

TSC Auto ID Technology Co., Ltd.

Promotion and execution of sustainable development in 2021

TSC aspires to become a happy enterprise of excellence and in order to achieve our vision, we have continued to promote our corporate social responsibilities. With the development of sustainable environment, maintenance of social charity and strengthening of our corporate governance as our goals, we are driven to integrate our vision, governance, products and services so that we can enhance our communication with stakeholders whilst leveraging our influence to lead our suppliers and consumers as we fulfill our corporate social responsibilities.

I. Foster a sustainable environment

In an effort to stay compliant with pertinent international directives and guidelines for environmental protection, the Company has continued to develop new energy-saving products and embraced policies that focus on the promotion of environmental promotion as our means of fostering a sustainable development. Apart from receiving our ISO14001:2015 certification in 2019, we also implemented specific assessment and periodic audits to review the status of energy consumption across our factories, which enabled us to implement effective energy-saving solutions and strategies. Not only that, we have also ensured full compliance with both the RoHS and WEEE Directives in our processes and material management through dedicated operating systems so that the spirit of these directives are embodied in our product design and manufacturing. Last but not least, the Company has also made relevant declarations of conformity for our main lines of products as required by relevant EU environmental regulations to effectively reduce the burden on the environment caused by our product manufacturing. Key executions for 2021 include:

- (I) Among the products we have developed in 2021, four models have received the ENERGY STAR® certification, reflecting the energy efficiency and power-saving features of these products.
- (II) The Company's 100%-owned U.S. subsidiary Diversified Labeling Solutions, Inc. has incorporated eco-friendly production process in its manufacturing of label consumables by recycling the wastes from the manufacturing process into fuel pellets to replace a portion of our petrochemical fuel. This eco-friendly solution not only reduces our volume of landfill wastes by 2 million pounds per year but also lowers our CO₂ emission by as much as 40%.
- (III) The Company has stayed abreast with the latest global developments and efforts in carbon reduction and promoted relevant paperless operations such as e-invoice and e-forms for relevant internal processes. Not only that, we also endeavored to simplify and minimize packaging for our products in order to our goal for carbon reduction.

II. Facilitate social care

In order to facilitate social care, the Company not only aspires to become a happy enterprise but also adopted policies that prioritizes care for the disadvantaged minorities and engagement in charity. Apart from continuing to create a quality workplace by increasing our investment in relevant software and hardware, the Company also took steps to assist employees in career development. At the same time, we have also optimized

our channels for labor-management communication in order to proactively find out and satisfy employees' need to achieve win-win. Key executions for 2021 include:

- (I) Due to the escalation of COVID-19 in 2021, the Central Epidemic Command Center has raised the national COVID alert level to 3. In response, the Company promptly announced its measure to have employees working from home as a way to protect our employees. During this period, in order to help employees alleviate stress and care for their physical and mental well-being, the Company has organized a series of flash events online such as stretches and workouts that one could do at home, quick reads for new books and so forth in order to stay connected with our employees. When the alert level returned to 2 and normal office work resumed, the Company has continued to organize online workshops and seminars. In addition, the Company has also included all employees in the 1-year pandemic insurance coverage and provided unpaid vaccination leaves to encourage employees to get vaccinated so as to bolster the effectiveness of epidemic control.
- (II) The Company continues to leverage its HRD System Platform to implement comprehensive and systematic personnel training. Not only that, the system has also proven instrumental in keeping track of employees' training records while enabling training resource sharing. We have also encouraged employees to actively take part in interdisciplinary learning, formulate their personal development plans and be bold in their goal setting so that they can seek personal breakthrough and growth, thus gaining satisfaction and sense of achievement.
- (III) Guided by the Company's spirit for charity and giving back to the society, we have responded to the calls of Step30 International Ministries by collecting used footwear and bags to be donated to remote regions in Africa. The footwears would serve by protecting the African people from the risks of jiggers while the bags can be used by African children as school bags. In addition, the Company has sponsored the costs of ocean freight to deliver the donations to Africa.
- (IV) In 2021, the Company was accredited to ISO 45001:2018 certifications by establishing and implementing compliant occupational safety and health policies/objectives. In addition, specific occupational hazards have been identified for elimination or due control to ensure employees' occupational health and safety by providing a safe and healthy workplace. The benefits of this are two-fold: it also helps to improve productivity and bolster customers' confidence. By attaining international level of occupational health and safety, it would go a long way to help us achieve our goal of sustainable operation.