators (including those involving contractors).

Occupational Injury and Illness Investigation and Management

To foster a culture of safety and reduce the impact of the working environment on employee health, TSC Auto ID has identified major occupational hazards such as being struck, electric shock, crushing injuries, and collisions, and is committed to improving potential hazard risks such as near-miss incidents and safety behavior observations. The Company has established an autonomous inspection plan and an occupational safety and health management plan, and through risk identification and management mechanisms, prevents various physical, chemical, biological and ergonomic hazards. In response to emerging occupational diseases, the Taiwan region has established the "Ergonomic Hazard Prevention Plan," the "Abnormal Workload-Induced Illness Prevention Plan," and the "Prevention Plan for Illegal Infringement During the Performance of Duties" to ensure that the working environment meets health standards. In 2025, TSC reported no major occupational accidents and no cases of occupational disease, demonstrating the effectiveness of its management mechanisms and striving to achieve good management performance in 2025 to ensure the safety of all colleagues and contractors.

Employee Occupational Injury Statistics

Item	Plant Site	2023	2024	2025
Total Working Hours	Headquarters + Lize Plant	732,096	710,000	667,152
	Tianjin TSC Auto ID	384,583	395,503	404,626
Number of Occupational Injuries	Headquarters + Lize Plant	0	0	2
	Tianjin TSC Auto ID	0	1	1
Occupational Injury Rate (IR)	Headquarters + Lize Plant	0	0	2.997817589
	Tianjin TSC Auto ID	0	2.52842583	2.47141805
Number of Recordable Occupational Injuries	Headquarters + Lize Plant	0	0	2
	Tianjin TSC Auto ID	0	1	1
Recordable Occupational Injury Rate	Headquarters + Lize Plant	0	0	2.997817589
	Tianjin TSC Auto ID	0	2.52842583	2.47141805
Number of Fatal Occupational Injuries	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Fatal Occupational Injury Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Serious Occupational Injuries	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Serious Occupational Injury Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Disabling Injury Frequency Rate (FR)	Headquarters + Lize Plant	0	0	2.997817589
	Tianjin TSC Auto ID	0	2.528425827	2.4714181
Disabling Injury Severity Rate (SR)	Headquarters + Lize Plant	0	0	2.997817589
	Tianjin TSC Auto ID	0	118.836014	4.9428361
Number of Occupational Disease Cases	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Occupational Disease Rate (ODR)	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Recordable Occupational Disease Cases	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Occupational Disease Deaths	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Occupational Disease Fatality Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0

Note 1: Statistics include all employees at the headquarters, Lize Plant, and Tianjin TSC Auto ID.
Note 2: Serious Occupational Injury Rate excludes fatalities and is calculated as: Serious injuries x 1,000,000 / Total working hours.
Note 3: Disabling Injury Frequency Rate (FR) = Total number of disabling injuries × 1,000,000 / Total working hours.
Note 4: Disabling Injury Severity Rate (SR) = Total lost days due to injuries × 1,000,000 / Total working hours.
Note 5: Injury Rate (IR) = Number of occupational accident incidents × 1,000,000 / Total working hours.
Note 6: Occupational Disease Rate (ODR) = Number of occupational diseases × 1,000,000 / Total working hours.

Non-Employee Worker Occupational Injury Statistics

Item	Plant Site	2023	2024	2025
Total Working Hours	Headquarters + Lize Plant	8,760	8,760	5,904
	Tianjin TSC Auto ID	11,952	12,000	11,904
Number of Occupational Injuries	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Occupational Injury Rate (IR)	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Recordable Occupational Injuries	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Recordable Occupational Injury Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Fatal Occupational Injuries	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Fatal Occupational Injury Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Serious Occupational Injuries	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Serious Occupational Injury Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Disabling Injury Frequency Rate (FR)	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Disabling Injury Severity Rate (SR)	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Occupational Disease Cases	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Occupational Disease Rate (ODR)	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Recordable Occupational Disease Cases	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Number of Occupational Disease Deaths	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0
Occupational Disease Fatality Rate	Headquarters + Lize Plant	0	0	0
	Tianjin TSC Auto ID	0	0	0

Note 1: Statistics include all employees at the headquarters, Lize Plant, and Tianjin TSC Auto ID.
Note 2: Number of serious occupational injuries (excluding fatalities) x 1,000,000 / Total working hours.
Note 3: Disabling Injury Frequency Rate (FR) = Total number of disabling injuries × 1,000,000 / Total working hours.
Note 4: Disabling Injury Severity Rate (SR) = Total lost days due to injuries × 1,000,000 / Total working hours.
Note 5: Injury Rate (IR) = Number of occupational accident incidents × 1,000,000 / Total working hours.
Note 6: Occupational Disease Rate (ODR) = Number of occupational diseases × 1,000,000 / Total working hours.

4.2.2 Building a LOHAS Workplace

TSC Auto ID prioritizes employee health and well-being, believing that only healthy and happy employees can drive sustainable corporate development. In addition to creating a safe and healthy work environment, the Company also considers employees' perspectives to create a LOHAS (Lifestyles of Health and Sustainability) workplace. The Company has compiled the TSC LOHAS Guidebook, upholding the spirit of integrating welfare with public good through diverse activity designs—including team-building events, club activities, and employee welfare programs—allowing colleagues to recharge creativity and vitality through work and leisure, thereby achieving "Better me & Better TSC."

TSC has established a Employee Welfare Committee composed of employee representatives elected by various departments. The committee plans activities that support employees' physical and mental well-being according to their needs. Moreover, the committee convenes quarterly to organize company-wide welfare measures and provides funding subsidies to encourage employees to form various sports and service-based clubs. As of 2025, TSC's implementation achievements included birthday cash gifts, marriage, funeral and celebratory allowances, travel subsidies, employee social activities and club subsidies, childcare subsidies, educational scholarships for employees and employees' spouses and children, talent and skills incentives for employees and their children, and gifts for long-serving employees, totaling NT$ 5,300,000, with the expectation of thereby enhancing employees' physical, mental and spiritual health and creating a LOHAS working environment.

2025 LOHAS Workplace Benefits Overview

[Taiwan] Headquarters and Lize Plant:

LOHAS Workplace Benefits	Implementation
Birthday parties	Approximately **24** birthday parties were held in the Taiwan region, and approximately **4** birthday parties were held in the China region
Employee travel	Approximately **300** participants in the Taiwan region and approximately **155** participants in the China region, including **10** employees' family members
Employee social events	Approximately **500** participant-times in the Taiwan region
Scholarships for employees and their spouses/children	Approximately **140** applicants for educational scholarships in the Taiwan region, with a total of NT$ **224,000** distributed
Childcare subsidies and talent and skill rewards for employees and their children	Approximately **65** applicants for childcare subsidies and skills incentives in the Taiwan region, with a total of NT$ **136,000** distributed
Club subsidies	Subsidies were provided for **6** club activities in the Taiwan region, with a total of NT$ **143,057** distributed

Comprehensive Health Management

TSC Auto ID recognizes employee health as a cornerstone of sustainable business development and is committed to providing comprehensive health management programs to ensure employees are in optimal physical and mental condition for work. By establishing sound health management systems, promoting wellness activities, and offering diversified health services, the Company ensures that all employees receive proper care.

Health checkups and follow-up management are tailored to employee needs, and the Company regularly shares health education materials, organizes health workshops, and implements wellness promotion initiatives to help employees monitor their health, prevent risks early, and develop long-term wellness strategies.

Five Key Aspects of Health Management

Health Checkups and Monitoring

- Multiple types of health screenings, including onboarding physicals, annual exams, and optional paid checkups to ensure physical well-being
- Analysis and tiered management of exam data; follow-up on abnormal results

Health Care and Monitoring

- On-site health services via contracted physicians and nurses to protect workers' health and enhance competitiveness
- 24/7 third-party psychological counseling services
- Health care tracking and recordkeeping via the iCare system; medical referrals and consultations provided when needed
- Maternity protection case registration and tiered management
- Job reassignment and return-to-work evaluation

Health Education Sharing

- Regularly promote a wide range of health topics and educational information

Health Lectures and Workshops

- Based on health checkup outcomes and employee health needs surveys, invite professionals to share information on wellness and disease prevention
- A total of 2 health lectures and workshop courses were offered in 2025

Health Promotion Activities

- A 2025 weight-loss competition was organized, and fat-burning exercise sessions were arranged to encourage colleagues to exercise and achieve the goal of weight loss and improved health
- A low-carbon diet activity was organized to encourage the selection of local and seasonal ingredients and promote physical health

Health Management Performance

In 2025, TSC planned diversified health management activities through 5 major health management aspects to maintain employees' occupational health, including employee health examinations, onsite health services by plant doctors and nurses, and a number of voluntary health promotion programs, including health lectures and workshops, as well as the promotion of Mindfulness Week and a weight-loss competition, providing comprehensive health management solutions to safeguard employee health.

Health Management Activities	Content	Results
Health Checkups and Monitoring		
Diverse Health Screenings	TSC goes beyond legal requirements by offering comprehensive and in-depth annual health checkups for employees and their family members. Screening items include: pre-employment physical exams, annual routine checkups, occupational hazard-specific checkups, and self-paid exams (e.g., cardiac ultrasound, breast ultrasound, Helicobacter pylori tests, etc.)	• **321** employees and **11** family members participated in the 2025 health checkups • Completion rate for mandatory health check items: **100%**, exceeding the statutory participation rate of **94.4%** • The Company subsidized general physical examinations for a total of **23** new employees, with total expenditure of NT$ **18,650**, and the completion rate for new employee physical examinations was **100%**
Health Care and Monitoring		
Onsite Medical Services	To prevent occupational diseases, identify health issues early, maintain worker health, and enhance corporate competitiveness, the Taiwan plant arranged onsite employee health services through contracted plant doctors and nurses	Total of **149** service sessions conducted
Psychological Counseling Services	In cooperation with a professional psychological counseling center, the Taiwan plant provides 24-hour, year-round psychological counseling services, allowing colleagues to seek 3rd-party professional assistance while also protecting the privacy of service users and ensuring that counseling content is retained only by the counselor	Total of **10** service users, with an average satisfaction score of **4.69**
Health Education Sharing		
Biweekly Health Newsletter / Health Education Column	The Taiwan plant promotes diversified health topics and regularly communicates relevant health education information to employees through channels such as e-newsletters and bulletin boards	A total of **20** health education articles distributed
Health Lectures and Workshops		
Break Free from Waist Circumference and Unlock Metabolic Vitality	The Taiwan plant invited a nutritionist to explain the importance of "carbohydrate control"; healthy eating choices, exercise habit formation and lifestyle adjustments can also help maintain health with ease	A total of **106** people participated; the post-course satisfaction score reached **4.80**. Employees gave feedback that the course was helpful in preventing occupational injuries.
Metabolic Syndrome in Metabolic Circulation	The Taiwan plant invited a family medicine physician to introduce metabolic syndrome and enhance health awareness among all employees	A total of **17** people participated; the post-course satisfaction score reached **4.95**. Employees gave feedback that they gained a deep understanding of the importance of a balanced diet through the course.
Health and Wellness Course (Summer Improvisation Music Gathering)	Employees were invited to bring various musical instruments to participate, with no restrictions on type or skill level, and through relaxed, stress-free musical interaction, exchanges and emotional connections among colleagues were promoted. Colleagues without instruments or a musical background could also participate through listening and rhythmic interaction, creating an inclusive and enjoyable experience. Through this course, employees were helped to relieve stress outside of their busy work schedules, improve physical and mental well-being, and further strengthen team cohesion and workplace well-being.	A total of **12** people participated; the post-course satisfaction score reached **4.89**, and together they created a beautiful piece of music of their own.
Health and Wellness Course (Dessert Workshop)	One dessert workshop was held in Taipei and Lize respectively, adding a touch of sweetness to colleagues' busy lives as they made soft and sweet daifuku together by hand and shaped their own healing moments with their hands. A group creative competition was designed during the course, and through making strawberry daifuku, exchanges and interaction among colleagues were enhanced, team cohesion was strengthened, and at the same time employees could relax physically and mentally through handcraft activities outside of work.	A total of **58** people participated, and the post-course satisfaction score reached **4.96**, as they made their own unique soft and sweet daifuku.
Health Promotion Activities		
2025 Weight Loss Competition	To respond to healthy eating and promote appropriate exercise, TSC held the 2025 Weight Loss Competition to encourage participants to adopt a healthy lifestyle and reduce weight through a balanced diet and regular exercise, with the aim of helping participants achieve their ideal weight and improve health	A total of **69** people participated in the weight loss competition. Over a three-month period, a total of **148.8** kilograms were lost.
Mindfulness Week	In an era of rapid change, the Company places great importance on colleagues' psychological resilience and physical and mental balance. The Taiwan plant held a "Mindfulness Week" event, using simple mindfulness exercises and interactive activities to guide colleagues in maintaining awareness and focus amid busy work, and coupled this with incentive measures to encourage participation, helping colleagues relieve stress, strengthen emotional regulation capabilities and promote overall physical and mental health.	Total participation in the Mindfulness Week event reached **496** participant-times, with a satisfaction score of **4.38**, and colleagues reported that it helped relieve stress, stabilize emotions and enhance concentration and physical and mental relaxation.
Health Promotion Activities - Low-Carbon Diet	Throughout the entire life cycle of food, the least possible greenhouse gas emissions are produced, and the selection of local, seasonal vegetables is encouraged, with 5 vegetarian meals per month.	Low-Carbon Diet Activity **37** participants
Health Promotion Activities - Enjoy Reading	Through reading books, minds are calmed; Company books are borrowed, and reading reflections are shared.	A total of **18** reading reflections were shared
Family Day	To strengthen employee cohesion and family connection, the TSC Taiwan plant held its 1st Family Day in August 2025, inviting more than 500 employees and their family members to gather at the Taipei Dome to watch the baseball game between Wei Chuan Dragons and Brothers Elephants. Before the event, the "Baseball 101 Series" was launched, and specially designed caps were distributed on the event day to demonstrate team spirit and corporate cohesion.	Total participation in the Family Day event exceeded **500** participant-times
Sports Meet	The Tianjin plant held its 1st employee sports meet in September 2025 under the theme of "Moving Forward with Vitality, Creating the Future Together", featuring a total of 10 fun competitions. In addition to exercising in a relaxed and pleasant atmosphere, employees also strengthened team cohesion and sense of belonging.	Total participation in the sports meet event was **108** participant-times

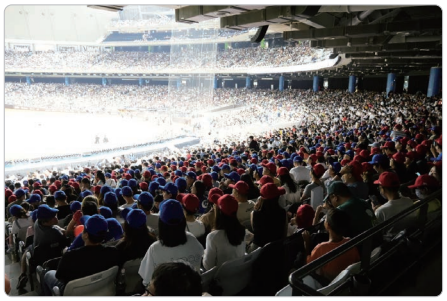
Note: Maximum satisfaction score for all evaluations is 5 points.

Highlight Story: 1st "Baseball Family Day", 2025 Family Day TSC So Great!

More than 500 participant attendances | **One exclusive TSC commemorative cap for each person**

In Taiwan, baseball has long been a representative sport with strong cohesion. From the world-class World Baseball Classic to Taiwan's professional baseball league, stadiums are always packed, with fans singing cheering songs to support their favorite teams. In 2025, following this "baseball craze", TSC combined Family Day with a baseball event for the 1st time and held a "Baseball Family Day", inviting more than 500 employees and their family members to gather at the newest venue, the "Taipei Dome", to watch the professional baseball game of "Wei Chuan Dragons V.S. Brothers Elephants". In doing so, connections between employees and their families were deepened, and organizational cohesion was strengthened.

To enable all employees to quickly understand baseball's complex rules, TSC planned a month-long "Baseball 101" series before the game to introduce baseball rules, cheering culture and game-viewing etiquette, helping colleagues and family members attending a game for the 1st time quickly integrate into the atmosphere, and enabling family members who have less exposure to baseball in daily life to understand key calls and tactical arrangements on site, thereby further enhancing overall participation and interaction. On the day of the event, employees and their family members were fully engaged, and the atmosphere throughout the venue was extremely enthusiastic and energetic; every exciting offensive and defensive inning kept everyone fully focused, with emotions rising and falling with the course of the game.



When a player hit a home run, some children even shouted excitedly with joy, and everyone present was infected by this enthusiasm.

In addition, TSC thoughtfully arranged all aspects of the event for employees. On the event day, everything from pre-game assembly, transportation route planning and guidance, hand signs, to the distribution of meal vouchers and gifts was handled entirely by TSC. Colleagues could take photos holding the "TSC So Great!" hand signs, and every employee and family member also received an exclusive TSC commemorative cap to cheer for their supported team together. This was not merely a simple souvenir, but also a symbol of the spirit of the TSC family, with the hope that through this "Baseball Family Day", colleagues and their families would create beautiful memories. Strengthen employees' identification with the organization Continue to practice family friendliness and employee care, and create a workplace culture with a sense of belonging

Highlight Story: Tianjin TSC Auto ID Held Its 1st Employee Sports Meet Under the Theme of "Moving Forward with Vitality, Creating the Future"

To actively promote a healthy and positive team culture, Tianjin TSC Auto ID held its 1st employee sports meet in September 2025 under the theme of "Moving Forward with Vitality, Creating the Future". The event design integrated fun and the spirit of teamwork, arranging multiple competitions such as "Invincible Hot Wheels", "Four-Way Tug-of-War", "Crossing the River by Feeling the Stones" and "Name Tag Tearing", and the atmosphere on site was enthusiastic and full of vitality.

All four fun competitions incorporated elements of teamwork, testing not only individual agility and concentration but also requiring close coordination among team members. "Invincible Hot Wheels" tested employees' tacit understanding, as team members had to maintain a high degree of coordination, adjust their pace and move forward steadily in order to advance at the best speed; "Four-Way Tug-of-War" tested not only strength and body weight, as each team continuously adjusted its tactics during the tugging process and mastered the timing of exerting and releasing force, demonstrating a high degree of teamwork to win; "Crossing the River by Feeling the Stones" required participants to observe calmly and respond flexibly, completing each move steadily and symbolizing the maintenance of focus and resilience in the face of challenges; "Name Tag Tearing" was the most anticipated session, and many team members had watched the classic scenes from "Keep Running! Brothers", and through strategic planning, formation cover and division of roles, they worked together to defeat opponents with stronger athletic ability, fully demonstrating the employees' spirit of daring to challenge and break through.

During the competition, cheers from the sidelines rose one after another. Whether in cheers while leading or encouragement while trailing, this fully reflected the trust, support and cohesion among colleagues. Employees participated in the competitions in a pleasant and relaxed atmosphere, not only enjoying the fun of sports but also further strengthening mutual bonds and team belonging. In the future, Tianjin TSC Auto ID will continue to promote health promotion activities, foster a corporate culture of "positivity, unity and mutual assistance", accompany employees and the company in growing together, and move toward a better future.





Highlight Story: "Hanbao Camp" Parent-Child Competency Development Program

12 children of employees and 20 family members enthusiastically participated

Total course hours: 84 hours

2 children of employees who had participated in Hanbao Camp returned for further training and served as senior camp members

TSC Auto ID firmly believes that employee well-being is closely tied to family life. To reflect its care and commitment to employee family welfare, TSC Auto ID once again partnered with Carnegie in 2025 to launch the "Hanbao Camp" parent-child competency growth program. This program extended competency training, originally designed specifically for employees, to their children as well, promoting the shared growth and development of the family as a whole. Through a fully subsidized summer character-building camp, children of employees from elementary to junior high school were invited to participate. The program aimed to cultivate children's self-discipline, emotional regulation skills, communication, and interpersonal interaction capabilities—laying a solid foundation for their growth.

In 2025, the Hanbao Camp had a total of 12 employee children and 20 parents actively participating. The total course time amounted to 84 hours, fully demonstrating the Company's deep investment in and commitment to family development. The activity was designed using a parent-child co-participation model, through which in-depth communication between Carnegie instructors and parents guided parents to play an active role in supporting and encouraging their children's positive changes during the process, thereby cultivating a sound communication model within the family. In addition, the program included a variety of after-class exercises, encouraging children to apply what they learned in their daily family life. Parents were responsible for accompanying and observing their child's progress—helping them translate course content into real-life practice. A final presentation session was also arranged, giving each participant the opportunity to take the stage and showcase their growth. Parents were invited to participate throughout the process to jointly witness their child's transformation.

At the same time, Carnegie has a "senior camp member system", which provides graduates with opportunities to return for further training and continue improving. In 2025, a total of 2 children of employees returned for further training and served as senior camp members. Through pre-course instructor supervision, in-course demonstrations and sharing, and post-course care for current trainees, they internalized what they had learned and were better able to enhance their leadership, influence and self-management abilities.

Post-program feedback from employees highlighted the outstanding impact of the Hanbao Camp on both family interactions and child development. Through guided activities, families gradually established a shared language and behavioral standards, such as "no criticism, no complaints, no blame," which effectively enhanced children's self-confidence and willingness to express themselves. Some parents noted a significant improvement in their children's emotional regulation, and a noticeable decrease in family conflicts previously triggered by emotional outbursts—leading to a more harmonious home atmosphere. Other parents shared that their children, after participating in the program, began to actively reflect on how their behavior impacts others, and became better at building positive interpersonal relationships. Parents themselves also learned the educational philosophy of "slow parenting," becoming more patient in accompanying and guiding their children's growth.

Many employee families observed progress in their children's self-discipline, time management, and communication skills. After the program, children were better able to calmly face and handle conflicts, and proactively used kind communication to resolve disagreements. Through the time management techniques taught in the camp, many children could already plan their daily activities and learning tasks independently, gradually forming a habit of completing important tasks before enjoying leisure. These changes not only amazed the parents but also helped them shift from the traditional role of strict discipline to one of supportive companionship and guidance. This transformation has significantly improved the quality of parent-child interaction and sense of family happiness.

Through the Hanbao Camp Parent-Child Competency Development Program, TSC Auto ID has successfully strengthened deep emotional bonds within employees' families and built a stable and warm interpersonal network. Employees widely expressed heartfelt appreciation for the Company's care toward their family lives. Looking ahead, TSC will continue to promote Hanbao Camp, further deepening the connection between parent-child co-learning, family support, and corporate talent development. This fully demonstrates TSC Auto ID's long-term commitment and core corporate values in supporting employee family welfare and nurturing the next generation.



CH 5
Shared Prosperity with Society



Upholding the spirit of "taking from society and giving back to society," TSC has established three main pillars for its public welfare initiatives, deeply participating in environmental and social public welfare projects and cooperating with diverse external groups and stakeholders, including the Eden Social Welfare Foundation, Genesis Social Welfare Foundation, and Huashan Social Welfare Foundation, while joining hands with employees in TSC's Taiwan and China regions to put social participatio n in public welfare into practice, create a positive impact on society, and foster a community of shared wellbeing and prosperity.

Recommended Primary Readers:

- ☐ Customers
- ☐ Business Partners
- ■ Employees
- ☐ Shareholders/Investors
- ☐ Government
- ☐ Suppliers
- ■ Local Communities

▶ 5.1 Exerting Social Influence

5.1 Exerting Social Influence

With volunteer companionship, environmental protection, and community care as its objectives, TSC actively focuses on disadvantaged groups, the environment, and the elderly, and expands its social impact through diverse actions. In terms of volunteer companionship, TSC's Taiwan region cooperated with the Eden Social Welfare Foundation to accompany children with developmental delays on outings and create warm memories; it also joined hands with the Genesis Social Welfare Foundation to hold the "Walking for Love, Advancing Sustainably Together" walkathon at Luodong Sports Park in Yilan and donate supplies needed by people in a persistent vegetative state; meanwhile, Tianjin TSC Auto ID also called on colleagues to respond to World Autism Awareness Day and pay attention to the physical and mental development of children with autism. In terms of environmental protection, TSC invited colleagues and their family members to participate in a tree-planting initiative and do their part for environmental sustainability. Lastly, TSC also devoted efforts to community care by cooperating with the Huashan Social Welfare Foundation to reduce the sense of isolation among elderly people living alone through visits, companionship, and health-related care, injecting warmth and positive energy into society.

Three Main Pillars of TSC's Public Welfare Initiatives

- Cooperated with the Eden Social Welfare Foundation to accompany children with developmental delays as they grow up happily.
- Cooperated with the Genesis Social Welfare Foundation to hold a walkathon event and care for people in a persistent vegetative state.
- Tianjin TSC Auto ID responds to World Autism Awareness Day and cares for children with autism



- Held the inaugural "Tree Planting Day," inviting employees and their family members to plant 200 trees together and do their part for the environment.
- Cooperated with the Huashan Social Welfare Foundation to visit and care for elderly people living alone, reducing the sense of social isolation through interactions such as conversation, games, and blood pressure measurement.

TSC's Social Welfare Projects

Public Welfare Highlights

Total donations exceeded NT$1 million

200 tree seedlings planted

Over 1,000 total employee volunteer hours

Total of 995 beneficiaries

TSC's public welfare projects are divided into three categories, including volunteer companionship activities, environmental protection, and community care, inviting colleagues to actively participate in the activities, join in the grand occasion together, and contribute to public welfare through acts of kindness. In 2025, with the enthusiastic participation of colleagues, total employee service hours exceeded 1,000 hours, the number of beneficiaries reached 995, and the total amount of public welfare donations raised exceeded NT$ 1,000,000. This year, tree-planting activities were also incorporated, with 200 saplings planted to jointly contribute to environmental stewardship, deepen ties with local communities, and realize the vision of shared sustainability and prosperity.

2025 Public Welfare Action Projects

TSC Auto ID's headquarters and Lize Plant are located in New Taipei City and Yilan County, respectively, while Tianjin TSC Auto ID is located in Tianjin. To assist disadvantaged local groups and deepen social care, the Company has joined hands with local charitable organizations to promote diverse public welfare initiatives.

Volunteer Companionship

- TSC's headquarters in New Taipei City and Lize Plant in Yilan County cooperated with the Eden Social Welfare Foundation to accompany children with developmental delays on outings, create wonderful memories, and provide caregivers with time to rest.
- TSC's Lize Plant in Yilan County cooperated with the Genesis Social Welfare Foundation to hold the "Walking for Love, Advancing Sustainably Together" event at Luodong Sports Park in Yilan County and sponsored 1,200 diapers for 20 people in a persistent vegetative state.
- In response to World Autism Awareness Day, a total of 30 employees and family members of Tianjin TSC Auto ID participated in an autism-themed public welfare event in Tianjin to understand and care for children with autism.

Environmental Protection

- TSC's headquarters in New Taipei City and Lize Plant in Yilan County invited colleagues and their family members to do their part for the earth by planting saplings in the soil by hand, hoping that they will one day grow into a forest.

Community Care

- TSC's Lize Plant in Yilan County cooperated with the Huashan Social Welfare Foundation to visit and care for elderly people living alone in Yilan County, helping them feel cared for through interactions such as conversation, games, and blood pressure measurement, and reducing their sense of social isolation.

Highlight Story: Slow-Flying Angels – Let Love Fly

33 Slow-Flying Angels | Total Donations: NT$**216,101** | Volunteer Hours: **330**

TSC Auto ID has long been dedicated to caring for and supporting disadvantaged groups and continues to fulfill corporate social responsibility through concrete actions. In 2025, TSC and the Eden Social Welfare Foundation jointly held two volunteer companionship activities, allowing more people to feel love and care. TSC Auto ID employees actively signed up as volunteers and accompanied 33 Slow-Flying Angels through a joyful day, while also providing 31 caregivers a valuable chance to rest.

Volunteer activities included visiting exhibitions, animal and botanical gardens, participating in DIY craft workshops, and enjoying delicious meals together. These events not only created wonderful memories for the Slow-Flying Angels but also gave their caregivers time to relax and enjoy a rare break. These were not merely acts of companionship—they were opportunities for emotional connection and mutual warmth, allowing everyone involved to feel the power of love.

This event not only demonstrated TSC Auto ID's commitment to social care, but also deepened employees' practice of participating in public welfare, conveying warmth and support through on-site companionship and interactive exchanges and putting the sustainable values of inclusion and care into practice.

In addition, in 2025 TSC Auto ID Technology also sponsored the Eden Social Welfare Foundation's "Happy Festival for Children" event, where small games in themed exhibition areas such as "Co-creation," "Development Journey," and "Five-Senses Experience" enabled everyone to better understand child development and the importance of early intervention, while "Courage Hugs" gave children strength to grow up, working together to create an inclusive and friendly growth playground and warmly protect children with developmental delays.





Looking ahead, TSC Auto ID will continue its close collaboration with the Eden Social Welfare Foundation, planning to organize annual volunteer companionship activities to bring support and care to more children with developmental delays and their families. TSC believes that through stable and continuous charitable actions, it can deepen employees' understanding of and attention to issues affecting disadvantaged groups and further enhance awareness of social inclusion.

TSC Auto ID believes that through long-term investment in public welfare initiatives, it can not only bring tangible support to more families, but also jointly promote a more inclusive and warmer society. In the future, it will continue to call on more partners to help protect families of children with developmental delays and accompany them as they grow up happily!


感謝狀

茲感謝 鼎翰科技股份有限公司 熱心公益
，支持本會【弱勢兒童服務計畫】經費，散播
愛與關懷，創造有愛無礙的社會，
辦行可風，特頒謝狀。

財團法人伊甸社會福利基金會
董事長 陳宇昭
中華民國 114 年 12 月 12 日

Walking for Love, Advancing Sustainably Together

Quantity of donated supplies
1,200 diapers

Number of beneficiaries
Donations for 20 people in a vegetative state

To support public welfare and care for disadvantaged people in a persistent vegetative state, TSC joined hands with the Genesis Social Welfare Foundation on July 26, 2025 to hold the "Walking for Love, Advancing Sustainably Together" event at Luodong Sports Park in Yilan County, inviting colleagues to support issues related to the care of people in a persistent vegetative state through concrete actions. Through a relaxed walkathon format, participants were encouraged, while exercising, to raise public awareness of people who are bedridden long-term and the caregiving pressure faced by their families.

TSC actively called on colleagues to participate and also provided substantial resource support by donating a total of 1,200 diapers to 20 people in a persistent vegetative state, helping to ease the financial burden of daily family caregiving. During the walkathon, colleagues followed the planned route and felt the warmth brought by public welfare action through interaction and exchange, making "walking for love" not only a slogan, but also a concrete practice. In the future, TSC will continue to join hands with public welfare partners to expand its social impact and keep the steps of care moving forward.





One Person Plants One Tree, One Hundred People Create One Forest - Inaugural Tree Planting Day, Joining Hands to Build a Greener Future

Number of participants
100 people

200 trees planted

Colleague satisfaction
88.93 points

To implement environmental sustainability and ecological conservation, TSC promoted a tree-planting initiative in March 2025 and held the inaugural "Tree Planting Day" event, encouraging colleagues to support environmental sustainability through concrete action and inviting family members and friends to participate together, with the aim of enhancing colleagues' awareness of ecological conservation and putting green commitments into practice through action.

On the day of the event, a total of 100 colleagues and their relatives and friends participated in volunteer tree planting. Under the guidance of professionals, colleagues and their relatives and friends worked together to clear surface stones, loosen soil, level the ground, and plant saplings. Through teamwork, the originally bare area was gradually covered with newly planted saplings, and bamboo stakes were installed to ensure that the young trees stood firmly and took root, successfully increasing green coverage at the site and helping improve the soil environment and biodiversity, and ultimately, through the joint efforts of the volunteers, 200 trees were planted together in 2025.

In addition to delivering environmental benefits, all participating colleagues and their relatives and friends responded enthusiastically to the event, and the overall average satisfaction score reached 88.93 points. This event promoted interaction and teamwork among colleagues and their relatives and friends, and through carefully reminding one another of their steps and working together in tacit coordination, participants not only gave back to nature, but also deepened their bonds with one another. TSC believes that "sustainability begins with awareness and is achieved through action." By letting colleagues and their relatives and friends touch the soil with their own hands, the concept of environmental protection was turned into concrete practice, while also serving as a reminder that building a better future is not a slogan, but a shared responsibility borne by every TSC member.





Bringing Warmth to Elderly People Living Alone and Reducing the Sense of Social Isolation

To deepen local care and respond to the needs of an aging society, TSC joined hands with the Huashan Social Welfare Foundation in 2025 to hold the "Care and Visit Activity for Elderly People Living Alone" in Suao, Yilan County, caring about the daily lives and physical and mental conditions of the elderly through in-person visits and companionship and delivering warmth and care. This event lasted approximately 4 hours in total and included actual visits to 10 elderly people living alone.

During the participation process, volunteers cared about the senior citizens' medications and meal situations, physical conditions, and recent life changes through face-to-face communication and companionship, and also provided reminders on daily care. In addition, the event also arranged interactive activities such as blood pressure measurement, back massage for relaxation, and dementia prevention card games, promoting the senior citizens' physical and mental health in a relaxed atmosphere. This not only made grandfathers and grandmothers feel valued and cared for, but also effectively reduced their inner sense of social isolation. TSC hopes that by continuously investing in community care actions, it can strengthen its connection with local communities and encourage employees to participate in public welfare through concrete actions, incorporating care into daily life and bringing more positive energy to society.





Responding to World Autism Awareness Day, Tianjin TSC Auto ID Lights Up Hope

In response to World Autism Awareness Day (also known as Autism Awareness Day), a total of 30 employees and family members of Tianjin TSC Auto ID participated in the Tianjin autism-themed public welfare event "Implementing the Action Plan for Care and Promoting the Comprehensive Development of the Autism Community — the 28th Autism Day Public Welfare Advocacy Campaign." Through personal participation, they gained a deeper understanding of and care for this group known as "children of the stars," fulfilled corporate social responsibility through concrete actions, and conveyed the warmth and support of Tianjin TSC Auto ID.

During the event, employees and family members deeply participated in sessions such as autism education and promotion and interactive experiences, and accompanied participants in various sports activities. Through close-range exchanges, employees personally experienced the unique talents and behavioral characteristics of children with autism and the challenges they face in social integration, and further understood the importance of social support.

This event not only deepened Tianjin TSC Auto ID employees' identification with the corporate mission and public welfare philosophy, but also enabled employees' family members to personally appreciate the significance of the enterprise's fulfillment of social responsibility, further strengthening cohesion and shared values. In the future, Tianjin TSC Auto ID will continue to promote diverse forms of public welfare initiatives and respond to social needs through long-term and concrete commitment, contributing corporate strength to the creation of a friendlier, more harmonious, and inclusive social environment.





Appendix



- Appendix 1 Company Profile
- Appendix 2 Product Information
- Appendix 3 GRI Standards Index
- Appendix 4 SASB Index
- Appendix 5 Climate-Related Information for OTC Companies
- Appendix 6 Sustainability Disclosure Indicators - Computer and Peripheral Equipment Industry
- Appendix7 Independent Limited Assurance Report
- Appendix8 Independent Limited Assurance Report on Greenhouse Gas (GHG) Statement

Appendix I: Company Profile Information

Participation in Industry Associations

Name of Association
Wi-Fi Alliance
Chinese Human Resource Management Association
Lize Industrial Zone Manufacturers' Development and Promotion Association, Yilan County
Yilan County Industrial Association

Overview of Financial-Related Data

Overview of Financial-Related Data		
Item		**Economic Value** (NT$ thousands)
Direct Economic Value Generated	Total Annual Revenue (Net Sales)	**11,529,034**
Economic Value Distributed	Operating Costs	**7,808,715**
	R&D Investment	**604,239**
	Employee Salaries and Benefits	**2,342,927**
	Payments to Shareholders (Dividend Distribution)	**474,481**
	Community Investment	**100**
Total Economic Value Distributed		**11,230,462**
Total Economic Value Retained (Net Profit After Tax)		**932,651**

Note: Community investment in 2025 refers to financial and non-financial donations made to non-profit organizations.

Appendix II: Product Information

Total Weight and Recycling Ratio of Discarded Products and Electronic Waste in 2025

Item	Unit	Total Weight / Recycling Rate
Total weight of end-of-life products actually recovered and recyclable	metric tons	0
Total weight of end-of-life products actually recovered	metric tons	0
Percentage of end-of-life products recycled after recovery (Total recyclable weight after recovery / Total actual recovered weight)	percent	0%

Note: TSC Auto ID does not provide product take-back services. Its manufacturing process consists of assembly operations only and does not involve raw material production or cutting. Therefore, there is no generation of production scraps.

Appendix III GRI Standards Index

General Disclosures

GRI 2: General Disclosures (2021)		Report Section	Page No.
The organization and its reporting practices			
2-1	Organizational details	About This Report	P.6
2-2	Entities included in the organization's sustainability reporting	About This Report	P.6
2-3	Reporting period, frequency and contact point	About This Report	P.6
2-4	Restatements of information	About This Report	P.6
2-5	External assurance	About This Report	P.6
Activities and Workers			
2-6	Activities, value chain, and other business relationships	1.1.1 Company Profile	P.16, P19
2-7	Employees	4.1.1 Talent Recruitment and Retention	P.79
2-8	Workers who are not employees	4.1.1 Talent Recruitment and Retention	P.79
Governance			
2-9	Governance Structure and Composition	1.2.1 Corporate Governance	P.21
		1.2.2 Board of Directors Overview	P.24-P25
2-10	Nomination and selection of the highest governance body	1.2.2 Board of Directors Overview	P.24
2-11	Chair of the highest governance body	1.2.1 Corporate Governance	P.21
		1.2.2 Board of Directors Overview	P.25
2-12	Role of the highest governance body in overseeing the management of impacts	1.2.1 Corporate Governance	P.22
		1.2.2 Board of Directors Overview	P.26
2-13	Delegation of responsibility for managing impacts	1.2.1 Corporate Governance	P.22-P23
2-14	Role of the highest governance body in sustainability reporting	Material Topic Identification and Stakeholder Communication	P.12
		1.2.1 Corporate Governance	P.21
2-15	Conflict of Interest	1.2.2 Board of Directors Overview	P.25
2-16	Communication of critical concerns	1.2.2 Board of Directors Overview	P.24
2-17	Collective knowledge of the highest governance body	1.2.2 Board of Directors Overview	P.26
2-18	Evaluation of the performance of the highest governance body	1.2.2 Board of Directors Overview	P.27

Statement of Use	TSC has reported the information for the period from January 1, 2025, to December 31, 2025, in accordance with the GRI Standards.
GRI 1 Used	GRI 1: Foundation (2021)
Applicable GRI Sector Standards	None

GRI 2: General Disclosures (2021)		Report Section	Page No.
2-19	Remuneration policies	1.2.2 Board of Directors Overview	P.27
2-20	Process to determine remuneration	1.2.2 Board of Directors Overview	P.27
2-21	Annual total compensation ratio	4.1.3 Diversity, Equity, and Inclusion	P.94
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Message from the Chairman and General Manager	P.3, P.4
2-23	Policy Commitment	1.2.1 Corporate Governance	P.22
		4.1.4 Human Rights Management and Labor Relations Communication	P.95
2-24	Embedding policy commitments	1.2.1 Corporate Governance	P.22
2-25	Processes to remediate negative impacts	Material Topic Identification and Stakeholder Communication	P.10
		1.3.2 Information Security Management and Protection	P.34
		2.3.2 Sustainable Supply Chain Management	P.56
		4.1.1 Talent Recruitment and Retention	P.82
		4.1.4 Human Rights Management and Labor Relations Communication	P.97
2-26	Mechanisms for seeking advice and raising concerns	4.1.4 Human Rights Management and Labor Relations Communication	P.97
2-27	Compliance with laws and regulations	1.2.3 Integrity Management and Regulatory Compliance	P.29
2-28	Membership in associations	Appendix I: Company Profile Information	P.112
Stakeholder Engagement			
2-29	Approach to stakeholder engagement	Material Topic Identification and Stakeholder Communication	P.11
2-30	Collective bargaining agreements	4.1.4 Human Rights Management and Labor Relations Communication	P.97

GRI 3: Material Topic (2021)		Report Section	Page No.
3-1	Process to determine material topics	Material Topic Identification and Stakeholder Communication	P.12
3-2	List of material topics	Material Topic Identification and Stakeholder Communication	P.14

Material Topic Disclosures

Below are the material topics identified by TSC for 2025, along with the corresponding GRI Standards and disclosure items

Material Topic: Information Security and Privacy Protection			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		1.3.2 Information Security Management and Protection	P.34
GRI 418: Customer Privacy (2016)		**Report Section**	**Page No.**
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	1.3.2 Information Security Management and Protection	P.36

Material Topic: Innovation Management			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		2.1.1 Product and Service Innovation	P.38

Material Topic: Product Quality and Safety			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		2.1.2 Product Quality Control	P.41
GRI 416: Customer Health and Safety (2016)		**Report Section**	**Page No.**
416-1	Assessment of the health and safety impacts of product and service categories	2.1.2 Product Quality Control	P.42
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1.2 Product Quality Control	P.42
GRI 417: Marketing and Labeling (2016)		**Report Section**	**Page No.**
417-1	Requirements for product and service information and labeling	2.1.2 Product Quality Control	P.44
417-2	Incidents of non-compliance concerning product and service information and labeling	2.1.2 Product Quality Control	P.44

Material Topic: Sustainable Product Management			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		2.2.1 Development of Sustainable Products	P.47
GRI 301: Materials (2016)		**Report Section**	**Page No.**
301-1	Materials used by weight or volume	2.2.1 Development of Sustainable Products	P.48
301-2	Recycled input materials used	2.2.1 Development of Sustainable Products	P.48

Material Topic Disclosures

Below are the material topics identified by TSC for 2025, along with the corresponding GRI Standards and disclosure items

Material Topic: Sustainable Supply Chain			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		2.3.2 Sustainable Supply Chain Management	P.53
GRI 204: Procurement Practices (2016)		**Report Section**	**Page No.**
204-1	Proportion of spending on local suppliers	2.3.1 Supply Chain Overview	P.51
GRI 308: Supplier Environmental Assessment (2016)		**Report Section**	**Page No.**
308-1	New suppliers that were screened using environmental criteria	2.3.2 Sustainable Supply Chain Management	P.55
308-2	Negative environmental impacts in the supply chain and actions taken	2.3.2 Sustainable Supply Chain Management	P.55
GRI 414: Supplier Social Assessment (2016)		**Report Section**	**Page No.**
414-1	New suppliers that were screened using social criteria	2.3.2 Sustainable Supply Chain Management	P.55
414-2	Negative social impacts in the supply chain and actions taken	2.3.2 Sustainable Supply Chain Management	P.55

Material Topic: Waste and Circular Symbiosis			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		3.2.1 Waste and Circularity	P.73
GRI 306: Waste (2020)		**Report Section**	**Page No.**
306-1	Waste generation and significant waste-related impacts	3.2.1 Waste and Circularity	P.74
306-2	Management of significant waste-related impacts	3.2.1 Waste and Circularity	P.74
306-3	Waste generated	3.2.1 Waste and Circularity	P.75
306-4	Waste diverted from disposal	3.2.1 Waste and Circularity	P.75
306-5	Waste directed to disposal	3.2.1 Waste and Circularity	P.75

Material Topic: Human Resources Management			
GRI 3: Material Topics (2021)		**Report Section**	**Page No.**
3-3	Management of material topics	Material Topic Identification and Stakeholder Communication	P.14
		4.1.1 Talent Recruitment and Retention	P.79
		4.1.2 Talent Development	P.86
GRI 401: Employment (2016)		**Report Section**	**Page No.**
401-1	New employee hires and employee turnover	4.1.1 Talent Recruitment and Retention	P.80
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.1.1 Talent Recruitment and Retention	P.84
401-3	Parental Leave	4.1.1 Talent Recruitment and Retention	P.85
GRI 404: Training and Education (2016)		**Report Section**	**Page No.**
404-1	Average hours of training per year per employee	4.1.2 Talent Development	P.88
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.2 Talent Development	P.86
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2 Talent Development	P.89

Basic Topic Disclosures

The following are the basic topics of concern for TSC and their corresponding GRI Standards disclosure items:

Basic Topic: Business Integrity			
GRI 205: Anti-corruption (2016)		**Report Section**	**Page No.**
205-3	Confirmed incidents of corruption and actions taken	1.2.3 Integrity Management and Regulatory Compliance	P.29
GRI 206: Anti-competitive Behavior (2016)		**Report Section**	**Page No.**
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.2.3 Integrity Management and Regulatory Compliance	P.29

Basic Topic: Climate Change Response			
GRI 201: Economic Performance (2016)		**Report Section**	**Page No.**
201-2	Financial implications and other risks and opportunities due to climate change	3.1.1 Climate Risk Management	P.61-P.64
GRI 305: Emissions (2016)		**Report Section**	**Page No.**
305-1	Direct (Scope 1) GHG emissions	3.1.2 GHG Emissions Management	P.68
305-2	Energy indirect (Scope 2) GHG emissions	3.1.2 GHG Emissions Management	P.68
305-3	Other indirect (Scope 3) GHG emissions	3.1.2 GHG Emissions Management	P.68
305-4	GHG emissions intensity	3.1.2 GHG Emissions Management	P.68

Basic Topic: Energy Management			
GRI 302: Energy (2016)		**Report Section**	**Page No.**
302-1	Energy consumption within the organization	3.1.3 Energy Management	P.70
302-3	Energy intensity	3.1.3 Energy Management	P.70

Basic Topic: Biodiversity			
GRI 305: Emissions (2016)		**Report Section**	**Page No.**
305-6	Emissions of ozone-depleting substances (ODS)	3.2.2 Environmental Protection and Pollution Prevention	P.76
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2.2 Environmental Protection and Pollution Prevention	P.76

Basic Topic: Diversity and Inclusion			
GRI 405: Diversity and Equal Opportunity (2016)		**Report Section**	**Page No.**
405-1	Diversity of governance bodies and employees	1.2.2 Board of Directors Overview	P.25
		4.1.3 Diversity, Equity, and Inclusion	P.92
405-2	Ratio of basic salary and remuneration of women to men	4.1.3 Diversity, Equity, and Inclusion	P.94

Basic Topic Disclosures

The following are the basic topics of concern for TSC and their corresponding GRI Standards disclosure items:

Basic Topic: Human Rights Management			
GRI 402: Labor/Management Relations (2016)		**Report Section**	**Page No.**
402-1	Minimum notice periods regarding operational changes	4.1.4 Human Rights Management and Labor Relations Communication	P.97
GRI 406: Non-discrimination (2016)		**Report Section**	**Page No.**
406-1	Incidents of discrimination and corrective actions taken	4.1.4 Human Rights Management and Labor Relations Communication	P.97
GRI 407: Freedom of Association and Collective Bargaining (2016)		**Report Section**	**Page No.**
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.1.4 Human Rights Management and Labor Relations Communication	P.96
GRI 408: Child Labor (2016)		**Report Section**	**Page No.**
408-1	Operations and suppliers at significant risk for incidents of child labor	4.1.4 Human Rights Management and Labor Relations Communication	P.96
GRI 409: Forced or Compulsory Labor (2016)		**Report Section**	**Page No.**
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.1.4 Human Rights Management and Labor Relations Communication	P.96

Basic Topic: Occupational Health and Safety			
GRI 403: Occupational Health and Safety (2018)		**Report Section**	**Page No.**
403-1	Occupational health and safety management system	4.2.1 Workplace Safety Maintenance	P.98
403-2	Hazard identification, risk assessment, and incident investigation	4.2.1 Workplace Safety Maintenance	P.99
403-3	Occupational health services	4.2.2 Building a LOHAS Workplace	P.102-P.103
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.1 Workplace Safety Maintenance	P.100
403-5	Worker training on occupational health and safety	4.2.1 Workplace Safety Maintenance	P.99

Basic Topic: Occupational Health and Safety			
GRI 403: Occupational Health and Safety (2018)		**Report Section**	**Page No.**
403-6	Promotion of worker health	4.2.2 Building a LOHAS Workplace	P.102-P.103
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.1 Workplace Safety Maintenance	P.100
403-8	Workers covered by an occupational health and safety management system	4.2.1 Workplace Safety Maintenance	P.98
403-9	Work-related injuries	4.2.1 Workplace Safety Maintenance	P.101
403-10	Work-related ill health	4.2.1 Workplace Safety Maintenance	P.101

Voluntary Disclosures

These are topics of interest to TSC that correspond to the GRI Standards but are voluntarily disclosed:

GRI 201: Economic Performance (2016)		Report Section	Page No.
201-1	Direct economic value generated and distributed	Appendix I: Company Profile Information	P.112
GRI 303: Water and Effluents (2018)		**Report Section**	**Page No.**
303-2	Management of water discharge-related impacts	3.1.4 Water Resource Management	P.72
303-3	Water Withdrawal	3.1.4 Water Resource Management	P.72
303-4	Water Discharge	3.1.4 Water Resource Management	P.72
303-5	Water Consumption	3.1.4 Water Resource Management	P.72

Appendix IV SASB Index

SASB Code	Indicator Description	Measurement Unit	Report Section	Page No.
Sustainability Disclosure Topics and Accounting Metrics				
RT-EE-130a.1	(1) Total energy consumed, (2) percentage grid electricity and (3) percentage renewable	Gigajoules (GJ), Percentage (%)	3.1.3 Energy Management	P.70
RT-EE-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Metric tonnes (t), Percentage (%)	3.2.1 Waste and Circularity	P.75
RT-EE-150a.2	(1) Number and aggregate quantity of reportable spills, (2) quantity recovered	Number, Kilogrammes (kg)	No chemical spills occurred in TSC	-
RT-EE-250a.1	(1) Number of recalls issued, (2) Total units recalled	Number	2.1.2 Product Quality Control	P.42
RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	Presentation currency	2.1.2 Product Quality Control	P.42
RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%) by revenue	2.2.1 Sustainable Product Management	P.50
RT-EE-410a.2	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Percentage (%) by revenue	2.2.1 Sustainable Product Management	P.50
RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Presentation currency	2.2.1 Sustainable Product Management	P.50
RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Not applicable Note Note: Reasons for not being applicable are explained in the text	2.3.1 Supply Chain Overview	P.52
RT-EE-510a.1	Description of policies and practices for prevention of (1) corruption and bribery, (2) anti-competitive behavior	Not applicable Note Note: Reasons for not being applicable are explained in the text	1.2.3 Integrity Management and Regulatory Compliance	P.29
RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	Presentation currency	1.2.3 Integrity Management and Regulatory Compliance	P.29
RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations	Presentation currency	1.2.3 Integrity Management and Regulatory Compliance	P.29
SASB Code	**Indicator Description**	**Measurement Unit**	**Report Section**	**Page No.**
RT-EE-000.A	Number of units produced by product category	Number	1.1.1 Company Profile	P.18
RT-EE-000.B	Number of employees	Number	4.1.1 Talent Recruitment and Retention	P.79

Appendix V Climate-Related Information of OTC-Listed Companies

Disclosures required by the Taiwan Stock Exchange

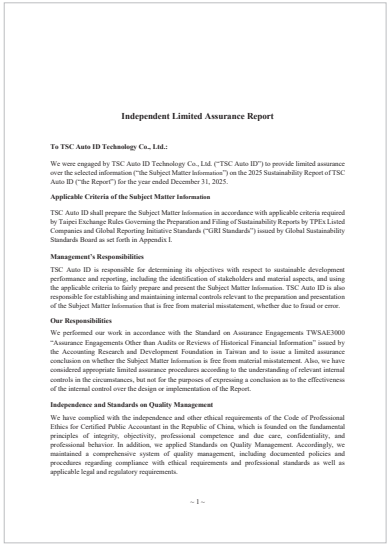
Item	Report Section	Page No.
Implementation of Climate-Related Information		
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	3.1.1 Climate Risk Management	P.58
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	3.1.1 Climate Risk Management	P.58、P.62-P.64
3. Describe the financial impact of extreme weather events and transformative actions	3.1.1 Climate Risk Management	P.63
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	3.1.1 Climate Risk Management	P.58-P.60、P.62
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and major financial impacts used should be described.	3.1.1 Climate Risk Management	P.65-P.66
6. If there is a transition plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	3.1.1 Climate Risk Management	P.63-P.64
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	Internal carbon pricing not yet implemented at TSC	-
8. If climate-related targets have been set, the activities covered, the scope of greenhouse gas emissions, the planning horizon, and the progress achieved each year should be specified. If carbon credits or renewable energy certificates (RECs) are used to achieve relevant targets, the source and quantity of carbon credits or RECs to be offset should be specified.	3.1.1 Climate Risk Management	P.58
	3.1.2 GHG Emissions Management	P.69
Greenhouse gas inventory and assurance status for the last 2 years		
Information on greenhouse gas inventory Describe the greenhouse gas emissions (metric tons of CO2e), intensity (metric tons of CO2e per million NT$), and the scope of the data for the most recent 2 years.	3.1.2 GHG Emissions Management	P.68
Greenhouse Gas Assurance Information Describe the assurance status in the last two years including the scope of assurance, the assurance organization, the assurance standards and the assurance opinions	Appendix VII Third-Party Assurance Statement	P.121
Greenhouse gas reduction goals, strategies and concrete action plans		
Describe the record year for greenhouse gas reduction and the number of years, the reduction target, strategy, and achievement of reduction target	3.1.2 GHG Emissions Management	P.68-P.69

Appendix VI Sustainability Disclosure Indicators – Computer and Peripheral Equipment Industry

No.	Indicator	Type	Unit	Report Section	Page No.
I	Total energy consumption, percentage of purchased electricity, utilization rate(renewable energy)	Quantitative	Gigajoules(GJ), Percentage(%)	3.1.3 Energy Management	P.70
II	Total water withdrawn, total water consumption	Quantitative	Thousand cubic meters (m3)	3.1.4 Water Resource Management	P.72
III	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons(t), Percentage(%)	3.2.1 Waste and Circularity	P.75
IV	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage(%), quantity	4.2.1 Workplace Safety Maintenance	P.101
V	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled(Note 1)	Quantitative	Metric tons(t), Percentage(%)	Appendix II: Product Information	P.112
VI	Description of the management of risks associated with the use of critical materials	Qualitative	Not applicable	2.3.1 Supply Chain Overview	P.52
VII	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	Quantitative	Reporting Currency	1.2.3 Integrity Management and Regulatory Compliance	P.29
VIII	Production by product category	Quantitative	Varies by product type	1.1.1 Company Profile	P.18

Note 1: Includes scrap material sold or otherwise recycled — relevant explanations should be provided.

Appendix VII – Independent Limited Assurance Report



Independent Limited Assurance Report

To TSC Auto ID Technology Co., Ltd.:

We were engaged by TSC Auto ID Technology Co., Ltd. ("TSC Auto ID") to provide limited assurance over the selected information ("the Subject Matter Information") on the 2025 Sustainability Report of TSC Auto ID ("the Report") for the year ended December 31, 2025.

Applicable Criteria of the Subject Matter Information

TSC Auto ID shall prepare the Subject Matter Information in accordance with applicable criteria required by Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEx Listed Companies and Global Reporting Initiative Standards ("GRI Standards") issued by Global Sustainability Standards Board as set forth in Appendix I.

Management's Responsibilities

TSC Auto ID is responsible for determining its objectives with respect to sustainable development performance and reporting, including the identification of stakeholders and material aspects, and using the applicable criteria to fairly prepare and present the Subject Matter Information. TSC Auto ID is also responsible for establishing and maintaining internal controls relevant to the preparation and presentation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error.

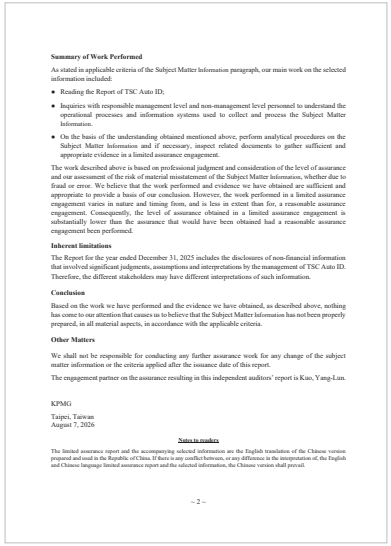
Our Responsibilities

We performed our work in accordance with the Standard on Assurance Engagements TWSAE3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation in Taiwan and to issue a limited assurance conclusion on whether the Subject Matter Information is free from material misstatement. Also, we have considered appropriate limited assurance procedures according to the understanding of relevant internal controls in the circumstances, but not for the purposes of expressing a conclusion as to the effectiveness of the internal control over the design or implementation of the Report.

Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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Summary of Work Performed

As stated in applicable criteria of the Subject Matter Information paragraph, our main work on the selected information included:

- Reading the Report of TSC Auto ID;
- Inquiries with responsible management level and non-management level personnel to understand the operational processes and information systems used to collect and process the Subject Matter Information.
- On the basis of the understanding obtained mentioned above, perform analytical procedures on the Subject Matter Information and if necessary, inspect related documents to gather sufficient and appropriate evidence in a limited assurance engagement.

The work described above is based on professional judgment and consideration of the level of assurance and our assessment of the risk of material misstatement of the Subject Matter Information, whether due to fraud or error. We believe that the work performed and evidence we have obtained are sufficient and appropriate to provide a basis of our conclusion. However, the work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

The Report for the year ended December 31, 2025 includes the disclosures of non-financial information that involved significant judgments, assumptions and interpretations by the management of TSC Auto ID. Therefore, the different stakeholders may have different interpretations of such information.

Conclusion

Based on the work we have performed and the evidence we have obtained, as described above, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been properly prepared, in all material aspects, in accordance with the applicable criteria.

Other Matters

We shall not be responsible for conducting any further assistance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partner on the assurance resulting in this independent auditors' report is Kuo, Yang-Lun.

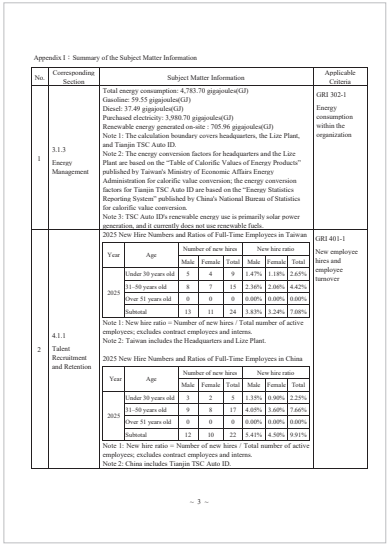
KPMG

Taipei, Taiwan
August 7, 2026

Notes to readers

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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Appendix I : Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1	3.1.3 Energy Management	Total energy consumption: 4,783.70 gigajoules(GJ) Gasoline: 59.55 gigajoules(GJ) Diesel: 37.49 gigajoules(GJ) Purchased electricity: 3,980.70 gigajoules(GJ) Renewable energy generated on-site : 705.96 gigajoules(GJ) Note 1: The calculation boundary covers headquarters, the Lize Plant, and Tianjin TSC Auto ID. Note 2: The energy conversion factors for headquarters and the Lize Plant are based on the "Table of Calorific Values of Energy Products" published by Taiwan's Ministry of Economic Affairs Energy Administration for calorific value conversion; the energy conversion factors for Tianjin TSC Auto ID are based on the "Energy Statistics Reporting System" published by China's National Bureau of Statistics for calorific value conversion. Note 3: TSC Auto ID's renewable energy use is primarily solar power generation, and it currently does not use renewable fuels.	GRI 302-1 Energy consumption within the organization
2	4.1.1 Talent Recruitment and Retention	2025 New Hire Numbers and Ratios of Full-Time Employees in Taiwan	GRI 401-1 New employee hires and employee turnover

Year	Age	Number of new hires			New hire ratio		
		Male	Female	Total	Male	Female	Total
2025	Under 30 years old	3	4	9	1.47%	1.18%	2.65%
	31~50 years old	8	7	15	2.36%	2.06%	4.42%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	11	11	24	3.83%	3.24%	7.08%

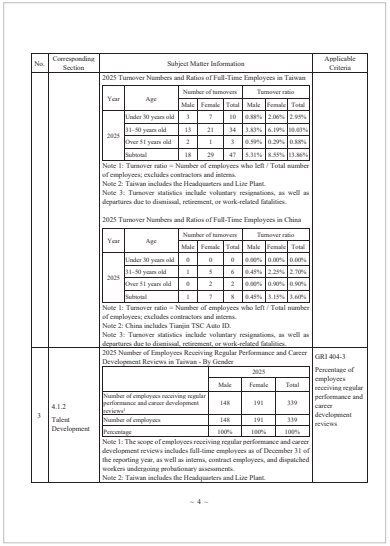
Note 1: New hire ratio = Number of new hires / Total number of active employees; excludes contract employees and interns.
Note 2: Taiwan includes the Headquarters and Lize Plant.

2025 New Hire Numbers and Ratios of Full-Time Employees in China

Year	Age	Number of new hires			New hire ratio		
		Male	Female	Total	Male	Female	Total
2025	Under 30 years old	3	2	5	1.35%	0.90%	2.25%
	31~50 years old	9	8	17	4.05%	3.60%	7.66%
	Over 51 years old	0	0	0	0.00%	0.00%	0.00%
	Subtotal	12	10	22	5.41%	4.50%	9.91%

Note 1: New hire ratio = Number of new hires / Total number of active employees; excludes contract employees and interns.
Note 2: China includes Tianjin TSC Auto ID.

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		2025 Turnover Numbers and Ratios of Full-Time Employees in Taiwan	

Year	Age	Number of turnovers			Turnover ratio		
		Male	Female	Total	Male	Female	Total
2025	Under 30 years old	3	7	10	0.88%	2.06%	2.95%
	31~50 years old	13	21	34	3.83%	6.19%	10.03%
	Over 51 years old	2	1	3	0.59%	0.29%	0.88%
	Subtotal	18	29	47	5.31%	8.55%	13.86%

Note 1: Turnover ratio = Number of employees who left / Total number of employees; excludes contractors and interns.
Note 2: Taiwan includes the Headquarters and Lize Plant.
Note 3: Turnover statistics include voluntary resignations, as well as departures due to dismissal, retirement, or work-related fatalities.

2025 Turnover Numbers and Ratios of Full-Time Employees in China

Year	Age	Number of turnovers			Turnover ratio		
		Male	Female	Total	Male	Female	Total
2025	Under 30 years old	0	0	0	0.00%	0.00%	0.00%
	31~50 years old	1	5	6	0.45%	2.25%	2.70%
	Over 51 years old	0	2	2	0.00%	0.90%	0.90%
	Subtotal	1	7	8	0.45%	3.15%	3.60%

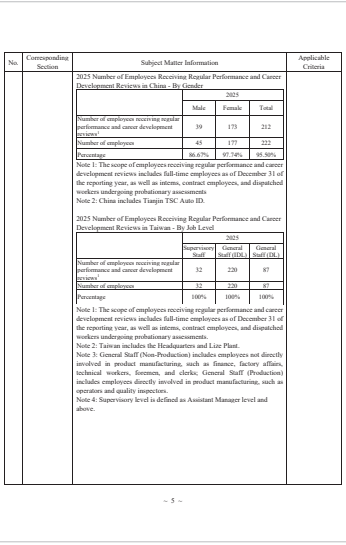
Note 1: Turnover ratio = Number of employees who left / Total number of employees; excludes contractors and interns.
Note 2: China includes Tianjin TSC Auto ID.
Note 3: Turnover statistics include voluntary resignations, as well as departures due to dismissal, retirement, or work-related fatalities.

3	4.1.2 Talent Development	2025 Number of Employees Receiving Regular Performance and Career Development Reviews in Taiwan - By Gender	GRI 404-3 Percentage of employees receiving regular performance and career development reviews

	2025		
	Male	Female	Total
Number of employees receiving regular performance and career development reviews[1]	148	191	339
Number of employees	148	191	339
Percentage	100%	100%	100%

Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.
Note 2: Taiwan includes the Headquarters and Lize Plant.

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		2025 Number of Employees Receiving Regular Performance and Career Development Reviews in China - By Gender	

	2025		
	Male	Female	Total
Number of employees receiving regular performance and career development reviews[1]	39	173	212
Number of employees	45	177	222
Percentage	86.67%	97.74%	95.50%

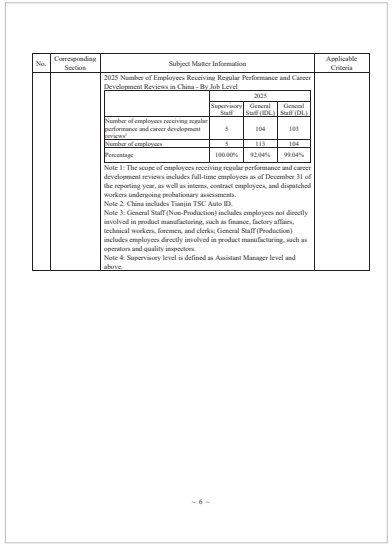
Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.
Note 2: China includes Tianjin TSC Auto ID.

2025 Number of Employees Receiving Regular Performance and Career Development Reviews in Taiwan - By Job Level

	2025		
	Supervisory Staff	General Staff (IDL)	General Staff (DL)
Number of employees receiving regular performance and career development reviews[1]	32	220	87
Number of employees	32	220	87
Percentage	100%	100%	100%

Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.
Note 2: Taiwan includes the Headquarters and Lize Plant.
Note 3: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors.
Note 4: Supervisory level is defined as Assistant Manager level and above.

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No.	Corresponding Section	Subject Matter Information	Applicable Criteria
		2025 Number of Employees Receiving Regular Performance and Career Development Reviews in China - By Job Level	

	2025		
	Supervisory Staff	General Staff (IDL)	General Staff (DL)
Number of employees receiving regular performance and career development reviews[1]	5	104	103
Number of employees	5	113	104
Percentage	100.00%	92.04%	99.04%

Note 1: The scope of employees receiving regular performance and career development reviews includes full-time employees as of December 31 of the reporting year, as well as interns, contract employees, and dispatched workers undergoing probationary assessments.
Note 2: China includes Tianjin TSC Auto ID.
Note 3: General Staff (Non-Production) includes employees not directly involved in product manufacturing, such as finance, factory affairs, technical workers, foremen, and clerks; General Staff (Production) includes employees directly involved in product manufacturing, such as operators and quality inspectors.
Note 4: Supervisory level is defined as Assistant Manager level and above.

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Appendix VIII – Independent Limited Assurance Report on Greenhouse Gas (GHG)Statement

Independent Limited Assurance Report on Greenhouse Gas (GHG) Statement

To TSC Auto ID Technology Co., Ltd. :

We were engaged by TSC Auto ID Technology Co., Ltd. and Tianjin TSC Auto ID Technology Co., Ltd. ("TSC") to provide a limited assurance engagement for the Scope 1 direct emissions and the Scope 2 energy indirect emissions of the accompanying GHG statement of TSC for the year ended December 31, 2025, comprising the Emissions Inventory and the Explanatory Notes.

TSC 's Responsibility for the GHG Statement

TSC is responsible for the preparation of the GHG statement in accordance with Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard, Revised Edition ("GHG Protocol") to the GHG statement. This responsibility includes the design, implementation, and maintenance of internal control relevant to the preparation of a GHG statement that is free from material misstatement, whether due to fraud or error.

As discussed in the GHG statement, GHG quantification is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emissions factors and the values needed to combine emissions of different gases.

Our Independence and Standards on Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Ethics for Certified Public Accountant in the Republic of China, which is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. In addition, we applied Standards on Quality Management. Accordingly, we maintained a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements and professional standards as well as applicable legal and regulatory requirements.

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Our Responsibility

Limited assurance for the Scope 1 and the Scope 2

Our responsibility is to express a limited assurance conclusion on the GHG statement based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with TWSAE3410, Assurance Engagements on Greenhouse Gas Statements, published by the Accounting Research and Development Foundation ("TWSAE3410"). That standard requires that we plan and perform this engagement to obtain limited assurance about whether the GHG statement is free from material misstatement.

A limited assurance engagement undertaken in accordance with TWSAE3410 involves assessing the suitability in the circumstances of TSC's use of GHG Protocol as the basis for the preparation of the GHG statement, assessing the risks of material misstatement of the GHG statement whether due to fraud or error, responding to the assessed risks as necessary in the circumstances, and evaluating the overall presentation of the GHG statement. A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, in performing the procedures listed above we:

- Through inquiries, obtained an understanding of TSC's control environment and information systems relevant to emissions quantification and reporting, but did not evaluate the design of particular control activities, obtain evidence about their implementation or test their operating effectiveness.
- Evaluated whether TSC's methods for developing estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate TSC's estimates.
- Undertook site visits at one site to assess the completeness of the emissions sources, data collection methods, source data, and relevant assumptions applicable to the sites. The sites selected for testing were chosen taking into consideration their emissions in relation to total emissions, emissions sources, and sites selected in prior periods. Our procedures did not include testing information systems to collect and aggregate facility data, or the controls at these sites.

The procedures performed in a limited assurance engagement vary in nature from, and are less in extent than for, a reasonable assurance engagement. As a result, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement. Accordingly, we do not express a reasonable assurance opinion about whether TSC's GHG statement has been prepared, in all material respects, in accordance with the GHG Protocol to the GHG statement.

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Opinion

Limited Assurance opinion for the Scope 1 and the Scope 2

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that TSC's GHG statement for the year ended December 31, 2025, is not prepared, in all material respects, in accordance with the GHG Protocol applied as explained in Annex 1.

Other Matters

We shall not be responsible for any further changes to the Underlying Subject Matter or its applicable reporting criteria, nor be responsible for reconducting any assurance work after the issuance date of assurance report.

The engagement partners on the assurance resulting in this independent auditors' report is Kuo, Yang-Lun.

KPMG

Taipei, Taiwan (Republic of China)
June 23, 2026

Notes to reader

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language limited assurance report and the selected information, the Chinese version shall prevail.

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Annex 1 : Assurance indicator information summary

EMISSIONS	tonnes CO_2e
Scope 1: Direct GHG emissions and removals	89.5192
Scope 2: Emissions from purchased electricity	543.4525
Total Scope 1 and 2	**632.9717**

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