



# TSC Auto ID Technology Co., Ltd.

## Report on Ethical Management Operations in 2024

Board of Directors report date: December 27, 2024

The Company has designated the “Ethical Management Promotion Team” as the responsible unit for the formulation and supervision of the ethical management policies and preventive measures. The team is under the Board of Directors and is staffed with qualified personnel to handle the formulation, revision, and execution of the “Rules of Procedures for Ethical Management and Guidelines for Conduct” and other related tasks. The main responsibilities of the team include the following items, and it reports to the board of directors regularly (at least once a year).

1. Assisting in incorporating ethics and moral values into the company's business strategy and adopting appropriate prevention measures against corruption and malfeasance to ensure ethical management in compliance with the requirements of laws and regulations.
2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business scope, adopting accordingly programs to prevent unethical conduct, and setting out in each program the standard operating procedures and conduct guidelines with respect to the Company's operations and business.
3. Planning the internal organization, structure, and allocation of responsibilities and setting up check-and-balance mechanisms for mutual supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct.
4. Promoting and coordinating awareness and educational activities with respect to ethics policy.
5. Planning a whistle-blowing system and ensuring its operating effectiveness.
6. Assisting the Board of Directors and management in auditing and assessing whether the prevention measures taken for the purpose of implementing ethical management are effective, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.
7. Preparing and retaining properly documented information such as ethical management policies and compliance statements, situations concerning the performance of undertakings and enforcement etc.

The Board of Directors of the Company fulfills its duty of care as a good administrator by overseeing the prevention of dishonest conduct and ensuring the effective implementation of ethical management policies. Report on ethical management implementation status in 2024:

Item	Description
1	<p>In 2024, all members of the Board and senior management signed the “Statement of Compliance with Ethical Corporate Management Policy,” declaring their commitment to abide by the Company’s ethical standards and relevant regulatory requirements. The signing completion rate reached 100%, demonstrating the Company's commitment to ethical business practices.</p> <p>For any proposals listed in the board meeting agenda that involve a director’s personal interest, the director shall act in accordance with the Company's “Rules of Procedure for Board of Directors Meetings” regarding conflict-of-interest avoidance and recusal.</p>
2	<p>The “Rules of Procedures for Ethical Management and Guidelines for Conduct” were established and approved by the Board of Directors on May 10, 2024.</p>
3	<p>Furthermore, all employees have signed the “Integrity Commitment Statement and Conflict of Interest Disclosure,” pledging to comply with the Company’s integrity policies and regulations.</p>
4	<p>The Company has published the “Ethical Corporate Management Best Practice Principles”, “Ethical Behavior Guidelines”, “Corporate Governance Best Practice Principles”, “Procedures for Prevention of Insider Trading and Handling Material Internal Information”, “Regulations Governing the Whistleblower Reporting and Protection System” and “Rules of Procedures for Ethical Management and Guidelines for Conduct” on its official website to promote awareness among employees. A dedicated whistleblower mailbox has also been set up on the website.</p>

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5	Education and training on ethical corporate management issues are detailed as follows:																		
	<table border="1"> <thead> <tr> <th data-bbox="280 501 1005 600">Education and training</th> <th data-bbox="1005 501 1254 600">No. of peoples</th> <th data-bbox="1254 501 1465 600">Hours</th> </tr> </thead> <tbody> <tr> <td data-bbox="280 600 1005 698">RBA internal audit training and code of conduct</td> <td data-bbox="1005 600 1254 698">204</td> <td data-bbox="1254 600 1465 698">155</td> </tr> <tr> <td data-bbox="280 698 1005 797">Code of ethical conduct</td> <td data-bbox="1005 698 1254 797">330</td> <td data-bbox="1254 698 1465 797">136</td> </tr> <tr> <td data-bbox="280 797 1005 896">Insider trading prevention and case studies</td> <td data-bbox="1005 797 1254 896">170</td> <td data-bbox="1254 797 1465 896">72</td> </tr> <tr> <td data-bbox="280 896 1005 994">Trade secret protection</td> <td data-bbox="1005 896 1254 994">31</td> <td data-bbox="1254 896 1465 994">62</td> </tr> <tr> <td data-bbox="280 994 1005 1084">Introduction to law and everyday life</td> <td data-bbox="1005 994 1254 1084">32</td> <td data-bbox="1254 994 1465 1084">32</td> </tr> </tbody> </table>	Education and training	No. of peoples	Hours	RBA internal audit training and code of conduct	204	155	Code of ethical conduct	330	136	Insider trading prevention and case studies	170	72	Trade secret protection	31	62	Introduction to law and everyday life	32	32
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6	No whistleblowing incidents have been reported.																		