



TSC Auto ID Technology Co., Ltd.

Report on Sustainability Implementation Status in 2024

Board report date: March 14, 2025

With the global trend of heightened attention to ESG issues, TSC is committed to integrating its operational strategies and sustainability goals to ensure steady growth and demonstrate a positive impact on environmental sustainability, social welfare, and corporate governance. TSC hopes to integrate its vision, governance, products, and services to strengthen communication with stakeholders and to exert a positive influence on suppliers and consumers, working together for a better society.

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. Yilan Factory and Tianjin Factory obtained ISO14001:2015 & GB/T24001-2016 certification, 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 reduce the burden on the environment caused by our product manufacturing.

The main implementation results for 2024 are as follows:

- (I) In July 2024, the new generation portable product RE310 was launched, marking the first product in the entire series with plastic-free packaging. The outer carton is made from environmentally-friendly paper certified by the FSC (Forest Stewardship Council), with at least 70% of the pulp sourced from FSC-certified forests, and the remaining no more than 30% of the wood comes from traceable and reliable sources. The machine itself is also made with 10% recycled material, and when the product reaches its end-of-life, over 80% of the printer components can be recycled and reused.
- (II) In June 2024, the upgraded industrial product MB241 was launched, featuring the first industrial machine packaged with paper-plastic materials. The development

technology of this product will be applied to the full series of industrial products in future releases.

(III) In June 2024, we launched the desktop products DL240 and TL240 series, which also use green packaging materials. At the same time, both industrial-grade products MB241 and ML241P adopt high-efficiency energy management technology and are Energy Star certified, which helps reduce power consumption, lower carbon emissions and carbon footprint, and align with corporate carbon reduction goals.

(IV) In 2024, the Company continued to implement eco-friendly and energy-saving measures to reduce waste generation and promote resource recycling and reuse. In addition to supporting the Company's paper-reduction policy, the Yilan Factory has also committed to improving waste recycling rates and minimizing environmental impact. The waste recycling rate for 2024 reached 78%, aiming to enhance the circular economy and respond to the growing global focus on environmental sustainability.

II. Social responsibility

TSC is committed to becoming an exemplary happiness-driven company. We will continue to empower talent, enhance employee health and well-being, promote a diverse, fair, and inclusive environment, care for the disadvantaged, and actively contribute to the sustainable development of the community, in order to build a more inclusive society.

The main implementation results for 2024 are as follows:

- (I) Strengthening communication: Through various communication channels, we convey company policies, promote understanding and collaboration between the organization and individuals, and enhance the overall cohesion of the Company.
 - 1. Every quarter, we hold all-hands meetings, global management meetings, and monthly headquarters management meetings to transparently and accurately communicate policies and operational statuses, while also promoting cross-departmental discussions and collaboration.
 - 2. In addition to policy communication, the all-hands meetings also include cross-departmental activity sharing, such as promoting club activities and team-building event highlights. These efforts aim to deepen employee exchanges and create positive memories.
 - 3. The inaugural issue of "Global News Quarterly" was constantly published to share important information of each branch office and praise outstanding employees, so that employees distributed in different locations can know each other's status, and become more cohesive overall.
 - 4. The Company has established a two-way communication platform between employers and employees through regular labor-management meetings and labor safety meetings to create a diverse, equitable and inclusive workplace.
 - 5. We promote other communication channels, such as suggestion boxes, innovation proposals, performance notes, and grievance mailboxes, encouraging employees

to actively share their ideas and opinions. We also regularly respond to the feedback provided by employees.

6. We continue to conduct annual employee engagement surveys and expand the scope of the global survey. In 2024, the survey response rate exceeded 90%, reflecting employees' trust in the communication channels and active participation. After the survey, employees were invited to discuss and formulate improvement initiatives, which were incorporated into the Company's annual objectives for implementation and tracking, collectively contributing to the creation of an excellent workplace at TSC. Compared to 2023, employee engagement increased by 2.1%, demonstrating that the establishment of a two-way communication culture has effectively enhanced the employee work experience."

(II) Empowering talent The Company implements diverse learning programs through employees' self-created "Personal Learning Plans" to help employees achieve their learning goals and further establish a learning culture. This allows employees to leverage their strengths and enables the continuous progress of the Company.

1. Based on company policies and training needs surveys, a series of professional development activities are planned to enhance employees' communication, proposal, and collaboration skills, helping achieve company objectives.
2. We also hold management leadership workshops to deepen coaching leadership and the development of a talent teams. This enhances the leadership abilities of managers and strengthens internal connections and performance within the organization.
3. Through the implementation of Individual Development Plans (IDP), employees are encouraged to set their own learning development directions and gradually achieve their learning goals, unlocking their potential for career development.
4. To enhance employees' innovative thinking, we have introduced the "DNA of Innovators" book club with 8 sessions and a total of 141 participants, where employees engage in reading and team discussions, sharing ideas to enhance their proposal skills and further transform the team's thinking and work methods.
5. We continue to enrich the book rack with new books and encourage employees to recommend new titles. This promotes a culture of shared reading and continuous learning, cultivating the habit of autonomous learning among employees.
6. The annual performance management process is put into practice through setting goals at the beginning of the year, providing timely feedback during the period, making improvements, and conducting evaluations at the end of the year. This ensures that employees' performance remains aligned with the team's strategy, enabling the achievement of company goals.
7. Every quarter, we conduct a selection of outstanding employees through a nomination system, encouraging employees to discover and recognize others' abilities. These employees are then recognized at the all-staff meeting, strengthening their professional behaviors and fostering a positive workplace atmosphere.

8. High-value bonuses are awarded to encourage innovative proposals. Through the Innovation Committee, employees are given an open and equal opportunity to submit their ideas and are provided with corresponding resources, empowering them to bring their creativity to life and realize their potential.

(III) Building a friendly workplace: Multiple measures have been implemented to care for employees' physical and mental health, expanding support for their personal lives.

1. We continue to offer new employees more than the statutory number of personal leave days and introduce a “Buddy Program” to help new hires adapt during their transition, increasing new hire retention rates (with a probation pass rate of 92.3%) and enhancing the Company's competitiveness in the talent market.
2. The “TSC Friendly Family Care Leave” system has been established, providing employees with additional leave days beyond statutory holidays to reduce the need for employees to request unpaid leave or leave the workplace to care for family members.
3. Employee “Counseling Services” have been upgraded to provide a 24-hour, 365-day toll-free helpline, with expanded management-oriented counseling services. Through third-party professional and objective assistance, employees can address issues, relieve stress, and achieve mental and physical balance.
4. We have integrated various employee welfare systems and care measures, updating the “TSC Well-Being Guidebook” to give employees a comprehensive understanding of the company's support, which can be accessed when needed.
5. We have increased the employee travel subsidy and arranged multiple overseas travel routes, open to employees and their family members, allowing employees to fully rest and adjust after the pandemic, easing the high pressures from their environment and society.
6. Team-building activities have created opportunities for cross-departmental interactions, allowing employees to get to know each other beyond work tasks, building good relationships and fostering more collaboration.
7. Sports Week activities have allowed family members to join in the step competition, helping employees and their families develop good exercise habits in a fun way. These activities not only promote physical fitness and stress relief but also strengthen family bonds.
8. Christmas-themed activities were held, organized by team members from various departments, encouraging employees to express gratitude, decorate the Christmas town, and participate in theme dressing. These activities fostered friendships across departments and factories and created wonderful memories.
9. A comprehensive review of company regulations has been conducted, simplifying processes under compliance, providing clear guidelines for employees and improving efficiency.

(IV) Promoting diversity, equity, and inclusion: We collaborate with government and civil organizations to fulfill our social responsibilities, aiming to create a more harmonious

and inclusive society through the combined efforts of employees, families, and the Company.

1. To fulfill corporate social responsibility and protect the basic human rights of employees and stakeholders, the Company has adopted actions consistent with the Code of Conduct - Responsible Business Alliance (RBA). We have developed a “Human Rights Management Policy” to prevent workplace inequalities based on factors such as gender, nationality, and educational background. Additionally, we have legally revised the “Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Measures,” effectively eliminating human rights violations.
2. The Company has officially joined the “2024 TALENT, in Taiwan held by Talent Sustainability Action Alliance,” with six action guidelines: “Meaning and Value,” “Diversity and Inclusion,” “Rewards and Incentives,” “Physical and Mental Health,” “Nurturing and Growth,” and “Communication and Experience,” to create a diverse and inclusive workplace environment.
3. We continue to enhance awareness of sustainability and social responsibility, encouraging employees to participate in ESG-related training, which covers key topics such as corporate sustainability management, TCFD risk identification, corporate governance evaluation, DEI and diverse workplaces, and information security. A total of 649 participations and 596 hours of training were accumulated during the year.
4. A CSR Committee has been established to bring employees together to discuss social responsibility issues. Through a series of activities, employees actively fulfill their social responsibilities, with a total of 447 participants, 1,086 hours spent, and 2,252 individuals benefiting from the activities throughout the year.
5. Cooperated with Eden, a non-profit organization, to organize a series of projects to care for the slow-flying angels (children with developmental delays), and the staff participated in the accompanying activities and donated to the projects to support them with practical actions. In 2024, the total number of hours invested in the Eden Project was 582, the amount of public donations amounted to NT\$651,954, and the total number of people who benefited from the activities was 1,613.
6. In response to Earth Day, we held a charity sale encouraging employees to donate unused items, giving them a “second life,” promoting resource conservation and waste reduction. All proceeds from the sale were donated to charitable organizations.
7. For the first time, we partnered with Carnegie to organize the “TSC Baby Camp,” fully subsidizing employees' children to participate in a summer character-building camp. The camp focused on developing self-discipline and emotional management skills, laying the foundation for confidence, communication, and interpersonal relationships. Parental involvement in the process fostered shared growth among family members and helped cultivate positive interactions across different families.
8. Employees are encouraged to incorporate ESG elements into team-building activities by integrating social welfare initiatives and eco-friendly practices – such

as using public transportation to reduce carbon emissions and participating in the Andrew Charity Association's Food Bank Program – to contribute to society and the environment, while also enhancing their awareness of social responsibility and sense of connection with the organization.

9. Support the government's "Safe Employment Plan" to reward all units for hiring unemployed workers, successfully re-employ unemployed workers, and provide a diversified workforce.
10. We continue to participate in the industry-academia collaboration internship program jointly promoted by the Financial Supervisory Commission and the Ministry of Education, while also organizing campus recruitment events. By offering internship opportunities and recruiting recent graduates, we aim to help university students gain early exposure to the workplace, reduce youth unemployment, and promote our employer brand.

III. Promote corporate governance

The Company has made a conscious effort to create a profit for our shareholders and strengthen our governance and ethical corporate management, and we continue to improve our operational information transparency as our pivotal policy towards corporate governance. In addition to providing general guidelines of conduct for directors and managers, the Company continues to achieve stable operating profits through product development, market development, and cost control. When the Company makes a profit, it also appropriately returns the profit to shareholders in accordance with the dividend policy set forth in the Articles of Incorporation. Key executions in 2024 included:

- (I) The Company has attained steady growth in its profit margin and has managed an average cash dividend at NT\$10 per share in recent years so as to give back to our shareholders.
- (II) Continue to improve and refine the Company's ranking in the corporate governance evaluation of TPEx-listed companies.
- (III) Continue to improve the professional knowledge and literacy of directors and actively implement the corporate governance system. The seven directors of the Company have all completed the requirement of at least 6 hours of training, and received a total of 66 hours of training in 2024.
- (IV) The Company has established the "Regulations Governing the Whistleblower Reporting and Protection System" and set up a whistle-blowing email address at tscwb@tscprinters.com for employees and external parties to anonymously report crime, fraud, or illegal activities in violation of laws and regulations, and announced at on the company's internal and external website. The Company has appointed a Corporate Governance Officer since May 2023 to implement corporate governance and strengthen the functions of the Board of Directors.

- (V) The Sustainability Committee was established, and the 'Organizational Regulations for the Sustainability Committee' were formulated to strengthen the Company's sustainability governance.
- (VI) The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" and the "Risk Management Policy" to implement ethical business practices, strengthen the risk management system, and build sound corporate governance and effective risk control mechanisms.
- (VII) Continue to improve information transparency and strengthen information disclosure to domestic and foreign investors as follows:
 - 1. The Company was invited by the securities dealer to hold a total of 3 institutional investor conferences to explain the Company's operating performance to investors. At least once a year institutional investor conference video and audio files are disclosed on the MOPS for investors to review.
 - 2. Record the Company's responses to shareholders' questions in the minutes of the shareholders annual general meeting. The video and audio files of the annual general meeting are also placed on the Company's website for investors to refer to.
 - 3. Material information is published in English and on the Market Observation Post System (MOPS) and on the Company's website, the English version of the Shareholders Meeting Notice, Shareholder Meeting Handbook, Shareholder Meeting Annual Report, Shareholder Meeting Minutes, and Financial Report are disclosed at the same time.