

TSC Sustainability Report



2024

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Navigating Our Future with Talent, Technology, and Transformation

Chairman's Message

Chairman

To Our Stakeholders

For more than thirty years, TSC has been dedicated to innovation and sustainability. We are proud to work alongside our international teams to lead changes in the industry. Hereby, we are excited to share TSC's ESG accomplishments, showcasing our business expansion while maintaining our commitments to the environment, our employees, and corporate responsibility.

Empowering Talent

TSC's achievements are rooted in the commitment of our worldwide team. We consistently provide career advancement opportunities, enabling employees to harmonize their personal and professional development. TSC continues broaden our competency trainings of Communication, Initiative, Execution, Continues Learning, Collaboration, Team Building and Strategic Planning. We also improved leadership development and boosted employee engagement to promote a diverse and inclusive environment. Furthermore, we are dedicated to assisting disadvantaged communities through initiatives such as our collaboration with the Eden Foundation.

Innovative Technology

TSC had made significant strides in innovation by improving infrastructure, technology, and sustainable industrial practices. We motivate our employees to play a role in our leadership in AIDC technology, processes, and services. This year, TSC also acquired Bluebird, which bolstered our research and development capabilities, product offerings, and global market reach. This strategic acquisition broadens our solutions and speeds up technological advancement for future growth.

Green Transformation

TSC's efforts were directed towards lowering our carbon footprint and promoting eco-friendly changes. We are making strides towards three main environmental objectives: achieving 100% green packaging, incorporating over 10% recycled materials in printers by 2026, and reducing greenhouse gas emissions by 20-40% by 2030.

TSC is committed to delivering innovative solutions that have a positive impact on the environment. We are enhancing our investments in green technologies and improving product lifecycle management to align with global sustainability goals.

Responsible Operations

TSC maintains the highest standards of ethics and operations. Our corporate practices prioritize safety, inclusivity, and respect, promoting transparency and adherence to regulations. In 2024, we strengthened our dedication to responsible supply chain management and are proud to have been awarded the RBA Platinum Award, which acknowledges our outstanding ethical business practices and commitment to environmental conservation.

Shaping the Future Together

TSC will persist in its investment in innovation and worldwide growth, enhancing Automatic Identification technologies alongside Printers, Enterprise Mobile Computers, and Consumables. Our goal is to evolve TSC into a top-tier vertical solution provider. As a global company, we are dedicated to sustainable partnerships with our stakeholders. We appreciate your trust and support, and we will continue to foster innovation and uphold our commitments to a sustainable future.

Dear TSC Stakeholders

TSC has consistently focused on promoting innovation and sustainable development, aiming to build a brighter future for our customers, employees, and the community. With increasing global emphasis on Environmental, Social, and Governance (ESG) standards, TSC has strengthened its position as a leader in the AIDC industry and has incorporated sustainability into all of our decisions and actions.

Commitment to Sustainability and Innovation

At TSC, we are convinced that innovation is essential for sustainability. We consistently improve our product design and supply chain management to promote green transformation and address the worldwide need for sustainable practices. Our aim is to boost market competitiveness with innovative solutions while leading the industry towards a more environmentally friendly and intelligent future.

TSC has made notable progress in green product design. Our latest offerings, such as the TH DH series desktop barcode printers, enhance energy efficiency, incorporate 30% recycled plastic, and that more than 90% of their components are recyclable. The RE310 portable printer, the first in its series, boasts 100% plastic-free packaging, utilizing FSC-certified cartons, and over 80% recyclable components. We are committed to fostering a circular economy and minimizing resource waste.

Promoting Diversity, Equity, and Inclusion

TSC is dedicated to fostering a diverse, equitable, and inclusive workplace while prioritizing the physical and mental well-being of its employees. We promote employee growth and boost corporate competitiveness through various learning initiatives and creative incentive programs. Our latest employee engagement survey revealed an 87.5% satisfaction rate, and we are continuously implementing improvements based on the feedback we receive from our staff. Additionally, TSC has become a member of

the Taiwan Talent Sustainability Action Alliance, which aims to provide employees with development opportunities in a transparent and fair way, allowing them to reach their full potential in a respectful and trusting atmosphere.

Strengthening Corporate Governance and Integrity

TSC's policy emphasizes maximizing shareholder profits, improving governance, and maintaining integrity. We ensure consistent profits by focusing on product innovation, expanding sales and markets, and optimizing global operations. In 2024, we formed the Sustainability Development Committee to provide regular updates to the board on our sustainability efforts, thereby improving governance and risk management practices.

Driving Industry Transformation with Technology

TSC seeks to improve supply chain traceability and sustainability through the use of barcode, RFID technology, and automation solutions. This will assist customers in managing their carbon footprints and tracking product lifecycles, while also promoting a shift towards a greener industry. Additionally, to motivate employees to support TSC's leadership in the AIDC sector, we incorporate innovative thinking into our corporate culture. We invite all staff to participate in "The Innovator's DNA" book club to collectively explore new concepts.

Looking to the Future

TSC will keep investing in smart manufacturing, technological advancements, and global growth, focusing on green manufacturing and automation technologies. We are confident that ongoing innovation and international cooperation will enable us to tackle future challenges and establish a strong presence in the global movement towards sustainable development. We appreciate your ongoing support and trust in TSC. We will persist in fostering innovation, honoring our commitments to the environment, our employees, and society, and collaborating for a thriving and sustainable future.



Innovating Today for a Sustainable Business Tomorrow

CEO's Message

CEO

Preface

A person in a dark suit and patterned tie is shown from the side, pointing with a pen at a digital dashboard. The dashboard features several data visualization elements: a line graph with a red dashed line and blue dots, a bar chart with blue bars, and a grid of data points. The background is a blurred cityscape with tall buildings. The overall color scheme is blue and white.

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- ▶ 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

TSC Auto ID's first report is published in August 2025. The reporting frequency is once a year, and the information disclosed covers the period from January 1 to December 31, 2024, which is 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 2022 and 2023. The next report is scheduled for publication in August 2026. 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, 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

TSC's core business lies in the computer and peripheral equipment industry. The scope of this report primarily focuses on its operations and production bases in Taiwan, including:

- Company Headquarters: New Taipei Head Office (hereinafter referred to as "Head Office")
- Major Production Site: Yilan Lize Plant (hereinafter referred to as "Lize Plant")

The scope of the information and data disclosed in this report covers financial, environmental, and social performance. Financial data are based on the Company's financial reports. Non-financial disclosures focus primarily on the Head Office and Lize Plant. The method of integrating information across disclosed items and material topics does not vary due to physical differences. The disclosure scope does not include subsidiaries and affiliates listed in the consolidated financial statements. For information on entities included in the consolidated financial report and related affiliates, please refer to the 2024 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 is based on International Standard on Assurance Engagements (ISAE) 3000 for limited assurance. The engagement was conducted by KPMG Taiwan. The assured sustainability report was approved by the General Manager and presented to the Sustainability Development Committee and the Board of Directors. For the independent assurance statement from the accounting firm, please refer to "Appendix 6 – Third-Party Assurance Statement."

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:

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Contact Unit	General Manager's Office
Telephone	+886-2-2218-6789 Ext.3015
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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 2022 to 2024 are as follows:

Corporate Governance

- 2022**
 - Initiated "DNA of Innovators" reading group
 - Launched 360° CFR Performance Feedback Mechanism
 - Established seven major competency training programs
 - Used GPM modular system to manage conflict minerals
- 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

Environmental Sustainability

- 2022**
 - Passed ISO 14001 Environmental Management System
- 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

Social Co-Prosperity

- 2022**
 - Established Employee Assistance Program and provided 24-hour psychological counseling
- 2023**
 - Set up lactation rooms to create a mother-friendly workplace
- 2024**
 - Passed ISO 45001 Occupational Health and Safety Management System
 - 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 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



Highlight Story: OTG 500 STAR Outstanding Employee Selection – A Core Driver of Competency Development and Corporate Culture

Since 2023, TSC Auto ID has set mid-to-long-term development goals under the OTG 500 initiative. In pursuit of OTG 500, the Company has made the competency model the foundation for employee development, tightly integrating it with corporate strategy to ensure alignment between talent development and business objectives. Beginning in 2023, the Company has implemented the "OTG 500 STAR Outstanding Employee Selection" mechanism, deeply integrating talent cultivation with corporate culture to become a key driver of sustainable corporate development.

This selection mechanism aims to encourage the development of employee competencies and to help each employee clearly understand their role and contribution in achieving corporate strategy. Each quarter, employees are encouraged to nominate outstanding colleagues. The STAR framework (Situation, Tasks, Action, Results) is used to concretely describe the nominated employee's demonstrated competencies. Cross-departmental managers review the nominations and select the OTG 500 STAR of the quarter. Results of the selection are publicly announced during the quarterly all-hands meeting, and bonuses are awarded to the selected employees to enhance their motivation for continuous learning and development. The excellent competency performances of selected employees are also included in the internal training system as exemplary learning cases for other employees. This serves not only to recognize the outstanding individuals, but also to inspire all employees to strive for excellence.

The mechanism helps the Company identify and affirm top talent, fosters a positive work atmosphere, encourages peer feedback, enhances employee fulfillment and sense of mission, and strengthens organizational cohesion and morale. After two years of implementation, the mechanism has received highly positive feedback from employees and has become a vital tool for driving talent development, achieving sustainability goals, and cultivating a competitive corporate culture.

TSC Competencies

Core Competency	Leadership Competency
Communication Initiative	Collaboration
Execution	Teambuilding
Continuous Learning	Strategic Planning



Major Awards and Honors

Year Award Records

- 2022** → Named among the Top 40 Best Taiwan Global Brands
- 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
 - Lize Plant awarded Healthy Workplace Certification



TSC ESG Development Milestones

Year ESG Milestones

- From 2022** → Held more investor conferences than legally required for three consecutive years (3-4 times per year)
- 2022** → Corporate governance evaluation score improved to the 21%-35% range
 - Passed ISO 14001 Environmental Management System recertification audit, continuing to reduce environmental impact under an international standard framework
- 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



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 express concerns and provide suggestions for improvement, TSC has established a transparent, fair, and efficient grievance mechanism. Internally, this is managed through regular meetings, correspondence, and dedicated communication channels, with periodic reviews of the usage and fairness of grievance procedures. Special task groups have been formed for each grievance mechanism to review case handling processes and continuously optimize related mechanisms. Externally, TSC engages stakeholders through diversified communication methods, including forums and collaborative meetings, to gather feedback, while also establishing a traceable grievance response mechanism to facilitate positive bilateral interaction.

For all received grievance cases, TSC conducts investigations and follow-up actions according to the nature of the issue and proposes appropriate improvement measures. In 2024, TSC did not receive any grievance cases. The grievance channels established by TSC 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

[Supplier Relations]

Evan Lu / Senior Manager, Production Department
Email: evan_lu@tscprinters.com

[Customer/Business Partner Relations]

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

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 2024, 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	Product Quality and Safety Sustainable Supply Chain Innovation Management
		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	Corporate Governance Information Security and Privacy Occupational Health and Safety
		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	Innovation Management Sustainable Supply Chain Product Quality and Safety
		Site visits and meetings	Regularly	
		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	Product Quality and Safety Business Integrity Sustainable Supply Chain
		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 and Privacy Innovation Management
		Annual shareholder meetings	At least once a year	
		Investor conferences	At least once a year	
		Company website	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.	Market Observation Post System (MOPS)	Ad hoc	Corporate Governance Business Integrity Climate Change Response
		Direct contact by Finance Department via phone and email	Ad hoc	
		Correspondence and official documents	Ad hoc	
		Company website	Ad hoc	
		Statutory disclosures (e.g., annual reports, financial reports, various filings)	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	Ministry of Economic Affairs Longde and Lize Industrial Park Service Center	Ad hoc	Social Engagement Diversity and Inclusion Human Rights Management
		NPO CSR activities	Ad hoc	
		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 581 material topic survey questionnaires were distributed both internally and externally. Through stakeholder feedback and material impact assessments, TSC identified the material topics for 2024, 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	<ul style="list-style-type: none"> 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: Reference was made to the Dow Jones Sustainability Index (DJSI), the Sustainability Accounting Standards Board (SASB), and the sustainability concerns of upstream and downstream benchmark companies. Based on industry context and characteristics, 17 sustainability issues were compiled and analyzed for their potential positive or negative impacts on the economy, environment, and people (including human rights), leading to the identification of 25 positive/negative impacts. 	<p>7 stakeholder categories</p> <p>17 sustainability issues</p> <p>25 positive/negative impacts</p>
Step 2 Questionnaire Assessment	<ul style="list-style-type: none"> Impact and Significance Assessment: Each issue was rated from 1 (no impact) to 5 (very high impact) based on its positive or negative effect on the environment, economy, and people (including human rights) in 2024. Likelihood Assessment: The likelihood of each impact occurring in the future was also rated from 1 (very unlikely) to 5 (very likely). Stakeholder Concern Assessment: External stakeholder concern regarding each sustainability issue was rated from 1 (not at all concerned) to 5 (very concerned). Calculation of Materiality: Materiality score = Impact & significance × Likelihood × Degree of concern. Survey Distribution: A total of 581 questionnaires were issued, including 8 to internal senior executives and 573 to external stakeholders. After excluding duplicate supplier entries and invalid responses, a total of 324 valid external stakeholder questionnaires were collected. 	<p>324 valid external stakeholder responses</p> <p>8 valid internal executive responses</p>
Step 3 Ranking and Analysis	<ul style="list-style-type: none"> Ranking: Based on both internal identification and external stakeholder survey results, a materiality score was calculated for each impact. 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. Final result: 4 positive impacts and 3 negative impacts were identified as material. These correspond to 7 sustainability topics, which were selected as TSC's material topics for 2024. A Materiality Matrix was also created. 	<p>7 total material topics</p> <p>4 material positive impacts</p> <p>3 material negative impacts</p>
Step 4 Review and Calibration	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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. 	-

2024 Sustainability Topic List

TSC's 2024 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
	Sustainable Product Management	Sustainable product design	-
	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
Environmental	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

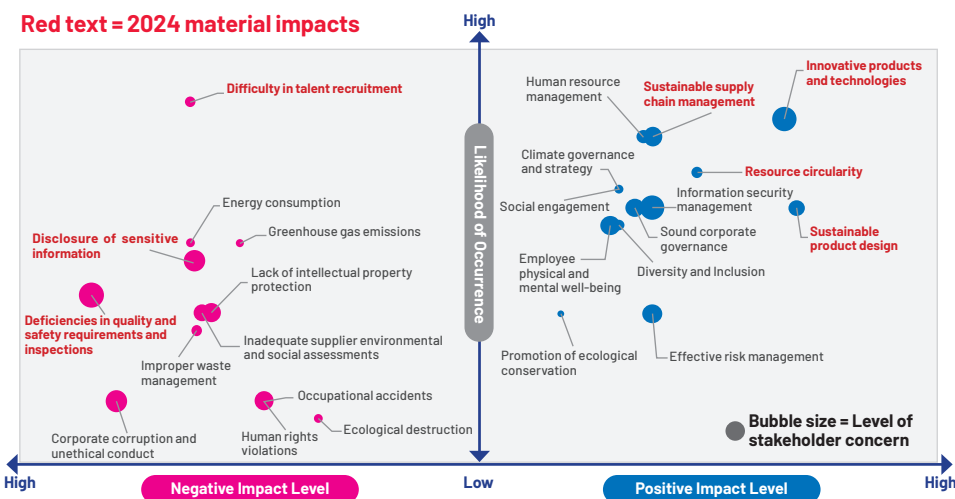
Aspect	Sustainability Topic	Positive Impact	Negative Impact
Social	Human Resource Management	Human Resource Management	Difficulty in talent recruitment
	Occupational Health and Safety	Employee physical and mental well-being	Occupational accidents
	Diversity and Inclusion	Diversity and Inclusion	-
	Human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

Note 1: Bolded items indicate material topics identified in 2024.

2024 Material Topic Matrix








TSC defines both the positive and negative impact dimensions of each sustainability topic. Using a risk management approach, the Company identifies actual and potential impact materiality and ranks all sustainability topics accordingly based on materiality levels. 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 2024, four positive impacts were identified: Innovative products and technologies, Sustainable product design, Sustainable supply chain management and Resource circularity; Three negative impacts were identified: Disclosure of sensitive information, Deficiencies in quality and safety requirements and inspections and Difficulty in talent recruitment; These correspond to seven material topics: Innovation Management, Sustainable Product Management, Waste and Circularity, Sustainable Supply Chain, Human Resource Management, Product Quality and Safety and Information Security and Privacy. For the management approach to these seven material topics, please refer to the corresponding chapters of this report.



Note: A total of seven material topics were identified in 2024. In the chart, items shown in red text indicate material topics; others represent priority concerns.

Meaning of 2024 Material Topics

Corresponding SDGs	2024 Material Topic	Positive/Negative Impact and Meaning	Value Chain Impact			Management Approach (See Corresponding Chapter)	Page No.
			Upstream	TSC	Downstream		
 <p>Industry, Innovation and Infrastructure</p>	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 Protection of Sensitive Information	P.33
 <p>Industry, Innovation and Infrastructure</p>	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.37
 <p>Good Health and Well-being</p>	Product Quality and Safety	- 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.	●	●		2.1.2 Product Quality Control	P.40
 <p>Responsible Consumption and Production</p>	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 Development of Sustainable Products	P.46
 <p>Partnerships for the Goals</p>	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.52
 <p>Responsible Consumption and Production</p>	Waste and Circularity	+ Resource Circularity: General and hazardous waste generated during manufacturing processes can negatively impact the environment. TSC reduces process-related waste through product life cycle management and designs pathways for waste regeneration and recycling with the goal of achieving zero landfill.		●	●	3.2.1 Waste and Circularity	P.72
 <p>Decent Work and Economic Growth</p>	Human Resource Management	- Difficulty in Talent Recruitment: Due to declining birth rates, population aging, and workforce migration, labor shortages have become severe. Challenges in recruitment and retention delay hiring and onboarding, increasing workload on existing personnel, potentially affecting business operations and employee well-being.		●		4.1.1 Talent Recruitment and Retention 4.1.2 Talent Development	P.76 P.82

CH1

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 brought about by climate change and places strong emphasis on stakeholder rights and interests. By listening to stakeholder voices, the Company continuously optimizes its governance mechanisms and sustainability direction, upholding its core principle of sound management and steadily advancing toward its long-term 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 Corporate Governance
 - ▶ 1.2.1 Overview of the Board of Directors
 - ▶ 1.2.2 Integrity Management and Regulatory Compliance
- ▶ 1.3 Risk Management
 - ▶ 1.3.1 Risk Management
 - ▶ 1.3.2 Information Security Risk Protection

1.1 About TSC

TSC Auto ID Technology Co., Ltd. (stock code: 3611) was founded in 1991. It originated as the Office Automation Division under its parent company, Taiwan Semiconductor, and later reinvested in U.S.-based Eltron to focus on barcode printer manufacturing. In 2007, the division was spun off and established as the independent TSC Auto ID Technology Co., Ltd. Since then, TSC has steadily expanded its international operations through overseas investments, with a presence across Europe, the Americas, Mainland China, India, and South Korea.

As one of the world's top four designers and manufacturers of barcode labeling and printing solutions, TSC's core business includes the manufacturing and sales of barcode printers, various types of printer labels and consumables, and enterprise mobile computers (EMC). In recent years, TSC has focused its new barcode printer designs on energy-saving technologies and material recycling, not only creating environmentally friendly products but also meeting the rising corporate demand for sustainable printing solutions.

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.

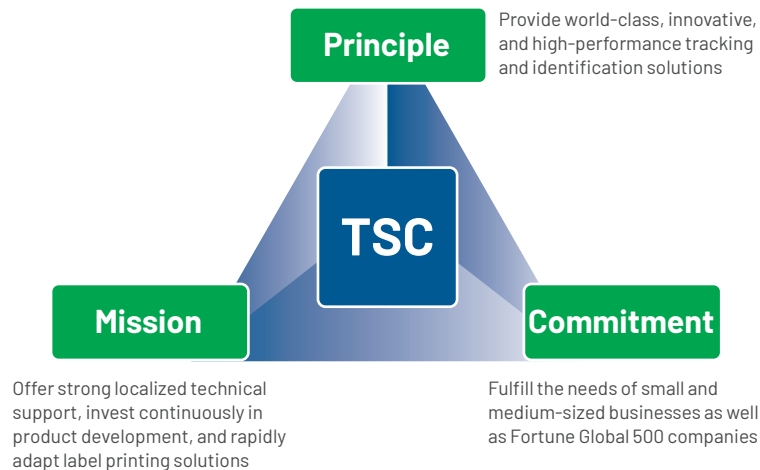
Company Name	TSC Auto ID Technology Co., Ltd.
Establishment Date	19-Mar-07
Headquarters	9F., No. 95, Minguan Rd., Xindian Dist., New Taipei City, Taiwan
Number of Employees	1350
Capital	NT\$473,791,340
Industry	Computer and Peripheral Equipment
Main Business	Manufacturing and sales of barcode printers and components, various types of printer labels and consumables, and enterprise mobile computers.
Operational Locations	Taiwan (New Taipei, Yilan), Hong Kong, Mainland China (Tianjin), United States, Germany, Dubai, Spain, India, Poland, South Korea, Mexico
Stock Code	3611



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	Social	Governance
<p>Promoting net-zero transition and circular economy</p> <p>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.</p> <ul style="list-style-type: none"> ✓ Green packaging for 100% of products ✓ Use of recycled materials in more than 10% of printer structure ✓ 20%–40% reduction in greenhouse gas emissions 	<p>Talent empowerment, diversity and inclusion, and well-being</p> <p>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.</p> <ul style="list-style-type: none"> ✓ Talent empowerment and unlocking individual potential ✓ Fostering an inclusive culture ✓ Achieving work-life balance ✓ Supporting sustainable development in local communities 	<p>Building a forward-looking enterprise</p> <p>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.</p> <ul style="list-style-type: none"> ✓ 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 barcode printer manufacturers and a leading enterprise in Taiwan, TSC possesses independent research, development, and manufacturing capabilities. The Company offers a wide range of automated solutions and promotes its products globally under the "TSC Auto ID" brand. With evolving market conditions, the demand for product traceability in logistics, e-commerce, and retail industries has significantly increased, alongside a broadening range of label technology applications. This shift continues to drive innovation in barcode label printer technologies—serving as a key motivator for TSC's ongoing R&D efforts. The following outlines the production capacity and sales performance of TSC's major products over the past three years:

Main Product	Production Volume		
	2022	2023	2024
Barcode Label Printers	726	701	720

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 96.54% equity in Bluebird Inc. (South Korea), continuing to apply flexible business strategies to extend into overseas operations. These acquisitions have enriched the Company's product lines and sales channels, further broadening its global business landscape.

Company Name	Region	Main Business
TSC Auto ID Technology Co., Ltd.	Asia - Taiwan	Manufacturing and sales of barcode printers and components, various types of printer labels and consumables, and enterprise mobile computers
TSC Auto ID Technology EMEA GmbH	Europe - Germany	Sales of barcode printers and components
TSC Auto ID (H.K.) LIMITED	Asia - Hong Kong	Investment in various production businesses and general import/export
TSC Auto ID Technology America, Inc.	Americas - USA	Sales of barcode printers and components
Tianjin TSC Auto ID Technology CO., LTD.	Asia - China	Manufacturing and sales of barcode printers and components
TSC AUTO ID TECHNOLOGY ME, Ltd. FZE	Asia - Dubai	Sales of barcode printers and components
TSC AUTO ID TECHNOLOGY Spain, S.L.	Europe - Spain	Sales of barcode printers and components
Printronix Auto ID Technology Co., Ltd. (Note 1)	Asia - Taiwan	Sales of barcode printers and components
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 printer labels and consumables
TSC Auto ID Technology India Private Ltd.	Asia - India	Sales of barcode printers and components
Mosfortico Investments sp. z o. o.	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. (Note 2)	Asia - Korea	Manufacturing and sales of enterprise mobile computers and components
Bluebird USA Inc. (Note 2)	Americas - USA	Manufacturing and sales of enterprise mobile computers and components
Bluebird India R&D Center Private Ltd. (Note 2)	Asia - India	R&D and design of enterprise mobile computers; technical services
Bluebird Europe SL (Note 2)	Europe - Spain	Sales of barcode printers, labels, consumables, components, and enterprise mobile computers
Bluebird Germany GmbH (Note 2)	Europe - Germany	Manufacturing and sales of enterprise mobile computers and components
Bluebird Latin America S. de R.L. de CV (Note 2)	Americas - Mexico	Manufacturing and sales of enterprise mobile computers and components

Note 1: This company was resolved for dissolution and liquidation in May 2024 and completed court-declared liquidation in November 2024.

Note 2: Subsidiaries acquired by the Company on November 20, 2024, as part of the Bluebird Inc. acquisition.

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	Enhance barcode and RFID printer performance through innovation and eco-design. Develop industry-specific solutions.	Enhance product functionality, develop automated identification technologies, design environmentally sustainable products, and invest in software development and integrated hardware-software solutions to maintain market competitiveness.
Marketing Strategy	Deepen engagement in vertical markets, expand corporate client base, provide one-stop services, and build a global distribution network.	Expand new customer segments, promote product bundling, and work with strategic partners to promote solutions to vertical industries and end customers to enhance brand awareness and professional image.
Production Strategy	Optimize production line layout to improve efficiency, capacity, profitability, and competitiveness.	Upgrade production facilities, implement green manufacturing, and reduce energy use and waste for sustainable growth.
Operations Strategy	Integrate information systems, improve processes, enhance collaboration efficiency, optimize cost structures, strengthen quality control, and promote brand development.	Establish a talent management system, enhance employee quality, and continuously invest in product and technology R&D, as well as new channel and market development. Focus on brand building, expand market share, and integrate environmental sustainability and social responsibility.

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. Currently, TSC ranks among the world's top four barcode label printer manufacturers, following U.S. and Japanese competitors in market share. The Company maintains a strong revenue contribution from Europe, the Americas and Asia, with ongoing expansion in Southeast Asia and India.

TSC Auto ID 2024 Global Revenue Distribution

Region	Sales Revenue	Proportion
Taiwan and Other Asian Regions	1,605,184	18.24%
Mainland China	1,153,454	13.11%
Americas	3,831,245	43.55%
Europe	2,208,249	25.10%
Total	8,798,132	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	2022	2023	2024
Operating Revenue (NT\$ thousand)	7,966,918	8,351,762	8,798,132
Operating Income (NT\$ thousand)	1,257,801	1,196,599	916,666
Total Assets (NT\$ thousand)	8,294,769	8,955,103	12,705,863
Return on Assets (%)	12.37%	11.29%	6.90%
Net Profit Margin (%)	12.11%	11.10%	7.64%
Earnings Per Share (NT\$)	20.65	19.76	14.19



Highlight Story: TSC Secures Sustainability-Linked Loan to Support ESG Advancement

A sustainability-linked loan is evaluated and offered by third-party institutions—such as rating agencies, consultants, and banks—based on a company's performance against ESG reference indicators. These include metrics such as greenhouse gas emission intensity, total hazardous waste generated, and results of the corporate governance evaluation published by the Taiwan Stock Exchange. When a company meets specified reduction targets or ranks within the top 20% in governance among listed companies, banks may proactively offer preferential loan interest rates. This mechanism allows companies to access financial incentives while advancing their sustainability commitments, thereby accelerating sustainable transformation.

In 2024, TSC successfully signed a sustainability-linked loan agreement with Bank of Taiwan, securing a three-year facility of NT\$200 million. This not only demonstrates the financial sector's recognition of TSC's governance and ESG practices, but also provides tangible financial benefits to support TSC's flexible capital use and achievement of long-term sustainability goals.

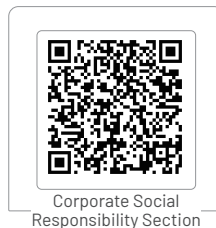
1.2 Sustainability Governance

1.2.1 Corporate Governance

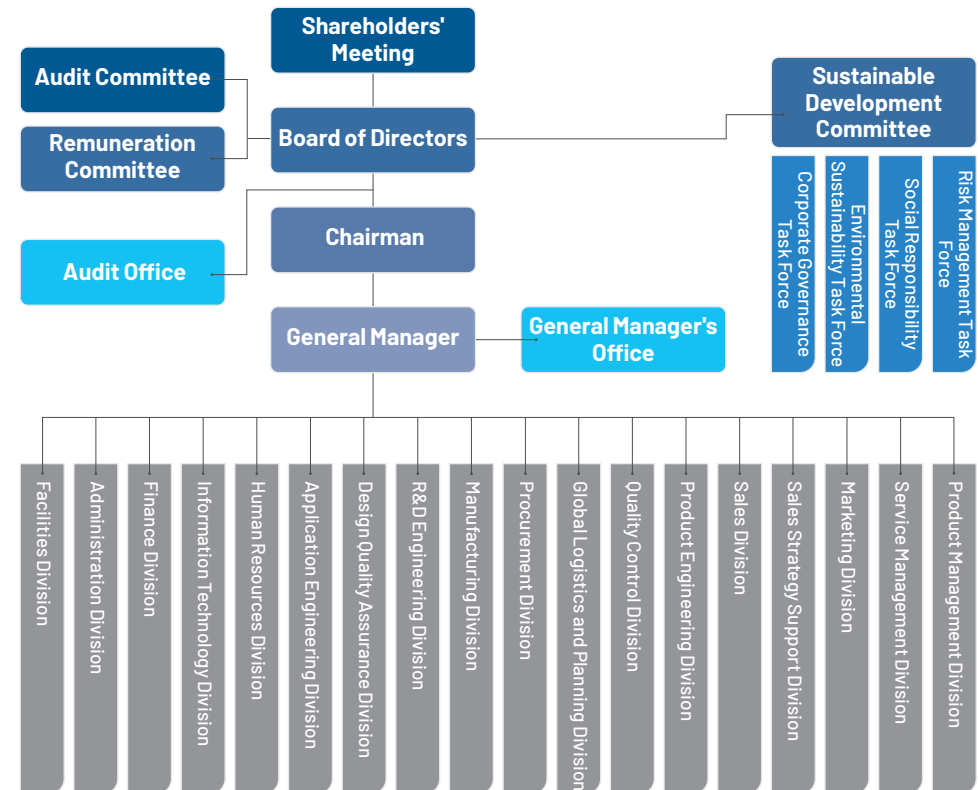
The Board of Directors serves as the highest governance body of TSC, responsible for guiding corporate decision-making, overseeing the organization's impact on the economy, environment, and people, and ultimately being accountable to shareholders. The Company exercises its governance authority in accordance 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 of the Republic of China (Taiwan). 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 2024, 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 three in-person investor conferences, exceeding the regulatory requirement of at least one 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 2024 Corporate Governance Evaluation Result (for listed companies) placed it in the 21%–35% percentile bracket. The Company is committed to further strengthening its corporate governance efforts going forward.



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.

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	

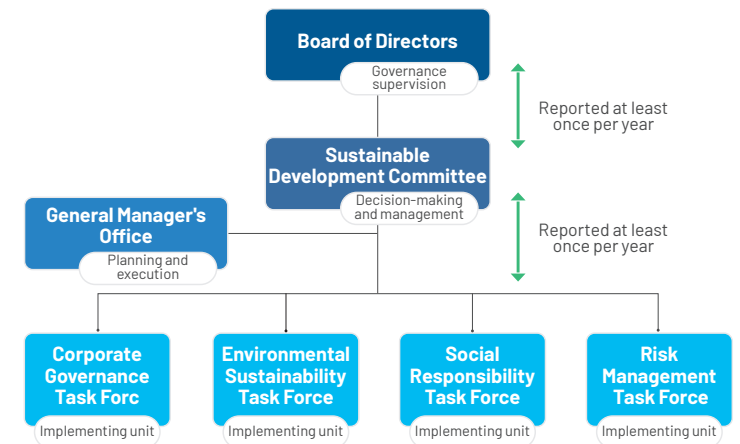
The scope of application of the "Code of Integrity and Ethics" includes the Company's subsidiaries, foundations to which the Company has directly or indirectly contributed cumulatively more than fifty percent of the funds, and other institutions or legal entities over which the Company has substantial 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

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 its sustainability governance framework, TSC established the Sustainable Development Committee in 2024. The Committee consists of the General Manager and two independent directors as members, with the General Manager elected by the committee to serve as Chairperson. Under this committee, four cross-functional task forces were set up: the Corporate Governance Task Force, Environmental Sustainability Task Force, Social Responsibility Task Force, and Risk Management Task Force. Each is led by relevant department heads, who are responsible for implementing and overseeing the execution of sustainability governance across departments.

Sustainability Governance Structure Diagram



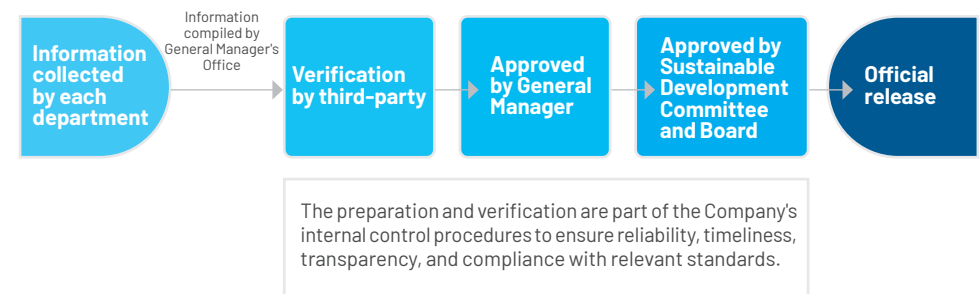
Sustainable Development Committee Implementation

In driving the Sustainable Development Committee, the General Manager serves as the Committee Chair and reports to the Board of Directors at least once a year on TSC's sustainability governance performance. In 2024, a total of two reports were presented, covering the implementation and results of corporate sustainable development, and explaining the communication and engagement regarding 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 Chairperson is elected by the members of the Sustainable Development Committee and is the General Manager, responsible for convening meetings and supervising the execution of sustainable 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: <ul style="list-style-type: none"> • 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.



1.2.2 Board of Directors Overview

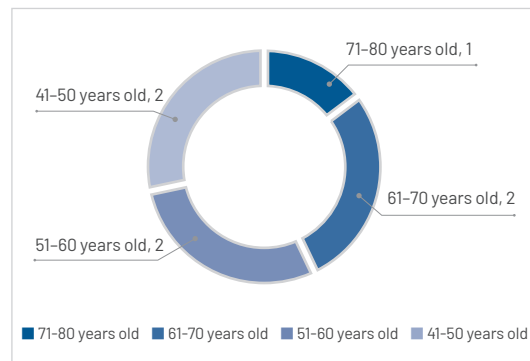
Board Composition and Operations

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 includes 3 directors who are employees or executives, 1 external director with no employee status, and 3 independent directors — all compliant with listing board structure requirements. In 2024, TSC held 7 Board meetings. All 7 directors (including independent directors) attended every meeting. Attendance rate: 100%. If any major stakeholder complaints occur, they are treated as critical events and reported to the Board. There were no such cases in 2024.

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 2024

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	2024 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	100%
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		None	None	None	0	None	100%
Ming-Yi Chen	Director	Male	51-60	R.O.C.	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	Members	Members	3	None	100%
Chun-Chi Li	Independent Director	Male	61-70	R.O.C.	v		v		v						v	Members	Chairperson	Members	0	None	100%
Tuo-Chih Lin	Independent Director	Male	41-50	R.O.C.	v	v	v	v		v	v	v				Members	Members	None	0	None	100%

Board Conflict of Interest Management

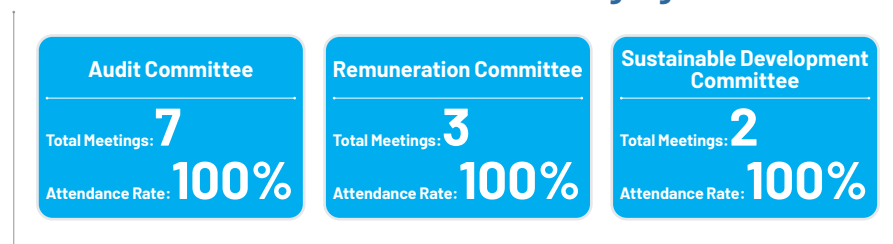
TSC's "Rules of Procedure for Board Meetings," "Audit Committee Charter," "Remuneration Committee Charter," and "Sustainable Development Committee Charter" all contain provisions for recusal from conflicts of interest. Furthermore, the Chairman does not concurrently serve in any senior executive position 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 directors 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 2024, 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.

2024 Functional Committee Performance Highlights



Enhancing Directors' Professional Capabilities

2024 Director and Independent Director Training Summary:

Course Title / Topic	Total Training hours
Tax Impact of Group Value Chain Planning and Overview of International Tax Disputes	21
Legal Practices and Tax Considerations in Corporate Mergers and Acquisitions and BVI Law Amendments	21
Accounting Officer Continuing Education Program for Issuers, Securities Firms, and Stock Exchanges	12
ESG Sustainability Trends and TNFD Framework on Natural Risks	3
Fair Customer Treatment and Elder-Friendly Service Principles and Financial Exploitation	3
Practical Issues of Non-Conventional Transactions Directors and Supervisors Should Be Aware Of	3
Negotiation and Discussion for Successful Investment and M&A: Real Case Sharing	3

TSC Board Functional Committees

Policy Name	Responsibilities	2024 Performance
Audit Committee	<p>Primary supervisory responsibilities include:</p> <ul style="list-style-type: none"> ● 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 	<p>Supervised the following reports and items:</p> <ul style="list-style-type: none"> • Annual and quarterly financial and operational reports • Internal audit reports • Accounting executive change proposal • Company's acquisition of Bluebird Inc. proposal • Company's syndicated loan proposal • Capital lending proposal • Formulation and revision of relevant company management regulations • List of non-executive employee stock option recipients for the second issuance in 2023
Remuneration committee	<ul style="list-style-type: none"> ● Periodically review and propose amendments to the committee charter ● Establish and review performance evaluation standards for directors and managers, along with annual and long-term performance targets, and remuneration policies, systems, standards, and structures ● Periodically assess and determine remuneration for directors and managers 	<p>Reviewed the following items:</p> <ul style="list-style-type: none"> • Annual Board performance evaluation proposal • Annual executive performance evaluation proposal • Employee and director remuneration proposal • Director and manager remuneration proposal • List of executive stock option recipients for the second issuance in 2023
Sustainable Development Committee	<ul style="list-style-type: none"> ● 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 	<p>Promoted the following initiatives:</p> <ul style="list-style-type: none"> • Appointed the first Sustainable Development Committee convener • Appointed the first Sustainable Development Committee meeting chair • Reported on 2024 "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 2024, 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 2024 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 5th Committee's 9th Remuneration Committee meeting on March 14, 2025, and reported at the 6th Board's 20th meeting on the same date. Please refer to the table below for detailed evaluation content.

Evaluation Content	
Board of Directors	<p>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</p> <p>Evaluation Results: Excellent (4.96 points)</p>
Board Members	<p>Self-evaluation indicators include six dimensions, with a total of 25 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</p> <p>Evaluation Results: Excellent (4.80 points)</p>
Audit Committee	<p>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</p> <p>Evaluation Results: Excellent (5.00 points)</p>
Remuneration Committee	<p>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</p> <p>Evaluation Results: Excellent (5.00 points)</p>

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 2024, the Remuneration Committee held 3 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. For 2024, total remuneration for all directors (including independent directors) accounted for 6.84% of the Company's net profit after tax. Remuneration for the President and Vice President, regardless of profit or loss, is aligned with industry standards. Manager remuneration is determined by the Chairman under Board authorization, based on job nature, responsibility, goal achievement, skills, and development potential.

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 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 96.65%.



Supplier Code of Conduct Compliance Declaration

Anti-Corruption Advocacy and Training

In 2024, 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. New employees are required to sign the "Integrity Commitment Statement" and the "Conflict of Interest Self-Declaration" upon onboarding to ensure compliance with the Company's integrity standards and to prevent dishonest conduct. As of 2024, all 357 employees (including headquarters and Lize Plant) had signed both statements, which were published on the Company's internal website. TSC also promotes anti-corruption awareness through internal and external training sessions:

2024 Anti-Corruption Policy and Procedure Training Statistics

Items	Total number	Participants in Anti-Corruption Policy and Procedure Communication & Training	Percentage
Employees	357 employees	169	47.34%
Suppliers	232 suppliers	227	97.84%

Note: Statistics are compiled based on the "Supplier Code of Conduct Compliance Declaration" signed by raw material and consumable suppliers, covering 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.

2024 Integrity Management Training Courses and Hours

Course Title	Number of people	Total hours
RBA Internal Audit Training and Code of Conduct	204	155
Code of Ethical Conduct	330	136
Prevention of Insider Trading and Case Analysis	170	72
Trade Secret Protection	31	62
Introduction to Law and Life	32	32

Legal Compliance and Whistleblower Mechanism

In 2024, 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



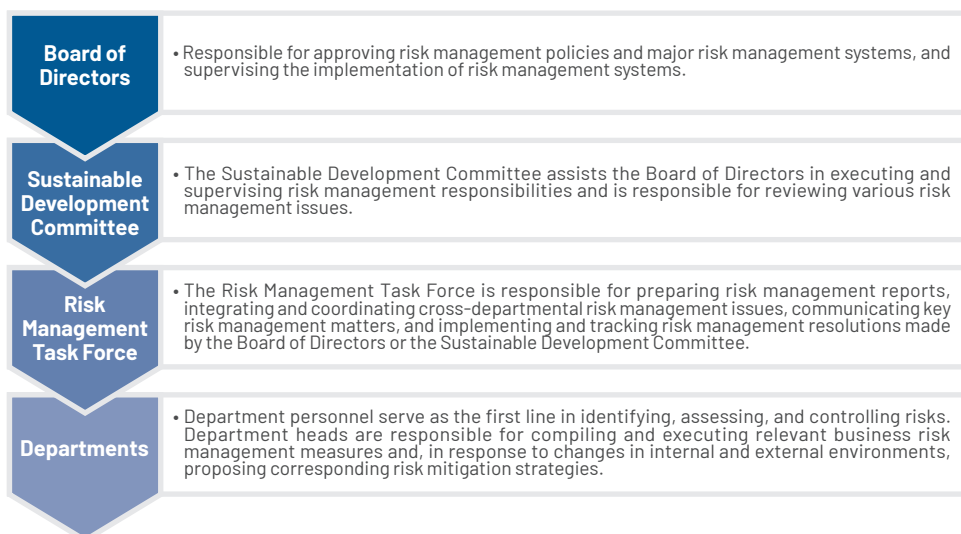
1.3 Risk Management

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" formulated by the Taipei Exchange, the Company has developed its 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



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
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Relevant departments take various countermeasures for risks exceeding acceptable thresholds 	<ul style="list-style-type: none"> 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.	<p>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:</p> <ol style="list-style-type: none"> 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. 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 daily adaptation and conduct an interview 1.5 months after onboarding to understand their adjustment and provide timely assistance. 7. Actively integrate various welfare measures through diversified benefits policies (e.g., offering vacation days superior to industry standards for new hires) to increase job appeal and enhance employees' sense of recognition and belonging toward a happy workplace. Additionally, to meet the diverse life-stage needs of employees, TSC offers parental leave, reduced working hours for childcare, and flexible working hours to help employees better achieve work-life balance. 8. A comprehensive talent development system is in place. From the start of employment, new employees undergo a three-month onboarding training program to familiarize themselves with the Company's culture, organizational structure, and core competencies. After the probation period, the Individual Development Plan (IDP) system is introduced, enabling employees to create a personal development blueprint based on their needs, enhancing professional capabilities and career planning. <p>Conduct annual exit analysis to gain insights into the specific reasons behind employee resignations through interviews, and proactively review the findings internally to develop effective solutions.</p>
		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.	<p>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 and 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:</p> <ol style="list-style-type: none"> 1. Complying with labor laws to protect employees' legal rights, including legally provisioning retirement funds and maintaining open communication between labor and management to understand and reasonably meet employee needs. An Employee Welfare Committee has also been established to manage various welfare initiatives. 2. In 2024, TSC legally updated its "Workplace Sexual Harassment Prevention, Complaint, and Disciplinary Regulations" and its rules on unlawful workplace conduct. Internal and external reporting mailboxes were integrated, and a dedicated complaint hotline was established to ensure employee 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 Statement" and adhere to the RBA Code of Conduct. All supplier business activities must comply with the laws and regulations applicable in their operating countries. 4. Conducting regular communication, assessments, and audits to identify and evaluate potential human rights risks, and implementing continuous improvement plans based on identified risks. 5. To enhance human rights awareness, the Company regularly conducts training and awareness programs for internal employees and supply chain partners on personnel protection issues, promoting full integration of human rights and sustainability across the value chain.

Risk Issue List and Response Measures

Risk Category	Risk items	Risk Name	Risk Implication	Countermeasures
Social responsibility	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.
			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.
Corporate governance	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 responsible for regularly conducting 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 a cybersecurity incident, the Company will activate its emergency response plan, immediately notify relevant parties, and take prompt action to minimize losses and customer impact.
			Sustainability risk	Corporate corruption and unethical conduct
	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
Others	Market risk	Unfavorable market conditions	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.	TSC regularly analyzes market trends and risk factors, closely monitoring political, economic, and regulatory developments. Strategies are adjusted in response to market demands and technological progress. TSC actively strengthens collaboration with industry peers and government agencies, engaging in policy advocacy and standards development to adapt to changing market dynamics. A flexible response mechanism is in place to ensure rapid adaptation of business models in uncertain environments, maintaining a competitive edge. TSC continues to enhance innovation through technological and industrial upgrades to meet future challenges and achieve sustainable development.
			Financial risk	Liquidity challenges

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	<ul style="list-style-type: none"> • Introduce automated cybersecurity tools annually to reduce manpower and enhance protection • Provide cybersecurity training courses every year • Review account usage and clear inactive accounts every six months • 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	<ul style="list-style-type: none"> ✓ 100% of new employees completed information security and protection training ✓ 36% voluntary participation in cybersecurity training in 2024 (Training will become mandatory in 2025) ✓ 6 cybersecurity awareness emails sent in 2024

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

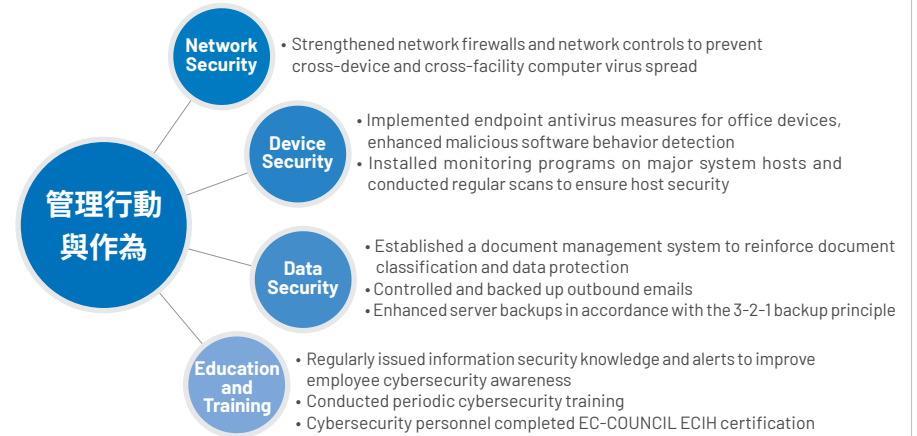


Information Security Management Policy

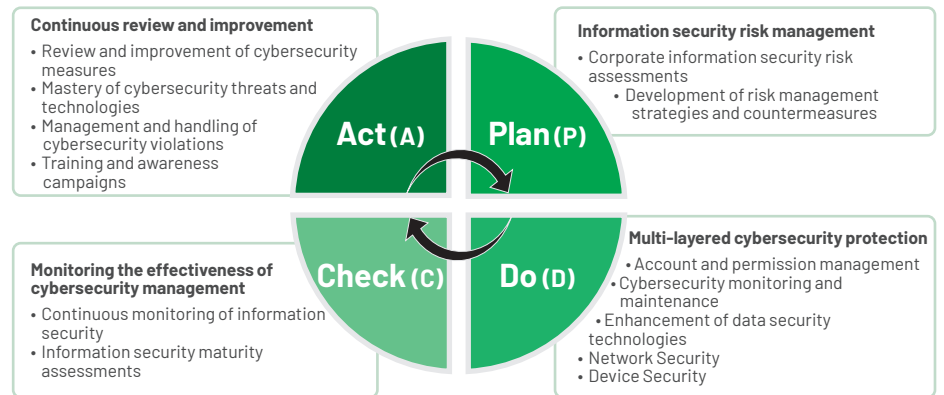
TSC places high importance on information and business data security. Internally, the Company has developed an Information Security Incident Management Procedure, applying strict controls on information security. To reinforce the management system, the cybersecurity team introduces automated security tools annually as scheduled to improve monitoring efficiency and reduce manual workload. TSC has also established the Personal Data Protection Management Measures, which regulate the collection, processing, use, and international transfer of personal data. The protection scope covers employees, vendors, and visitors, and is fully governed under this internal policy. TSC is targeting ISO 27001 certification by 2025 to ensure that data is strictly protected and used properly.

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 Cybersecurity Focus Projects (2022-2024)

2022	2023	2024
<ul style="list-style-type: none"> Upgraded operating systems to Windows Server 2019 or higher Issued bi-monthly cybersecurity bulletins 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Implemented monitoring devices SD-WAN at HQ and Lize Plant Upgraded HQ wireless network Conducted employee cybersecurity training

Three-Year Information Security Plan

2025	2026	2027
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
Plan to obtain ISO 27001 certification	Implement multi-factor authentication (MFA)	Adopt Zero Trust Architecture (ZTA)
Update Oracle software licenses	Deploy endpoint detection and response (EDR)	Upgrade IDC firewall
Upgrade IDC servers and storage systems	Strengthen backups - Phase II	
Conduct information security inventory (vulnerability scans, phishing-email tests, and other social-engineering drills)		

Information Security Implementation Highlights

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

16 information-security documents

Documents formulated in accordance with listed-company information-security control guidelines

Information Security Incident Reporting and Handling Procedures

Following the "Information Security Incident Management Procedures," when an information security incident occurs, the discovering personnel may immediately report it to information security staff via phone, email, or messaging applications. The system owner must then promptly execute corresponding response 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 2024, 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



CH2

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. Working collaboratively with suppliers, TSC has developed recyclable desktop printers, marking a major milestone in the Company's journey toward green product development.

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
- ▶ 2.2.2 Product Lifecycle Management
- ▶ 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	<ul style="list-style-type: none"> Adhering to RoHS and WEEE directives throughout the production process and materials management, and applying these standards in product design and manufacturing. Continuously reducing environmental impacts caused by product manufacturing and publishing EU environmental self-declaration statements 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	<ul style="list-style-type: none"> ✓ Ongoing R&D of multiple innovative products, including fully plastic-free packaging and pulp-paper packaging products, validated and mass-produced. ✓ Desktop series DL240 and TL240 and industrial-grade products MB241 and ML241P use green packaging and efficient energy management technologies and are certified by Energy Star. ✓ 100% of major products have completed EU environmental self-declaration statements. ✓ Continued acquisition of key patent certifications; as of 2024, a total of 20 patents have been granted. ✓ A total of 44 innovation proposals were submitted by employees in 2024, with one progressing to the implementation phase.

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.

2024 Implementation of Innovative Technologies

Innovative Technology	Product Application	Highlights
Plastic-Free Packaging	Portable RE310 	As TSC's first fully plastic-free packaged product, the outer box uses eco-friendly cartons certified by the Forest Stewardship Council (FSC), with over 70% of the pulp sourced from FSC-certified forests, and the remaining 30% or less from other traceable and credible sources. In addition, 10% of the device itself is made from recycled materials, and when the product reaches end-of-life, over 80% of the printer components can be recycled and reused. This technology not only reduces the use of plastics but also significantly minimizes the product's negative impact on the environment.
	Industrial MB241 	TSC's first product using paper-pulp packaging; this success sets the standard for future new industrial-product lines.
High-efficiency energy-management technology	Desktop DL240 	Adopting high-efficiency energy management technology and obtaining Energy Star certification, the products effectively reduce electricity consumption, lower carbon emissions and carbon footprint, and meet the Company's carbon reduction goals.
	Desktop TL240 	
	Industrial MB241 	
	Industrial ML241P 	

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	<ul style="list-style-type: none"> ◆ 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
Radio Frequency Identification and Near-Field Communication Technology (RFID/NFC)	4	<ul style="list-style-type: none"> ◆ 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	<ul style="list-style-type: none"> ◆ 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. To further protect patents and intellectual property rights, the Company has also implemented a "Patent Infringement Reporting Reward" mechanism. When employees identify any infringement of the Company's intellectual property rights, they may report the case through the designated channels and provide supporting evidence. Should the Company obtain licensing fees or compensation as a result, a certain percentage of the proceeds will be rewarded to the whistleblower, thereby encouraging all employees to jointly safeguard the Company's intellectual property 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	2022	2023	2024
Cumulative Number of Patent Applications	9	29	11
Cumulative Number of Granted Patents	11	20	20

Capital and R&D Expenditure

獲利表現	2022年	2023年	2024年
Capital Expenditure (NT\$ in thousands)	159,541	245,545	262,519
Research and Development Expenditure (NT\$ in thousands)	229,823	240,833	304,582



Highlight Story: Innovation Proposal Mechanism

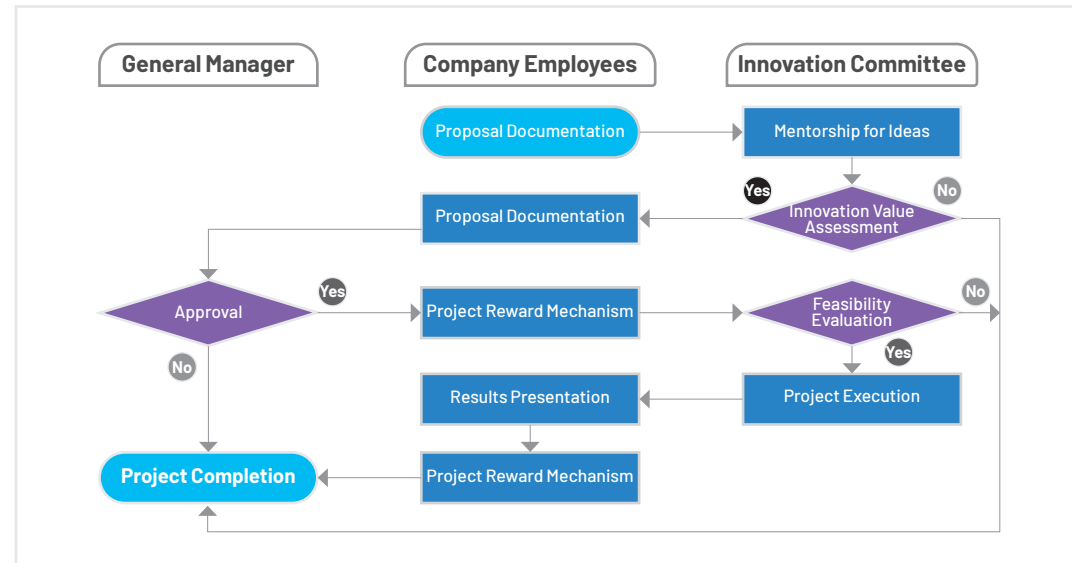
To foster a workplace filled with a spirit of innovation and to encourage employees to take bold steps in developing a unique corporate culture of innovation, TSC established the "Innovation Proposal and Incentive Measures" in 2023. An Innovation Development Committee was formed, comprising members from various functional units. The standing number of members is eight, and a chairperson is elected by all members to serve as the convener and head 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
Product Innovation	• Creating new products with competitive advantages or improving existing ones to meet the ever-changing needs of consumers
Business Innovation	• Introducing new ideas in business models and operational strategies to create commercial value and drive profit growth
Service Innovation	• Delivering unique and excellent service experiences 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—verbally or in writing—to the Innovation Development Committee. Committee members will guide and mentor these ideas through a preliminary innovation value assessment. If the proposal passes the General Manager's review, it will proceed to a feasibility evaluation and then enter the implementation phase, where a project team will be assigned to track and execute the proposal. Process flow (as illustrated):



Reward Mechanism

To encourage employees to actively participate in innovation proposals, TSC has established an incentive mechanism that includes proposal bonuses, project approval bonuses, and execution result bonuses. Employees will receive a proposal bonus upon submitting an innovation proposal; once the proposal is approved by the committee and authorized by the General Manager, they will be granted a project approval bonus; upon completion of project execution and results presentation, they will receive an execution result bonus.

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	<ul style="list-style-type: none"> • 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	<ul style="list-style-type: none"> ✓ Completed ISO 9001:2015 certification renewal in 2023 ✓ Monthly communication and review with suppliers to enhance product quality and safety ✓ Official launch of the TBBPA reduction plan in 2024, with the target of complete elimination by 2026 ✓ Completed quality audits of 12 suppliers in 2024

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 its core, adhering to the philosophy of "quality first, safety foremost" by following the ISO 9001:2015 Quality Management System (QMS) to comprehensively optimize its product quality management processes. This ensures that all products meet or exceed 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. Supplier quality management includes audit and evaluation mechanisms, with annual audits scheduled for over 12 suppliers to ensure consistent 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, internal employees can directly submit related complaints and suggestions to the Innovation Management Committee. These inputs are regularly reviewed and addressed by cross-functional management teams, with implementation progress periodically announced by the committee. Additionally, external partners (including customers, distributors, and subsidiaries) can utilize the customer feedback system to report product-related issues and provide suggestions. TSC ensures the transparency and responsiveness of the complaint mechanism and continuously improves product design based on internal and external feedback to enhance product safety and quality while meeting customer expectations and increasing satisfaction.

Product Safety Certification

As an industry leader in barcode printers, TSC exercises strict control and evaluation over product health and safety. All products undergo electromagnetic and electrical safety testing, including critical components used in the products. TSC requires suppliers to provide relevant safety certifications and incorporates these into TSC's safety control system to ensure the validity of component certificates. Notifications for certificate renewal are sent two months before expiration to ensure all products comply with national safety standards. Through rigorous quality management mechanisms, TSC collaborates with suppliers to build safe, sustainable, and high-quality solutions.

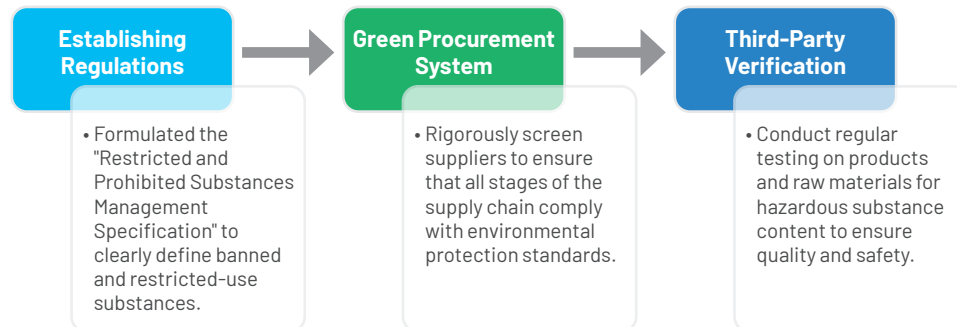
In 2024, all products provided by TSC passed health and safety evaluations and obtained certifications in compliance with national safety standards, U.S. regulations, EU regulations, and other international regulations. Furthermore, no violations of health and safety regulations occurred, no product recalls were issued, and no financial losses were incurred from legal claims related to product safety. In 2024, all TSC products passed the following tests:

Electromagnetic and Safety Tests	
<ul style="list-style-type: none"> ✓ CNS15598-1 ✓ CNS15936 ✓ CNS15663 Section 5 (including labeling requirements) ✓ U.S. Standard FCC CFR Title 47 Part 15 Subpart B Certification ✓ EU Standards EN 55032, EN 55035 Certifications ✓ International Regulation IEC 62368 3rd Edition Certification 	 100% of all products are 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 control, ensuring compliance and eco-friendliness from raw material selection to component composition management. Through this system, the efficiency of green product management is improved while reducing environmental pollution. 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. Furthermore, TSC utilizes the GPM system to ensure supply chain environmental compliance and regularly commissions third-party agencies to test the hazardous substance content 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.



Highlight Story: 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 comprehensive reduction plan includes a full inventory of existing material usage, and the gradual phase-out of TBBPA through the development and application of safer alternative materials, with a target of complete elimination by 2026.

2025 Target

Reduce the presence of TBBPA in
60% of the product lines

2026 Projection

Achieve **complete elimination**
of TBBPA across all product lines

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.

For the product user manuals, TSC includes the hazardous substances 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 complies with all relevant regulations and is committed to reducing the use of hazardous substances. In 2024, there were no incidents of non-compliance with laws or regulations concerning product or service information and labeling.

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, Authorization and Restriction of Chemicals (REACH)	Label Printer	100%	All product models
California Proposition 65	Label Printer	100%	All product models




2.1.3 Meeting Customer Needs


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 and sales departments regularly hold events and training sessions, report on regional developments, and formulate global sales strategies with clearly defined performance goals for effective execution. The external sales team is responsible for client contact, while the internal sales team coordinates internal communications between departments and conveys client feedback received from the external sales team. This ensures timely and accurate access to first-hand customer feedback, improving the efficiency of product and service quality optimization.





Enhancing Customer Satisfaction


To continually enhance customer satisfaction, TSC conducts online surveys using Google Survey every six months. These surveys assess six key areas: customer service, pricing, quality, delivery, marketing, and new products. Surveys are conducted by country to ensure representativeness and accuracy. 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 ensures it meets customer needs and expectations, continuously improves product and service quality, strengthens long-term partnerships with customers, enhances customer loyalty, and promotes sustainable corporate development.

- 

Conduct customer satisfaction surveys via Google Survey every six months
- 

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

According to the past three years of major customer satisfaction surveys, scores have shown a year-on-year increase. In 2024, the Company achieved a high score of 3.99. Among the six key areas, "Customer Service" and "New Products" received the highest ratings, reflecting TSC's continued commitment to customer relationship management and R&D innovation. However, performance in delivery lead times was relatively low, mainly due to post-pandemic impacts such as material supply issues, which indirectly caused delivery reliability to fluctuate that year. Regionally, customer satisfaction was highest in Japan and India, while Southeast Asia showed relatively lower scores due to high price sensitivity and increased competition from Chinese manufacturers.

Satisfaction Across Six Key Areas

Six Key Areas	2022	2023	2024
1. Customer Service	4.18	4.39	4.46
2. Price	3.65	3.83	3.77
3. Quality	4.09	4	4.14
4. Delivery	3.34	3.66	3.51
5. Marketing	3.88	3.98	4.1
6. New Products	4.03	4.05	4.45
Overall Major Customer Satisfaction Score	3.91	3.96	3.99

Note: A total of 61 satisfaction surveys were distributed in 2024, including 32 surveys during May–June (H1) and 29 surveys during November–December (H2). The data in the table reflects the average score of H1 and H2 combined.

Regional Major Customer Satisfaction

Region	2022	2023	2024
EMEA	3.52	3.8	4.1
Americas	4.2	4.13	4.14
SA	4.07	4.27	4.29
China	3.75	4.13	4.04
SEA1	4.14	3.91	4.1
SEA2	3.7	3.77	3.74
Korea	3.92	3.8	3.84
Japan	3.6	4.12	4.28
Taiwan	3.79	3.96	4.11

Note 1: A total of 61 satisfaction surveys were distributed in 2024, including 32 surveys during May–June (H1) and 29 surveys during November–December (H2). The data in the table reflects the average score of H1 and H2 combined.

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

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. The headquarters sets region-specific goals based on differences across areas to ensure balanced and stable business development globally. Additionally, the 2024 acquisition of South Korea's Bluebird Inc. will further boost global brand recognition and market share, enabling the Company to meet comprehensive needs of customers worldwide.

2.2. Sustainable Products

2.2.1 Development of Sustainable Products

Material Topic	Sustainable Product Management – Sustainable Product Design
<p>Policy Commitment</p>	<p>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.</p>
<p>Management Actions</p>	<ul style="list-style-type: none"> • 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 for product manufacturing, with the goal of applying recycled materials across all product lines by the end of 2025 • Fully switch to environmentally friendly packaging materials and ensure that all paper materials used are FSC-certified • Collaborate with the supply chain to design and develop sustainable (green) products
<p>Effectiveness of Management Actions</p>	<ul style="list-style-type: none"> ✓ All industrial and desktop product series have passed the U.S. Energy Star certification ✓ Portable printers have obtained multiple certifications, including U.S. DOE (Department of Energy), California Energy Commission (CEC), and EU ERP (Energy-related Products) certifications ✓ Eight product models have already incorporated at least 10% recycled materials in manufacturing; the MB & ML series housings use 20% recycled steel materials ✓ 100% of the entire product line complies with RoHS and WEEE regulations ✓ 28.2% of the entire product line's packaging uses eco-friendly materials and is FSC-certified ✓ Successfully developed the TH & DH series products (made with 30% recycled plastics, 100% recyclable housing, and 90% recyclable components)

Sustainable Raw Materials and Packaging Management

In response to the global trend toward carbon reduction and energy efficiency, TSC has consistently followed strict energy-saving and environmental regulations in product development, establishing this as a key corporate sustainability strategy. By reducing energy consumption and carbon emissions in products, TSC ensures its contribution to protecting the environment.

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. Moreover, the Company commits to using at least 10% recycled plastic and metal materials in its products and plans to achieve this goal across all product lines by the end of 2025. TSC also collaborates with suppliers on sustainability projects. For example, the MB & ML series industrial printer housings use 20% recycled steel plates produced by China Steel Corporation.

In terms of packaging, the Company plans to fully adopt environmentally friendly packaging by the end of 2025, ensuring that all paper materials used meet FSC certification standards. Furthermore, by the end of 2025, it is planned that data on the proportion of recycled materials used in each product model will be printed on the external 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 firmly believes that through these efforts, it can provide high-quality products while sincerely fulfilling its responsibility for environmental protection and sustainable development. In the future, the Company will continue advancing green innovation and product optimization and aims to lead the industry in developing greener and more energy-efficient products, starting from within.

2022–2024 Total Weight and Percentage of Raw Materials and Packaging Materials Used

Unit: Metric tons (W)

Material Type	2022		2023		2024	
	Weight	Percentage	Weight	Percentage	Weight	Percentage
Total Production Material Usage						
Renewable Materials	0	0%	0	0%	0	0%
Non-renewable Materials	1,181	100%	992	100%	702	100%
Total Materials Used	1,181	100%	992	100%	702	100%
Recycled Materials Used in Products (Note 1)						
Recycled Materials	0	0%	0	0%	0	0%
Total Packaging Material Usage						
Renewable Materials	205	78%	176	78%	125	79%
Non-renewable Materials	57	22%	50	22%	34	21%
Total Materials Used	262	100%	227	100%	160	100%
Recycled Materials Used in Packaging (Note 2)						
Recycled Materials	257	98%	222	98%	156	98%







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 25 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.

2024 Green Product Categories and Certification Status





Low-Carbon / Energy-Saving Product Category	Main Product Series	Acquired Certification or Label
Industrial Printer	All Product Series	<ul style="list-style-type: none"> Energy Star 
Desktop Printer	All Product Series	<ul style="list-style-type: none"> Energy Star 
Mobile Printer	Alpha 2-inch Series Alpha-30 Series Alpha-40 Series TDM-30 Series TDM-20 Series RE310 Series	<ul style="list-style-type: none"> Energy Star 
		<ul style="list-style-type: none"> DOE 
		<ul style="list-style-type: none"> CEC 
		<ul style="list-style-type: none"> ERP 



Highlight Story: Making the Most of Materials – Building Sustainable Products with the Supply Chain

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.

The TH&DH series desktop printers launched through sustainable thinking mark a major milestone in the Company's green product journey. In the design of the new-generation desktop barcode printers, energy consumption was further reduced, and recycled materials were used in both the product and its 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 & DH Series Desktop Printers	
 25% reduction in energy consumption By 2025, TSC plans to reduce energy usage in the production process by 25%.	
 30% made from recycled plastic	
 100% of the housing is recyclable 90% of the components are recyclable	

Green Development and Procurement Achievements

Green Development and Procurement Achievements	2022	2023	2024
Amount (NT\$)	7,863,421	7,552,347	5,269,909

Note: The amount includes the sustainable project development cost for the TH&DH series models in Taiwan and the procurement cost of FSC-certified materials.

TSC remains committed to the development of green products and continues to promote green procurement by implementing stringent management mechanisms and advocacy from the source of production, thereby fulfilling its environmental responsibility. The sustainable development costs for the TH&DH series models, including the procurement of FSC-certified materials, have exceeded NT\$20 million over the past three years.

2.2.2 Product Lifecycle Management

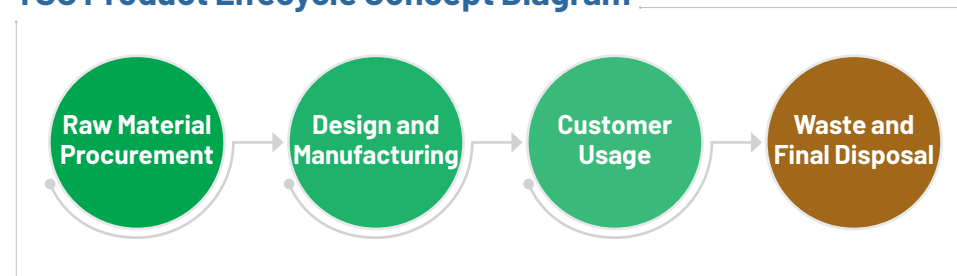
Product Lifecycle Management

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 has followed the ISO 14001 Environmental Management System to analyze the environmental impact of its entire product range. From the full product lifecycle perspective—including raw material procurement, design and manufacturing, customer usage, waste, and final disposal—the Company has reviewed the complete process and continuously improved product design and manufacturing. Additionally, it incorporates the EU Waste Electrical and Electronic Equipment (WEEE) Directive's product recovery rate requirements into design considerations to comprehensively reduce environmental impact. 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



2024 Product Lifecycle Compliance Survey

Product Management Indicators	Unit	2024 Revenue Proportion
Products containing IEC 62474 declarable substances (Note 1)	Percentage	36%
Products certified with energy efficiency labels (Note 2)	NT\$	965,136,310 (Note 3)
	Percentage	100%
Revenue proportion of renewable energy and energy-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 2024, 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: The revenue amount is calculated based on product models certified under Energy Star in 2024.

Note 4: TSC's core business includes manufacturing and sales of barcode printers, various printer labels and consumables, and enterprise mobile computers (EMC). The Company 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 2024, TSC had a total of 301 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 276 suppliers of raw material and consumables, and key suppliers include those providing printheads, plastic components, metal components, power supplies, cutters, Wi-Fi connection systems, 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 2024

Supplier Category	Number of Suppliers	Percentage of Total Suppliers
Raw Material Suppliers	263	87%
Consumables Suppliers	13	4%
Plant Engineering Suppliers	8	3%
Equipment Suppliers	17	6%
Total Suppliers	301	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 2024, due to product line transitions and reallocation of manufacturing bases—including shortening of procurement chains and decentralizing procurement—the proportion of local procurement dropped to 65.86%. However, TSC continues to support local suppliers and has maintained a local procurement ratio exceeding 60% for three consecutive years. TSC will continue building stable partnerships with suppliers and increase the ratio of local procurement to generate greater social value and realize mutual prosperity with local development.

Local Procurement in Key Operational Locations

Procurement Amount/Percentage	2022	2023	2024
Percentage of procurement from local suppliers	73.13%	73.46%	65.86%

Note 1: TSC defines its key operational sites as its headquarters and the Lize Plant; thus, "local suppliers" refers to suppliers based in Taiwan.

Note 2: Raw material and consumables statistics are calculated up to December 30, 2024.

Critical Raw Materials Management

In 2024, TSC's critical raw materials included printheads, cutters, motors, power supplies, wireless connectivity systems, assembled circuit boards, and integrated circuits, accounting for 56.3% of the annual procurement value. 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, such as supply chain disruption, economic inflation and geopolitical risk, logistics challenges and evolving ESG and regulatory compliance requirements. TSC has adopted the following response strategies:

Key Risks	Risk Management Strategies
Supply Chain Disruption Risk	<ul style="list-style-type: none"> Strategic long lead-time planning for raw materials Strengthen phase management and demand forecasting to balance cost efficiency and risk Enhance supply chain visibility, agility, and resilience, reducing the risk brought about by supply chain disruption
Economic Inflation & Geopolitical Risk	<ul style="list-style-type: none"> Optimize supply chain configuration and invest in R&D to establish diversified sourcing channels Avoid excessive dependence on specific countries or markets to mitigate potential material shortage risks Understand the geographical distribution of suppliers and establish regional production allocation mechanisms
Logistics Risk	<ul style="list-style-type: none"> Engage professional third-party logistics services to minimize and control shipping damage Optimize transportation routes to ensure timely delivery to destinations
ESG and Increasing Regulatory Stringency	<ul style="list-style-type: none"> 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 conflict zones that are not certified under responsible sourcing practices. All suppliers are required to complete the Conflict Minerals Reporting Template (CMRT), as well as the Extended Minerals Reporting Template (EMRT), in order to avoid supporting human rights violations or funding armed groups. This policy demonstrates TSC's corporate commitment to sustainable operations and calls on supply chain partners to jointly reduce social and environmental impact. For more 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	<ul style="list-style-type: none"> • TSC uses the Green Product Management System (GPM) to issue and track the signing status of the Supplier Code of Conduct and RBA survey forms. • 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. • TSC engages packaging suppliers certified by the FSC and capable of producing recyclable paper and pulp packaging materials.
Effectiveness of Management Actions	<ul style="list-style-type: none"> ✓ The signing rate for the Supplier Code of Conduct and the completion rate for RBA survey forms have both exceeded 90%. ✓ A total of 269 suppliers received RBA survey forms; no high-risk suppliers were identified; and three suppliers obtained Silver-level RBA VAP certification. ✓ Sustainability project development and FSC-certified material procurement for new models have accumulated over NT\$20 million in the past three years.

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 2024, the signing rates for both the Supplier Code of Conduct Compliance Declaration and the RBA Survey Form exceeded 90%, demonstrating TSC's strong commitment to building 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. The program includes both basic training for general employees and advanced internal audit training for core audit personnel. 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.



Highlight Story: RBA Talent Development Program

At the outset, TSC designed foundational RBA training for all employees, covering five core areas: labor rights, health and safety, environmental protection, business ethics, and responsible supply chains. This helped staff build a complete understanding of responsible business practices and internalize them as workplace standards. To ensure accessibility across diverse backgrounds, TSC translated training materials and policy documents into multiple languages. Special attention was given to developing friendly and understandable content for Vietnamese migrant workers, enabling all employees to understand the RBA spirit in an inclusive and equitable environment.

Beyond basic courses, the program also offered advanced internal audit training tailored for RBA core audit members, enhancing their professional auditing skills and practical competencies. Course content included in-depth instruction on using the RBA Validated Assessment Program (VAP) audit tools, compliance risk evaluation processes in the supply chain, on-site auditing techniques, identification of nonconformities, improvement report writing, and simulated audit exercises to help members master strategies and corrective actions for various supply chain challenges. To ensure training quality, external experts were also brought in to deliver instruction, enabling audit personnel to rapidly strengthen both theoretical knowledge and practical capabilities. This further stabilized and refined TSC's internal auditing system. With the foundational training program, 100% of employees became familiar with the RBA standards. Core audit members, upon completing advanced training, effectively reduced operational risks and improved supply chain transparency.

TSC will continue refining RBA training content and delivery models, actively introducing more interactive and practical course designs to enhance learning outcomes and audit sensitivity. Simultaneously, the Company plans to expand RBA education efforts to its supply chain partners, promoting compliance capacity through shared training resources and collaborative support, aiming to build a resilient, responsible, and sustainable supply chain ecosystem.

In 2024, TSC achieved a milestone in RBA implementation. The Lize Plant successfully passed RBA certification and was awarded the Silver level, demonstrating TSC's achievements in social responsibility, workplace safety, environmental policy, and ethical business practices. It also marked a significant result of continued improvement in supply chain management. Looking ahead to 2025, TSC aims to attain the RBA Platinum certification, further strengthening its commitment to responsible operations and corporate sustainability by working together with employees and partners toward a more competitive and sustainable future.

RBA Awareness Rate Reaches	Awarded the RBA
100%	Silver-Level Certification

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." Additionally, through the "External Provider Audit Record Form," suppliers conduct self-assessments across 13 dimensions. TSC's engineering, procurement, and quality assurance departments then carry out on-site audits to assign final grades, ensuring fairness and appropriateness in evaluation.

Supplier Selection Dimensions



Supplier Survey and Evaluation Mechanism

TSC's RBA Survey Form covers five main categories: Labor, Health and Safety, Environment, Ethics, and Management Systems. In 2024, a total of 269 RBA survey forms were distributed to existing suppliers, with 260 responses received via the Green Product Management System (GPM), achieving a response rate over 90%. No high-risk suppliers were identified. Furthermore, the top 30 suppliers by transaction amount—covering 80% of total purchasing value—have all complied with the RBA Code of Conduct. Among them, 3 suppliers possess RBA VAP Silver-level certification or above and are therefore exempt from evaluation. 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.

Five Core RBA Investigation Categories

Labor	Health and Safety	Environment
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 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
Ethics	Management System	
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> 1. Company Commitment 2. Management Accountability and Responsibility 3. Legal and Customer Requirements 4. Risk Assessment and Risk Management 5. Improvement Objectives 6. Training 7. Communication 8. Stakeholder Participation and Remediation 9. Audits and Assessments 10. Corrective Action Process 11. Documentation and Records 12. Supplier Responsibility 	

Deficiency Improvement and Counseling Program

Through its 2024 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.

2024 Overview of TSC Supplier Environmental Impact Assessments

Number of Suppliers	2022	2023	2024
Percentage of New Suppliers Screened by Environmental Standards	52%	68%	75%
Number of Suppliers Assessed for Environmental Impact During the Reporting Period	11	15	269
Number of Suppliers Identified with Significant Actual or Potential Negative Environmental Impact	0	0	0
Number of Suppliers with Deficiencies That Have Been Remediated	0	0	0
Number of Suppliers with Whom Business Was Terminated Due to Deficiencies	0	0	0

Note: In 2022-2023, Screening Was Based on Environmental, Health and Safety Agreements or Supplier EHS Questionnaires. The RBA Survey form Was Adopted In 2024.

2024 Overview of TSC Supplier Social Impact Assessments

Number of Suppliers	2022	2023	2024
Percentage of New Suppliers Screened Using "Social Standards"	0	0	65%
Number of Suppliers Assessed for Social Impact During the Reporting Period	0	0	269
Number of Suppliers Identified as Having Significant Actual or Potential Negative Social Impacts	0	0	3
Number of Suppliers with Deficiencies That Have Been Remediated	0	0	3
Number of Suppliers with Whom Business Was Terminated Due to Deficiencies	0	0	0

Note: Supplier Social Impact Assessments Were Implemented Starting In 2024 Following The Introduction of The RBA Survey Form.

In 2024, TSC conducted on-site audits of suppliers regarding negative environmental, occupational safety, and social impacts. No suppliers were found 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 2024, and no supplier relationships were terminated due to non-compliance with the Company's regulations.

Aspect	Negative Impact
Occupational Safety	<ul style="list-style-type: none"> Concerns of industrial safety incidents, with listings published by the Occupational Safety and Health Administration (OSHA) of the Ministry of Labor for violations of labor laws On-site audits revealed discarded fire extinguishers not properly disposed of, randomly placed, and others not properly mounted or labeled Bottled substances in the work area were not clearly labeled, lacked hazard identification, and some locations lacked Material Safety Data Sheets (MSDS) Inadequate implementation of occupational health and safety measures and mechanical safeguards; insufficient protective measures at job sites, lack of personal protective equipment for workers, and insufficient warning signage To improve efficiency, one-sided bundling of compressed workpieces using straps and tape compromised the safety interlock mechanisms Lack of required safety and health equipment or measures as per regulations
Social	<ul style="list-style-type: none"> Instances of extended working hours without appropriate wage compensation, and working hours exceeding legal limits, violating the Labor Standards Act Employment agreements made verbally without sufficient labor contracts Use of salary deductions as a disciplinary measure, which violates the RBA Code of Conduct No plans for conducting regular employee health checkups

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 2024, there were no supplier relationships terminated due to incomplete environmental or social assessments, and no whistleblower reports related to suppliers were received.

CH3

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. Starting from 2024, TSC has initiated assessments based on the Task Force on Climate-related Financial Disclosures (TCFD) and planned to disclose the results annually 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.

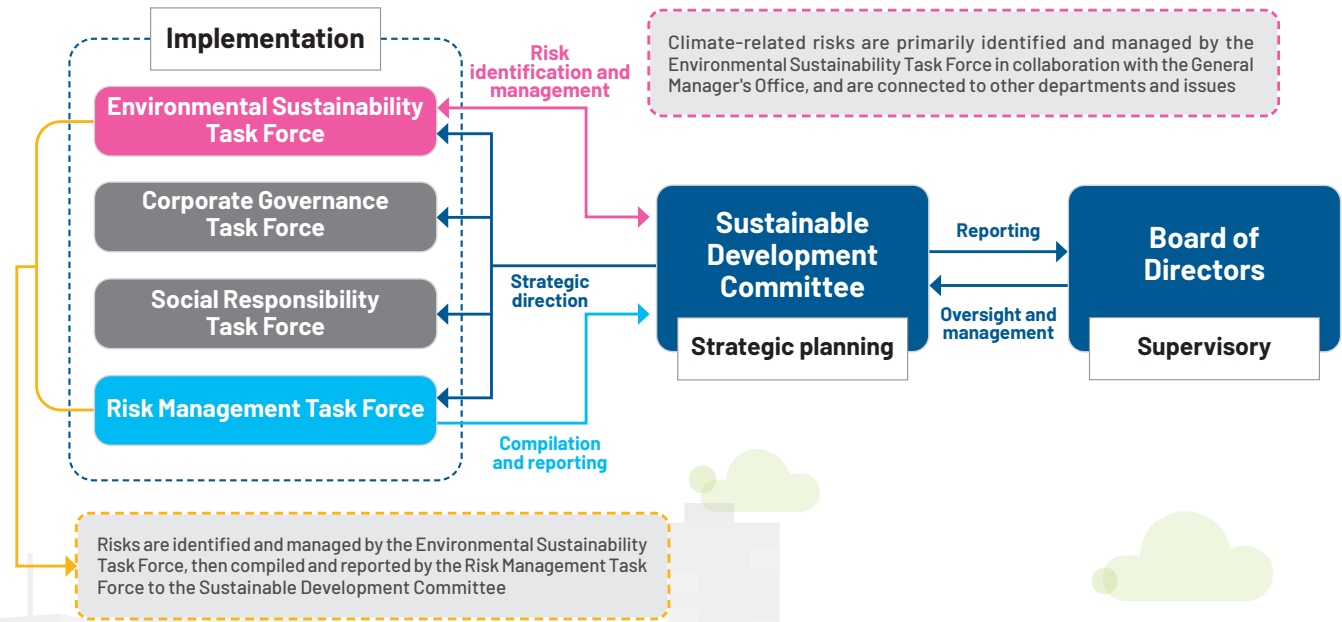
Climate governance and strategy

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	<ul style="list-style-type: none"> 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 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
	Senior executive levels are responsible for the assessment and management of climate-related risks and opportunities	
Strategy	Identification of short-, medium-, and long-term climate-related risks and opportunities	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 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
	Climate risk analysis has been conducted under different scenarios to evaluate short-, medium-, and long-term carbon reduction strategies	
Risk Management	Implementation of climate-related risk identification, assessment, and management	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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 3.1.1 GHG Emissions Management
	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	<ul style="list-style-type: none"> 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
	The achievement status of climate management targets is reviewed annually	

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

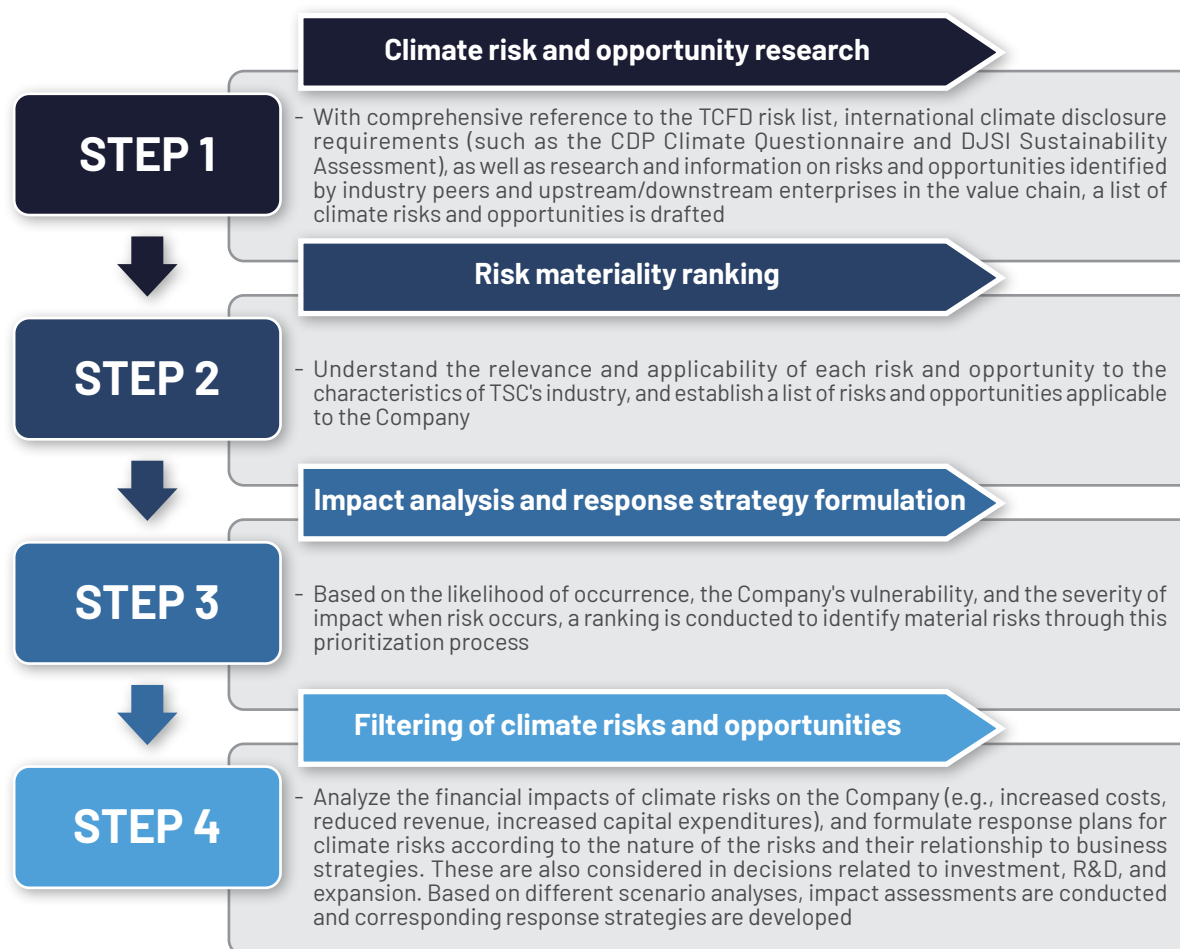
The Board of Directors, as the highest governance body, is responsible for supervising climate-related risks and opportunities, response strategies, targets, response measures, and specific outcomes. The Sustainable Development Committee undertakes climate strategy planning, under which four functional 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, assesses the degree and scope of impact of each risk on upstream suppliers (raw material manufacturers, various component suppliers, etc.), internal operations, and downstream customers (various end-use industry applications). It also evaluates the timeframes in which these risks may materialize: short-term (≤1 year), mid-term (2025–2030), and long-term (2030–2050), categorizing impact levels into three grades, with scoring conducted by the General Manager and internal 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						

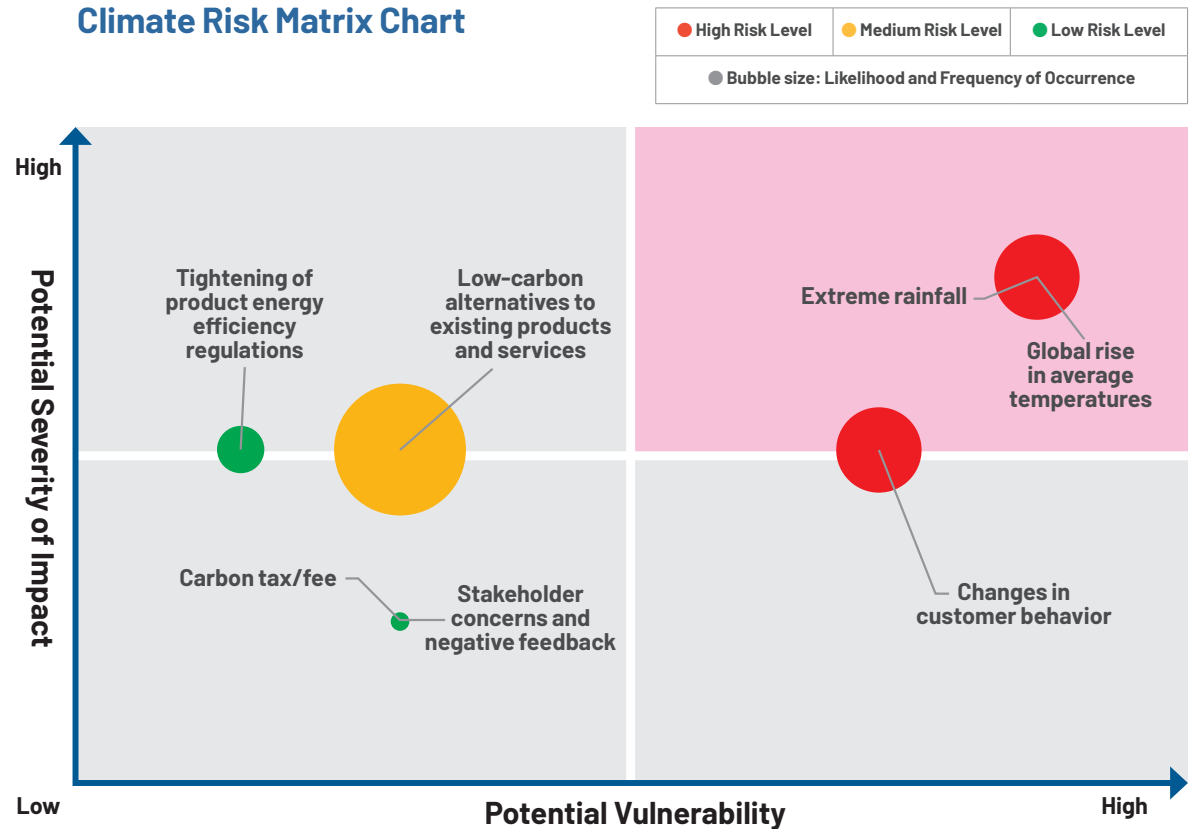
Materiality Identification of Climate Risks

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 — Short-term: ≤1 year; Medium-term: 2025–2030; Long-term: 2030–2050.

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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> 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



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:

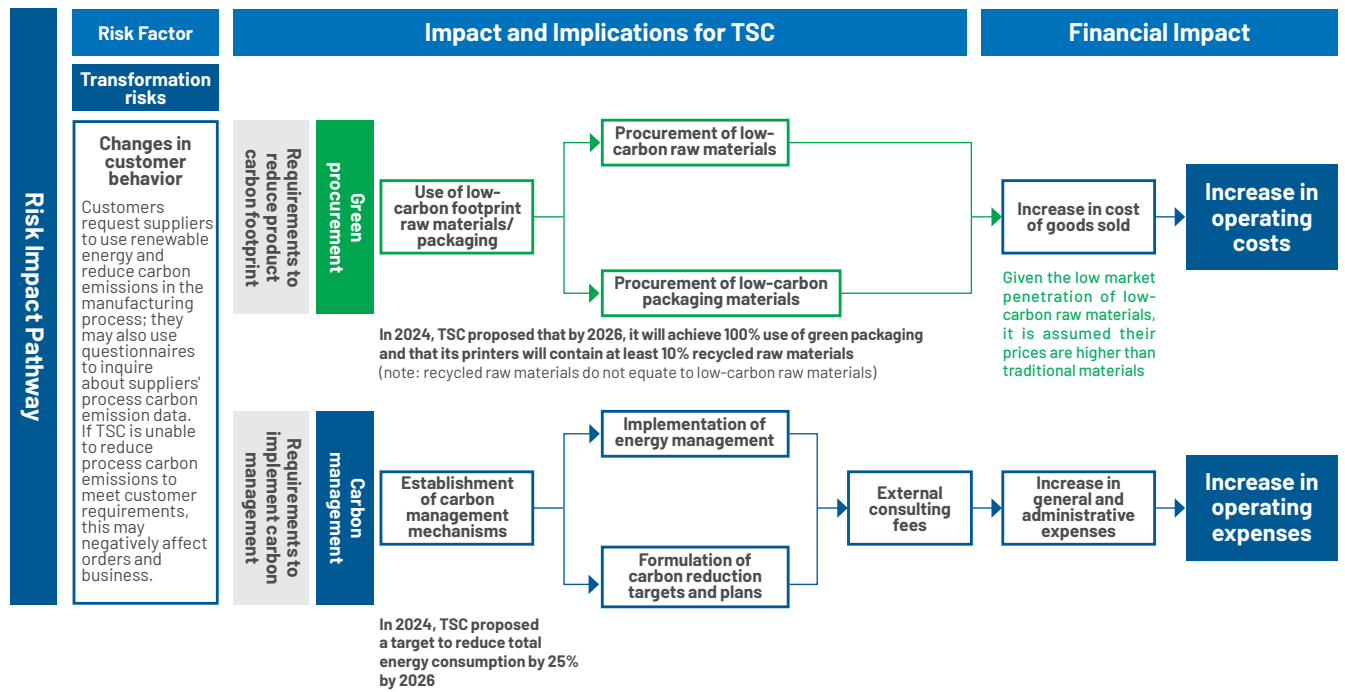
Carbon Reduction Strategy Indicator	Target Description
Energy Management and Renewable Energy Integration	Maintain a strong focus on reducing the carbon footprint, with the goal of completing the installation of solar power equipment at the Yilan Lize Plant by 2025, and achieving a 25% reduction in energy consumption by 2026. The Company will continue to expand the use of renewable energy, promote innovation, and improve energy efficiency to enable cleaner energy usage in the future.
Product and Raw Material Carbon Reduction	Complete product carbon footprint assessments by 2025, and continue to drive supply chain adjustments and transformation. By 2026, achieve the use of 10% recycled materials in hardware components and 100% green packaging, thereby improving carbon reduction in both 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 Taiwan plant emissions will be completed by 2027, and verification of overseas subsidiaries by 2028. A 25% reduction in GHG emissions is targeted for 2026. 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.

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":

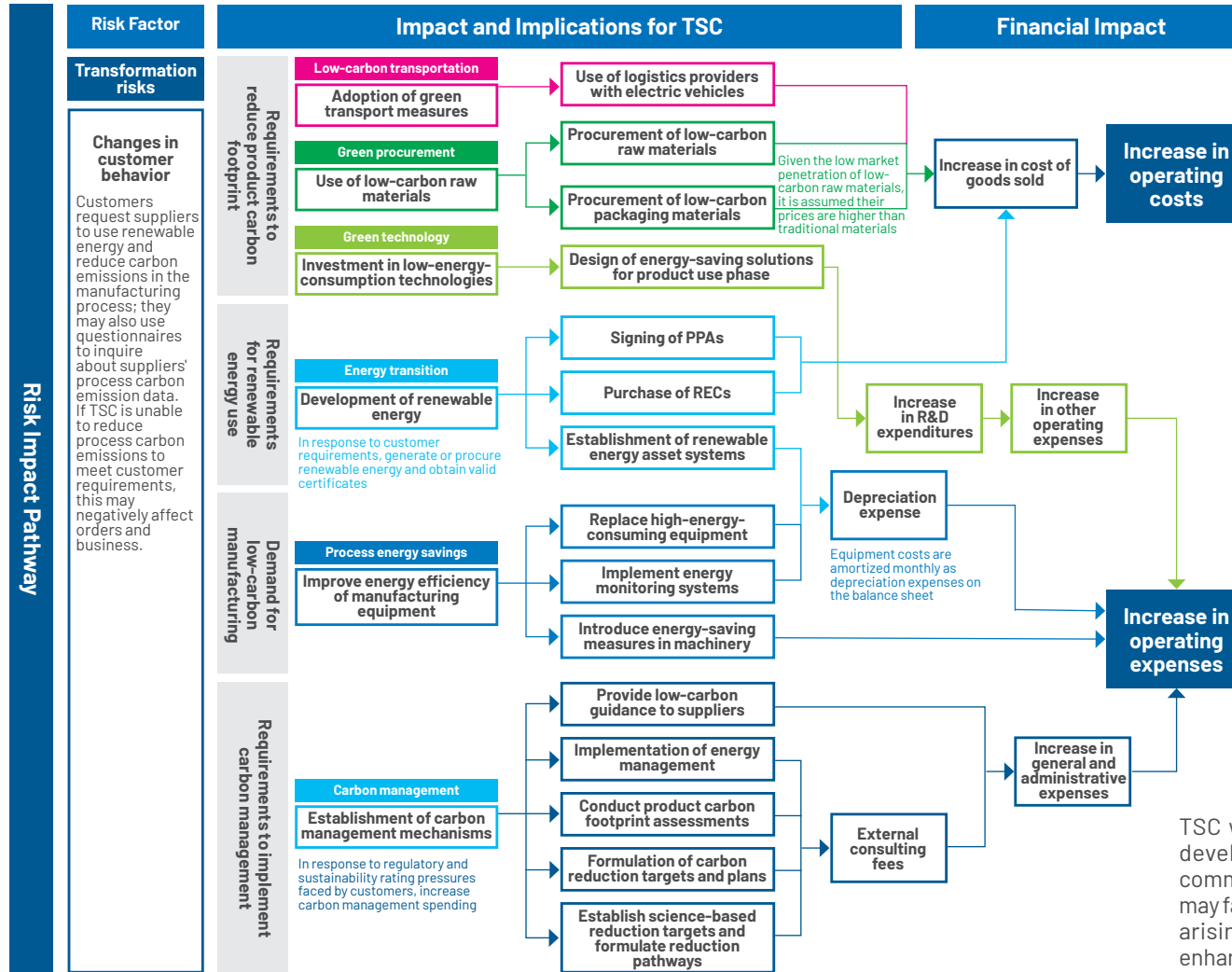
Under the baseline STEPS scenario, changes in customer behavior mainly focus on environmental requirements for suppliers, such as requiring suppliers to use renewable energy in the manufacturing process, reduce process-related carbon emissions, or provide carbon emissions data through questionnaires. 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:

STEPS Scenario: Impact of Changes in Customer Behavior on TSC



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 principle of sustainable development and actively fulfills its corporate social responsibility. In 2022, the Company passed the ISO 14001:2015 Environmental Management System recertification audit 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. The Company conducts annual inventories of emissions from its Xindian Headquarters and Yilan Lize Plant, 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 2024, TSC completed the GHG inventory for its Taiwan facilities and established an emissions register. Inventory progress is regularly reported to the Board of Directors.

The Company has set 2023 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; combined Category 2 emissions totaled 475.4281 metric tons CO₂e. The total combined emissions were 526.1887 metric tons CO₂e. In 2024, Category 1 emissions totaled 46.7492 metric tons CO₂e, and Category 2 emissions totaled 452.4738 metric tons CO₂e. The total combined emissions for 2024 were 499.2230 metric tons CO₂e, representing a reduction of approximately 26.9657 metric tons CO₂e compared to 2023.

GHG Emissions Data for the Past Three Years

(Unit: t-CO₂e)

Emissions Category	Head Office		Lize Plant		Emissions Category	TSC Auto ID	
	2023	2024	2023	2024		2023	2024
Category 1 Direct GHG Emissions	13.3525	13.8973	34.4081	32.8519	Category 1 Direct GHG Emissions	50.7606	46.7492
Carbon dioxide (CO₂)	4.1178	4.2535	2.0882	1.6371	Category 2 Indirect GHG Emissions	475.4281	452.4738
Methane (CH₄)	8.3236	8.7285	22.9217	22.8829	Category 3-6 Indirect GHG Emissions	210.3449	220.9751
Nitrous oxide (N₂O)	0.1298	0.134	0.0295	0.0231			
Hydrofluorocarbons (HFCs)	0.7813	0.7813	12.3687	8.3088			
Category 2 Indirect GHG Emissions	71.5831	72.5628	403.845	379.911			
Category 3-6 Indirect GHG Emissions	71.7393	97.6831	138.6056	123.292			

Note 1: The Company does not emit PFCs, SF₆, NF₃, or CO₂ from biofuel use.

Note 2: GHG emissions are compiled using the operational control approach; GWP are based on the IPCC Sixth Assessment Report (2021). Emissions factors are taken from Version 6.0.4 of the Ministry of Environment's Emission factors Management Table.

Note 3: The electricity emission factor is based on the latest carbon emission factor for electricity announced by the Bureau of Energy, Ministry of Economic Affairs (2023: 0.494 kg CO₂e/kWh; 2024: 0.474 kg CO₂e/kWh).

Note 4: For Categories 3-6, indirect emissions are identified based on control authority. The Company includes the following: (1) GHG emissions from raw material transport; (2) emissions from product logistics; (3) emissions from employee business travel; (4) upstream emissions from energy distribution; (5) emissions from purchased goods; (6) emissions from final waste disposal; (7) emissions from waste transportation.

GHG Intensity

	Unit	2023	2024
Total GHG Emissions (Category 1 & 2)	t-CO ₂ e	526.1887	499.223
Annual Revenue	NT\$ Million	3,784.49	3,105.80
Emissions Intensity	t-CO ₂ e / NT\$ Million	0.14	0.16

Note: Emission categories include CO₂, CH₄, N₂O, HFCs. The Company does not emit PFCs, SF₆, or NF₃, nor account for CO₂ emissions from biofuel use.

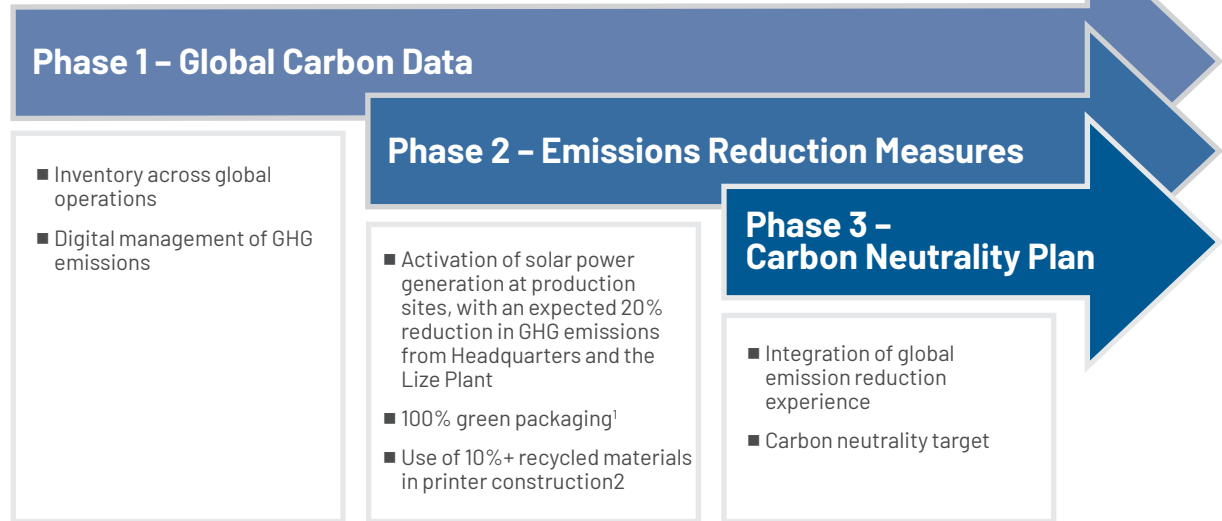
TSC Auto ID will continue to strengthen its GHG inventory capabilities and gradually expand disclosures to include Categories 3 through 6, providing a more comprehensive picture of operational emissions. The Company plans to complete third-party verification and assurance of ISO 14064-1 certification by 2027 to enhance the credibility and transparency of its data and to further implement carbon reduction management.

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. Phase 1: Introduce the "Carbon Manager" cloud-based carbon management platform to digitalize greenhouse gas (GHG) management, enhance data collection, calculation, and management capabilities, ensure effective monitoring and control of GHG emission sources, and expand GHG inventories across global operational sites.

Phase 2: Integrate renewable energy into production sites. The Lize Plant plans to build a rooftop solar power system by 2025 for self-consumption, aiming to reach 90% renewable energy usage at the facility. Through renewable integration, the Company targets a 20% reduction in emissions at Headquarters and Lize Plant by 2026. Phase 3: Implement 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



Note 1: For [details on green packaging](#), refer to Section 2.2.1 "Development of Sustainable Products"

Note 2: For [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 2024, the main types of energy used by TSC Auto ID consisted of purchased electricity (97.63%), gasoline (1.74%), and diesel (0.63%). Total energy consumption was 3,520.77 gigajoules (GJ), representing a 0.91% decrease from 3,553.058 GJ in 2023. However, the energy consumption per unit of revenue increased by 20.74% compared to 2023. In the future, TSC will continue to enhance equipment management and promote energy-saving technologies to improve energy use efficiency, strengthen energy conservation measures, reduce energy intensity, and gradually reduce reliance on traditional energy sources.

Energy Consumption Data of All Operating Sites Over the Past Three Years

(Unit: gigajoules, GJ)

Type of Energy Consumption	Head Office			Lize Plant		
	2022	2023	2024	2022	2023	2024
Gasoline	61.529	59.439	61.381	0	0	0
Diesel	0	0	0	24.303	28.172	22.094
Purchased electricity	516.102	521.777	551.239	3,000.92	2,943.67	2,886.06
Total Energy Use	577.631	581.216	612.62	3,025.23	2,971.84	2,908.15

Note 1: Energy conversion factors in this table refer to the "Unit Heat Content Table of Energy Products" and the "Common Unit Conversion Table for Energy" published by the Energy Administration, Ministry of Economic Affairs.

Overall Energy Use Over the Past Three Years

(Unit: gigajoules, GJ)

Type of Energy Consumption	TSC Auto ID		
	2022	2023	2024
Gasoline	61.529	59.439	61.381
Diesel	24.303	28.172	22.094
Purchased electricity	3,517.03	3,465.45	3,437.30
Total Energy Use	3,602.86	3,553.06	3,520.77

Note 1: Energy conversion factors in this table refer to the "Net Calorific Value of Energy Products" and the "Units and Conversions" published by the Energy Administration, Ministry of Economic Affairs.

Note 2: TSC Auto ID currently does not use renewable energy or biofuels.

Energy Intensity Over the Past Three Years

	Unit	2022	2023	2024
Total Energy Use	Gigajoules (GJ)	3,602.857	3,553.058	3,520.771
Annual Revenue	NT\$ million	3,865.879	3,784.488	3,105.800
Emissions Intensity	GJ per NT\$ million	0.93	0.94	1.13

Note 1: Types of energy consumption include gasoline, diesel, and purchased electricity
 Note 2: Total energy use is calculated based on energy consumed within the organization

Energy-Saving Measures

To reduce energy consumption during operations, TSC Auto ID has 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. 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

- Summer temperature settings controlled for reasonable energy use

Equipment Optimization

- Use of fast-rolling shutter doors to reduce air conditioning loss and improve energy efficiency

Integration of Renewable Energy¹

- 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's Headquarters and Lize Plant are located in Xindian District, New Taipei City, and Yilan City, respectively. The water source for Xindian is primarily the Feitsui Reservoir, and the daily water use at the headquarters rarely encounters water shortage issues. Although the Yilan Lize Plant does not have any reservoirs within its vicinity, the area has abundant annual rainfall and surface water resources. In practice, its water is drawn from the Wulao River, which has never experienced drying. There has been no occurrence of water supply restrictions or shortages. The Company has also conducted analysis using the WRI Aqueduct Tool developed by the World Resources Institute (WRI) for water risk assessment. Both TSC Auto ID's Headquarters and Lize Plant are located in regions classified as having low water stress, indicating a stable water supply for current operating sites. In 2024, there were no incidents where water use impacted operations.

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 overall trends, TSC's total water use has shown a clear annual decline over the past three years. In 2024, total water withdrawal was approximately 3.91 megaliters, a reduction of about 0.06 megaliters compared to the previous year. Total water discharge in 2024 was approximately 3.13 megaliters, a decrease of about 0.05 megaliters from the previous year. These results were achieved through the implementation of

various water-saving measures and routine monitoring of water usage, enabling a year-on-year reduction in operational water consumption.

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 (ML)

Water Use Profile	2022	2023	2024
Total Withdrawal	3.86	3.97	3.91
Total Discharge	3.09	3.18	3.13
Total Consumption	0.78	0.79	0.78

Note 1: As the TSC Headquarters is located in a shared-use building and does not have a dedicated water meter, water usage data for this table includes only the Lize Plant.

Wastewater Management

Wastewater from Headquarters operations is managed by the shared building system. At the Lize Plant, wastewater is collected through facility pipelines and directed to a pretreatment system, then discharged into the Lize Industrial Zone sewage system, where it is treated by the centralized industrial wastewater treatment plant. Discharge complies with the industrial park's sewage discharge water quality standards to meet environmental regulatory requirements and minimize external environmental impact. The Company will continue reviewing the status of wastewater treatment. In 2024, there were no violations of wastewater-related regulations.

In addition, TSC's operations do not generate industrial wastewater but only domestic wastewater. The Company will continue maintaining high performance in pollution prevention and will regularly promote awareness among employees to ensure that domestic wastewater discharge is reduced year by year.

Wastewater Discharge Over the Past Three Years

Unit: megaliters (ML)

Year	2022	2023	2024
Wastewater Volume (ML)	3.09	3.18	3.13

Note 1: As the TSC Headquarters is located in a shared-use building and does not have a dedicated water meter, wastewater discharge data includes only the Lize Plant.

3.2 Pollution and Prevention

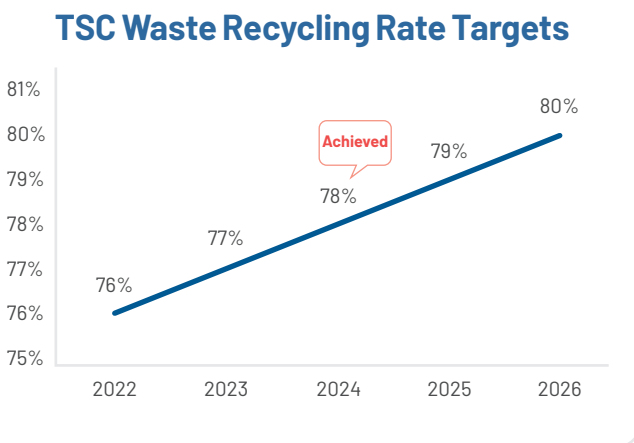
3.2.1 Waste and Circularity

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.

Material Topic	Waste and Circular Symbiosis – Resource Recycling and Reuse
Policy and Commitment	<ul style="list-style-type: none"> TSC Environmental Principles: <ul style="list-style-type: none"> 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 Guidelines and Evaluation Mechanisms	<ul style="list-style-type: none"> 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
Action Plan and Performance	<ul style="list-style-type: none"> Conduct unscheduled audits to ensure waste removal processes meet environmental standards and avoid environmental pollution risks. In 2024, the waste recycling rate reached 78%.

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 Company set a target recycling rate of 76% as one of the environmental performance indicators, with an annual improvement goal of 1%, aiming to achieve an 80% recycling rate by 2026. In 2024, the Company achieved a recycling rate of 78%, meeting the set target.



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 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.

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 engaged in the barcode label printer industry, with upstream suppliers manufacturing various components and downstream 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.

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 categories of industrial waste generated at the Lize Plant are classified into three types: general industrial waste, recyclable and reusable waste, and mixed metal scrap. Waste generated at the plant is weighed, then centrally collected and classified for storage based on type. General industrial waste, such as domestic garbage, is uniformly collected and processed by the park management center. Recyclable waste is handled

by external waste contractors. Mixed metal scrap generated from manufacturing processes is managed by qualified waste contractors approved by government authorities.

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.

Outsourced Waste Disposal Model



Total Volume of General Industrial Waste

Unit: Metric Tons

	2023	2024
General Waste (metric tons)	14.926	13.399
Plastics (packaging)(metric tons)	17.694	12.81
Paper	88.122	61.167
Packaging and Office Paper (metric tons)	66.081	48.578
Test Paper (metric tons)	22.041	12.589
Waste Wood (Pallets)(metric tons)	2.353	3.3
Mixed Metal Scrap (metric tons)	0.13	0.34
Total Waste Volume (metric tons)	123.225	91.016

Note 1: As no hazardous waste is generated during the production process, the weight of hazardous waste is 0.

Note 2: As the head office is located in a shared-use building, waste is collected centrally and not weighed separately. Therefore, the data in this table only includes figures from the Lize Plant.

General Industrial Waste Treatment

Unit: Metric Tons

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

Note 1: As the head office is located in a shared-use building, waste is collected centrally and not weighed separately. Therefore, the data in this table only includes figures from the Lize Plant.

Note 2: The Company does not dispose of waste via landfill.

3.2.2 Environmental Protection and 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, TSC confirms that its production processes do not emit air pollutants, including nitrogen oxides (NO_x), sulfur oxides (SO_x), persistent organic pollutants (POPs), volatile organic compounds (VOCs), hazardous air pollutants (HAPs), and particulate matter (PM). The only exception is the use of R22 refrigerant at the Lize Plant. In alignment with the Company's environmental protection commitment, TSC Auto ID has ceased the replenishment of R22 and is planning to phase it out entirely to reduce its impact on the ozone layer. 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	2022	2023	2024
R22 Refrigerant Usage (tons)	0.1251	0.1251	0.1251
CFC-11 Equivalent (tons)	0.006881	0.006881	0.006881

Note: Based on the ozone depletion potential (ODP) values outlined in the Montreal Protocol annex, the ODP of R22 is 0.055, and that of CFC-11 is 1. The CFC-11 equivalent is calculated accordingly.

CH4

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 and 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 Approach

- 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

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 cross-department buddy pairing for new hires to assist with personal well-being and conduct onboarding interviews 1.5 months after entry to assess their adaptation
- ✓ Voluntary turnover rate: 12.77% for direct labor (DL), 6.02% for indirect labor (IDL), both outperforming annual targets

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. As of 2024, the total number of full-time employees at the Headquarters and Lize Plant is 357, comprising 152 males and 205 females. Non-regular workers include 3 contracted security personnel.

Full-Time Employment Statistics – Employment Contracts

Type	Male		Female		Total number of employees
	Number of employees	Proportion	Number of employees	Proportion	
Permanent employees	150	42.25%	205	57.75%	355
Temporary employees	2	100%	0	0.00%	2

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: Numbers are based on employee count as of December 31, 2024

Note 3: 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	151	42.42%	205	57.58%	356
Part-time employees	1	100%	0	0.00%	1
Employees with no guaranteed hours	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: Numbers are based on employee count as of December 31, 2024

Note 3: 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 2024, the headquarters and Lize Plant recruited a total of 27 new employees. Compared to the previous two years, this number decreased due to a more stabilized workforce structure and reduced job vacancy demand. Going forward, the Company will continue optimizing the interview process by adding relevant skill and aptitude assessments during interviews to ensure new hires meet job requirements and integrate quickly into teams.

2022–2024 Full-Time Employee New Hire Numbers and Ratios

Year	Age	Number of new hires			New hire ratio		
		Male	Female	Total	Male	Female	Total
2022	Under 30 years old	10	30	40	2.84%	8.52%	11.36%
	31–50 years old	15	39	54	4.26%	11.08%	15.34%
	Over 51 years old	2	0	2	0.57%	0.00%	0.57%
	Subtotal	27	69	96	7.67%	19.60%	27.27%
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%

Note: New hire ratio = Number of new hires ÷ Total number of employees; excludes contractors and interns

TSC conducts annual analyses of employee resignations. In 2024, a total of 40 employees resigned. In-depth exit interviews revealed that primary reasons included job adaptability, career development planning, and personal life needs. Based on interview results, TSC conducted internal reviews and formulated effective solutions, such as adjusting onboarding training processes or introducing practical assessments during recruitment to improve job-fit. Career counseling support will also be strengthened to help employees create development paths aligned with personal goals, reducing turnover intention and enhancing employee retention. TSC's 2024 voluntary turnover rate targets were set at 25% for Direct Labor (DL) and 10% for Indirect Labor (IDL). Actual rates achieved were 12.77% (DL) and 6.02% (IDL), both better than the targeted goals.

2022-2024 Full-Time Employee Turnover Numbers and Ratios

Year	Age	Number of turnovers			Turnover ratio		
		Male	Female	Total	Male	Female	Total
2022	Under 30 years old	8	19	27	2.27%	5.40%	7.67%
	31-50 years old	7	26	33	1.99%	7.39%	9.38%
	Over 51 years old	2	0	2	0.57%	0.00%	0.57%
	Subtotal	17	45	62	4.83%	12.78%	17.61%
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%

Note 1: Turnover ratio = Number of employees who left / Total number of employees; excludes contractors and interns
 Note 2: 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 attracts potential talent through a wide range of diversified recruitment channels, including job platforms, social media (such as Facebook and LinkedIn), job fairs, campus recruitment briefings, internship programs, headhunting consultants, and internal referral mechanisms. Among these, TSC maintains close cooperation with Fu Jen Catholic University, National Taiwan University of Science and Technology, National Taipei University of Technology, Ming Chi University of Technology, and National Ilan University for campus recruitment activities, and has successfully hired graduates from the aforementioned schools. In addition, the Company actively responds to the government's "Stable Employment Program," successfully assisting unemployed workers to return to the workforce, reducing the overall unemployment rate in society, and fulfilling its corporate social responsibility.

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 descriptions to ensure the recruitment of suitable and high-potential candidates. 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 2024, the probation pass rate for new employees reached 92.3%. Additionally, in 2022, TSC launched the "New Employee Buddy Program" to facilitate new employees' adaptation to the Company's culture through cross-departmental interaction.



Highlight Story: New Employee Buddy Program

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. According to satisfaction surveys, the program achieved a satisfaction score of 94.8 in 2024, indicating strong employee approval of its implementation.

In 2025, TSC will continue to optimize the buddy program by doubling its event budget compared to the previous year and integrating it with other company activities to promote stronger connections between new hires and their senior buddies. These activities include team-building exercises, social gatherings, and training sessions, aiming to strengthen cohesion and a sense of belonging among employees. Through these initiatives, TSC hopes to foster a joyful and collaborative work atmosphere, enabling every employee to find a sense of belonging and accomplishment at work.

Feedback from Employees:

With the enthusiastic support of my senior buddy, I was able to quickly integrate into TSC's workplace. I'm very satisfied with this program.

New Hire

It was a very friendly activity. Having been a new hire myself, I can better understand the needs of newcomers when guiding them.

Senior Buddy

The program provided me with a great opportunity to interact with new hires.

Senior Buddy

(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

In terms of employee benefits, TSC Auto ID actively integrates various welfare initiatives. Through diversified welfare policies, the Company aims to enhance employees' sense of recognition and belonging in a happy workplace. Additionally, to meet the diverse life-stage needs of employees, 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. In addition to mandatory labor and national health insurance, TSC Auto ID also provides additional group insurance coverage for its employees. 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.
Parental Leave	In accordance with legal regulations, employees may apply for parental leave without pay
Reduced Working Hours for Parenting	Considering the needs of raising young children (under 3), employees may apply to reduce daily working hours by one hour, based on actual needs
Preferential Retirement System	A preferential retirement system is in place. Employees with over fifteen years of service and aged forty-five or older may voluntarily apply for preferential retirement
Employee Stock Options	In August 2023, employee stock options were issued to motivate improved performance and assist in the retention of key talent
Additional Annual Leave Beyond Legal Requirement	New hires are entitled to a more generous 7-day annual leave policy, beyond statutory requirements. This supports faster adaptation to the workplace, mental and physical adjustment, and improves retention rates for new employees
TSC Family-Friendly Leave	TSC Family-Friendly Leave allows employees to balance professional efforts with family life, fostering a supportive work environment
Referral Bonus	Employees are encouraged to recommend outstanding talent aligned with TSC's core values to help build a consensus-driven, high-performance team
Team-building	Thematic collaboration activities promote interaction across departments, enabling employees to connect beyond daily work and create stronger working relationships and collaboration opportunities
Flexible Working Hours	The headquarters implements a flexible working hours policy, allowing employees to start work up to 30 minutes earlier or later, based on individual needs

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.

2022-2024 Parental Leave Status

Parental Leave Application Overview	2022		2023		2024	
	Male	Female	Male	Female	Male	Female
Number of employees eligible to apply for parental leave in the year	147	205	152	218	152	205
Number of employees who actually applied for parental leave in the year	0	8	2	7	4	6
Number of parental leave applicants due to return to work in the year	1	1	0	11	4	6
Number of employees who actually returned to work in the year	1	1	0	9	3	4
Return-to-work rate	100.00%	100.00%	-	81.82%	75.00%	66.67%
Number of employees who returned to work after completing parental leave in the previous year	1	3	1	1	0	9
Number of employees still employed twelve months after returning from parental leave	0	3	1	1	0	5
Retention rate	0%	100.00%	100.00%	100.00%	-	55.56%

Note 1: 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 2: Retention rate = Total number of employees still employed twelve months after returning from parental leave / Total number of employees who returned to work after completing parental leave in the previous year × 100%

4.1.2 Talent Development



Material Topic

Human Resource Management - Difficulty in talent recruitment

Policy and 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 Approach

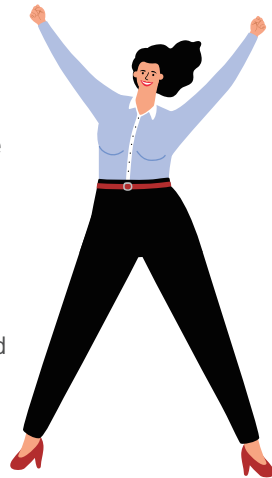
- Through the Human Resource Development system (HRD), TSC integrates digital learning resources to provide flexible and convenient online and in-person courses, fostering a digital learning culture focused on self-learning and knowledge transfer to enhance employee professional capabilities.
- In conjunction 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 2024, the total number of training hours completed by all employees reached 8,963.3 hours, showing stable growth compared to 2023. Average training hours per person: 34.60 hours for indirect labor (IDL) employees and 12.24 hours for direct labor (DL) employees, both exceeding targets.
- ✓ In 2024, satisfaction with professional training courses reached 4.8 out of 5, indicating strong employee engagement and recognition of training quality.
- ✓ In 2024, 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.



From the start of employment, new employees undergo a three-month onboarding training program to familiarize themselves with the Company's culture, organizational structure, and core competencies. After the probation period, the Individual Development Plan (IDP) system is introduced, enabling employees to create a personal development blueprint based on their needs, enhancing professional capabilities and career planning. For current employees, the Company 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.

2024 Employee Training Course Satisfaction

Employee Training	Course Satisfaction Score
Professional Learning	4.8
General Education	4.8
Competency Learning	4.8

Note 1: Professional learning, general education, and competency learning apply to all employees.
 Note 2: Maximum course satisfaction score is 5 points.

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 2024, the total number of training hours completed by all employees reached 8,963.3 hours, a steady increase from 6,746.2 hours in 2023, demonstrating a growing level of employee engagement and willingness to learn year over year. Average course satisfaction scores remained at a high level, reaching 4.8 out of 5 in 2024—surpassing the annual target of 4.6—clearly reflecting employees' strong recognition of the course quality and content.

2022–2024 Employee Training Hours – By Job Level

	2022			2023			2024		
	Supervisory Staff	General Staff (IDL)	General Staff (DL)	Supervisory Staff	General Staff (IDL)	General Staff (DL)	Supervisory Staff	General Staff (IDL)	General Staff (DL)
Training Hours	989.7	4885.9	1186.8	1041.5	4331.7	1373	893.7	6040.3	2029.3
Headcount¹	29	148	160.5	30	157	173	30	168	166
Average Training Hours	34.1	33	7.4	34.7	27.6	7.9	29.8	36	12.2

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.

2022–2024 Employee Training Hours

	2022			2023			2024		
	Male	Female	Overall	Male	Female	Overall	Male	Female	Overall
Training Hours	4134.5	2927.8	7062.3	3931.9	2814.2	6746.2	4597.7	4365.6	8963.3
Headcount¹	141	196.5	337.5	149	211	360	152.5	211.5	364
Average Training Hours	29.3	14.8	20.9	26.4	13.3	18.7	30.1	20.6	24.6

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.

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 2024, 100% of TSC Auto ID employees completed annual performance evaluations. For employees requiring performance improvement, TSC has implemented a three-month PIP (Performance Improvement Plan). Through one-on-one meetings, supervisors assist employees in clearly setting goals 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 "OTG 500 STAR" selection to publicly recognize outstanding performers. This initiative boosts morale and establishes TSC's seven core competencies as learning benchmarks. For details, refer to CH0 Highlight Story: OTG 500 STAR Outstanding Employee Selection Program.

2022–2024 Number of Employees Receiving Performance and Career Development Reviews – By Gender

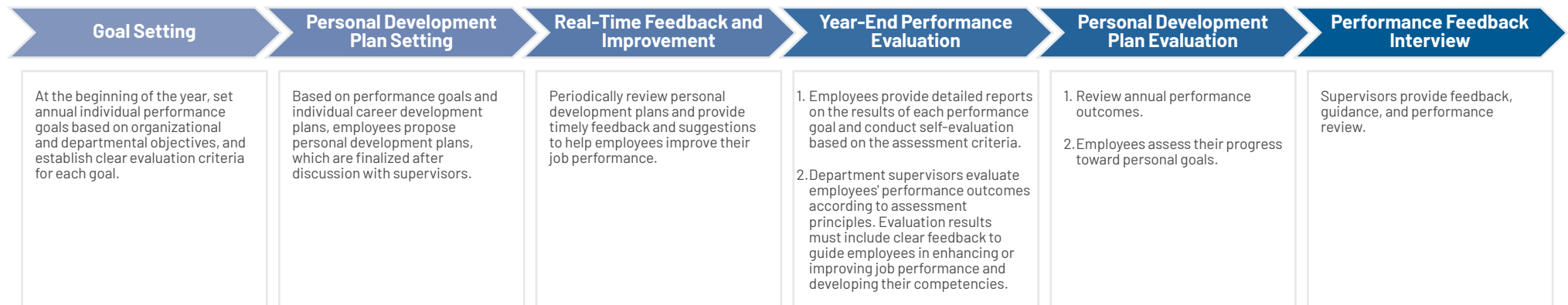
	2022			2023			2024		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of employees receiving regular performance and career development reviews¹	146	216	362	156	248	404	152	205	357
Number of employees	146	216	362	156	248	404	152	205	357
Percentage	100%	100%	100%	100%	100%	100%	100%	100%	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: Supervisory level is defined as Assistant Manager level and above

2022–2024 Number of Employees Receiving Performance and Career Development Reviews – By Job Level

	2022			2023			2024		
	Supervisory Staff	General Staff (IDL)	General Staff (DL)	Supervisory Staff	General Staff (IDL)	General Staff (DL)	Supervisory Staff	General Staff (IDL)	General Staff (DL)
Number of employees receiving regular performance and career development reviews¹	30	150	182	30	175	199	32	168	157
Number of employees	30	150	182	30	175	199	32	168	157
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: Supervisory level is defined as Assistant Manager level and above



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 and approval by the Personnel Review Committee, promotions or internal transfers are arranged. In 2024, three employees successfully completed internal rotations; however, there were no supervisory roles filled through internal promotion. Going forward, the Company will continue to enhance employee training and develop leadership 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.



Highlight Story: "DNA of Innovators" reading group

To further improve employee competencies and innovation capabilities, TSC Auto ID launched the "The DNA of Innovators" reading group project in 2024. The initiative aims to strengthen employee performance in areas such as communication, collaboration, and teamwork through reading and discussion. The project is centered around the book "The DNA of Innovators", focusing on five key innovation skills: associating, questioning, observing, networking, and experimenting. These skills support employees in overcoming cross-departmental communication barriers, fostering collaboration, and stimulating innovative thinking in daily work. To encourage full participation, the Company fully subsidized the cost of the e-book and scheduled eight reading group sessions, designating the course as mandatory for all employees.

During the course, supervisors acted as facilitators, leading colleagues through guided reading and brainstorming sessions. With additional formats such as video sharing, group discussions, and hands-on exercises, employees deepened their understanding and application of innovation skills through interactive learning. Many employees shared in post-course feedback that the program effectively inspired them to change their working methods, proactively engage with colleagues from other departments, and apply the innovation techniques learned to problem-solving and process optimization. In particular, R&D engineers reported that the five innovation skills helped them break traditional thinking patterns in the development process, boosting both product development efficiency and innovation, thereby strengthening market competitiveness.

Furthermore, participants commonly noted that the emphasis on cross-departmental interaction and observation techniques made them more intentional in initiating engagement with colleagues from different domains—allowing them to absorb diverse practices and perspectives to improve existing workflows. Employees also pointed out that training that links entrepreneurial thinking with actionable innovation techniques has equipped them to approach future decisions and ideation with more logical and structured methods, while sharpening their questioning and observation abilities. Additionally, the course's dynamic and engaging design—featuring videos, mini-games, and group discussions guided by instructors—deepened participants' understanding of innovation competencies. The course helped them realize that innovation can stem from small breakthroughs or entirely new ideas born from cross-functional collaboration.

The "The DNA of Innovators" reading group has not only achieved outstanding results in strengthening employee innovation competencies but also enhanced cross-departmental communication and team collaboration culture—becoming a key driver in TSC Auto ID's promotion of applied competency development.



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. The Company 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 strategic action principles: "Purpose and Value," "Diversity and Inclusion," "Rewards and Incentives," "Well-being and Health," "Development 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



TSC regards its employees as its most valuable asset. Upholding principles of fairness, transparency, and openness in hiring, the Company respects each employee's uniqueness and ensures that no differential treatment occurs based on race, skin color, gender, religion, political beliefs, or nationality. Hiring decisions are based solely on ability, experience, and professionalism to ensure that every candidate enjoys equal employment opportunities. To further implement the concept of diversity and inclusion, TSC promotes systematic DEI education and training, designing specialized courses and requiring annual refresher training for all employees. This approach aims to establish a correct understanding of DEI from the ground up and cultivate a truly inclusive corporate culture. In 2024, TSC offered training on Diversity, Equity and Inclusion (DEI) and diverse workplace topics, with a total of 93 participants and 93 cumulative training hours.

2024 Diversity and Inclusion Training Courses

Course Topic	Number of Participants	Total Training Hours
Understanding DEI & Integrating Diverse Workplace Perspectives (online and physical)	50	50 hours
Workplace Sexual Harassment Prevention: Strategies and Practices (online and physical)	43	43 hours

Diverse Welfare Measures

In daily operations and management, TSC Auto ID actively promotes a friendly workplace through diverse benefit policies. For example, employees with infant care needs are granted 15 additional days of family-friendly leave beyond statutory requirements, providing ample time for ongoing childcare arrangements. These policies address the needs of employees at different life stages and backgrounds. Cross-departmental engagement activities also offer colleagues opportunities to connect, maintaining strong collaboration and enhancing employees' sense of belonging and recognition in 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, male employees at TSC Auto ID account for 43%, while female employees account for 57%. Supervisory positions comprise 9% of the total workforce, with women holding 21.8% of those roles, reflecting the Company's commitment to and results in gender-equal hiring and promotion. From an age distribution perspective, employees aged 30 and under make up 15%, highlighting TSC's focus on young and next-generation talent. Employees aged 31 to 50 make up 76%, forming the Company's stable and vital core workforce. Employees aged 51 and above represent 9%, reflecting the Company's respect for the experience and professional value of senior talent.

TSC Auto ID also values diversity in educational background. Employees with a graduate degree or higher account for 12.89%; those with a university (or junior college) degree account for 58.26%; employees with a high school (vocational) education or lower represent 28.85%. This diverse academic background fosters the collision of different perspectives, enhancing overall innovation vitality.

Employee Education Level Distribution Statistics

Category		Graduate and Above	University (Junior College)	High School (Vocational)	Below High School
Gender	Female	12	99	91	3
	Male	34	109	9	-
	Subtotal	46	208	100	3
Percentage		12.89%	58.26%	28.01%	0.84%

Employee Diversity Distribution Statistics

Category		Supervisory Staff	General Staff (IDL)	General Staff (DL)	Percentage	Total
Gender	Female	7	69	129	57.42%	100%
	Male	25	99	28	42.58%	
Age	Under 30 years old	0	14	39	14.85%	100%
	31-50 years old	23	140	110	76.47%	
	Over 51 years old	9	14	8	8.68%	

Note: General Staff (IDL) includes indirect production personnel such as finance, facilities, and HR;
General Staff (DL) includes direct production personnel such as operators and technicians.

TSC Auto ID also actively supports the government's employment policy for persons with disabilities and promotes job opportunities for underrepresented groups. The Company is committed to creating a safe and inclusive environment where all employees can thrive. 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 2024, the number of Indigenous employees and employees with disabilities was 3 and 5, respectively, in compliance with legal requirements.

Key Compensation Data

To ensure internal salary competitiveness and attract and retain top talent, TSC regularly reviews its compensation policies. The Company ensures that its revenue and profit achievements are reasonably reflected in employee compensation. Compensation and salary levels at each job level are free from gender-based discrepancies. The gap in base salary and total compensation between male and female employees in supervisory roles has gradually narrowed. Moreover, the base salary for full-time employees not in supervisory positions is higher than the legal minimum, demonstrating TSC's commitment to valuing its employees through concrete action.

The ratio of highest compensation to median employee compensation increased in 2024 compared to the previous year, mainly due to business expansion across the Group and adjustments to executive responsibilities. Nonetheless, the overall compensation distribution continues to emphasize the importance of sharing business success with employees and recognizing their contributions as a core value. 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.

Ratio of Female to Male Base Salary and Total Compensation in the Past Three Years

Category	Ratio of Female to Male Base Salary						Ratio of Female to Male Total Compensation					
	2022		2023		2024		2022		2023		2024	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Assistant Manager Level and Above	1	1.19	1	1.13	1	1.11	1	1.36	1	1.29	1	1.18
General Staff (IDL)	1	1.22	1	1.2	1	1.17	1	1.24	1	1.24	1	1.22
General Staff (DL)	1	1.02	1	1.02	1	1.03	1	0.95	1	0.97	1	1.01

Note 1: Base salary excludes any additional compensation such as overtime pay or bonuses. Total compensation includes seniority bonuses, performance bonuses (cash and equity), benefits, overtime pay, compensatory leave, and other allowances.

Note 2: Data is based on all full-year employees. The operational sites included align with the scope of operations disclosed in this report.

Note 3: General Staff (IDL) includes indirect production personnel such as finance, facilities, and HR. General Staff (DL) includes direct production personnel such as operators and technicians.

Annual Compensation Ratio

	2022	2023	2024
Ratio of the Annual Total Compensation of the Highest-Paid Individual in the Company to the Median Annual Compensation of All Employees	10.6	10.59	11.6
Change in Ratio	—	-0.09%	9.54%

Note 1: Compensation calculation includes employees' fixed salary.

Note 2: Median employee compensation is calculated based on all employees employed throughout the entire year.

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)



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 both the headquarters and Lize Plant, 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. In 2024, neither TSC nor its suppliers experienced any incidents of discrimination, restrictions on freedom of association, child labor, or forced labor.

Ten Core Contents of the Human Rights Policy

Policy	Content
Prohibition of Forced Labor	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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	<ol style="list-style-type: none"> 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.

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 2024, the overall survey response rate exceeded 90%, reflecting employees' strong trust in Company communication channels and their willingness to engage. Survey results showed an overall engagement score of 87.5 points—an increase of 2.1% from the previous year—indicating that the Company's ongoing promotion of two-way communication has effectively boosted employee satisfaction and sense of belonging. In this survey, employees expressed the highest level of satisfaction with the items "clearly understanding what is expected of them at work" and "transparency in goal communication," while the relatively lower score in the item "the Company's level of attention to overall employee well-being" has prompted TSC to formulate concrete response strategies, including engaging in in-depth communication with employees to discuss improvement action plans, understanding the ideal company attributes in employees' minds, enhancing physical and mental health support, encouraging family members to participate in company welfare activities, and optimizing the work substitution system.



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 2024, the Company received two complaints through the unlawful workplace conduct complaint platform, involving suggestions for work improvement and issues in employee interactions. Both cases were fully investigated and appropriately handled, with psychological support and assistance provided to the individuals concerned.

Utilization of Grievance Mechanisms – GRI

Grievance Mechanism	Communication Frequency	Key Communication Topics	Improvement Measures	Number of Complaints in 2024
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 policies, work 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	2

Diverse Communication Platforms and Channels

TSC Auto ID believes that transparent and two-way communication enhances internal trust and employee sense of belonging. The Company regularly facilitates information exchange through various platforms and channels, including quarterly all-hands meetings, global management meetings, and monthly head office management meetings, to accurately and promptly convey business strategies 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.

Furthermore, TSC actively conducts quarterly labor-management meetings and monthly migrant worker forums to ensure that both labor and management can fully express their views and jointly foster a healthy and equitable workplace atmosphere. Although a labor union has not yet been established, the Company fully respects employees' right to unionize and encourages them to proactively voice their opinions. In 2024, the Company did not encounter any labor disputes arising from significant operational changes (e.g., plant closures or business suspension). In cases of dismissal or redundancy, employees were duly notified in advance in accordance with the law to ensure their rights were properly protected.

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 Management

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 both employees and contractors. The Company has established a Workplace Safety and Health Committee that supervises and improves safety plans through regular meetings. Based on the Plan-Do-Check-Act (PDCA) cycle, TSC continually enhances its management effectiveness. Since 2021, the Lize Plant has fully implemented the ISO 45001:2018 Workplace Health and Safety Management System, covering all 249 employees at the Lize plant. The system's effectiveness is verified through internal audits and third-party certification. Although the head office is exempt from establishing a complete occupational safety system due to not reaching the legal personnel threshold, it still maintains a high internal safety management standard.

To strengthen occupational health and safety management, TSC sets targets for Disabling Injury Frequency Rate (FR) and Disabling Injury Severity Rate (SR). In 2024, the target was to outperform the three-year average of the computer and peripheral equipment manufacturing industry in 2022. TSC achieved FR = 0 and SR = 0 in 2024, demonstrating a strong commitment to safety management. In the future, TSC will continue to uphold the quality of occupational health and safety management, with the goal for 2025 set at achieving less than half of the 2023 industry average, and for 2026, achieving less than one-third of the 2024 average, moving toward a safe environment with zero occupational accidents and zero risks.

Hazard Identification and Risk Assessment

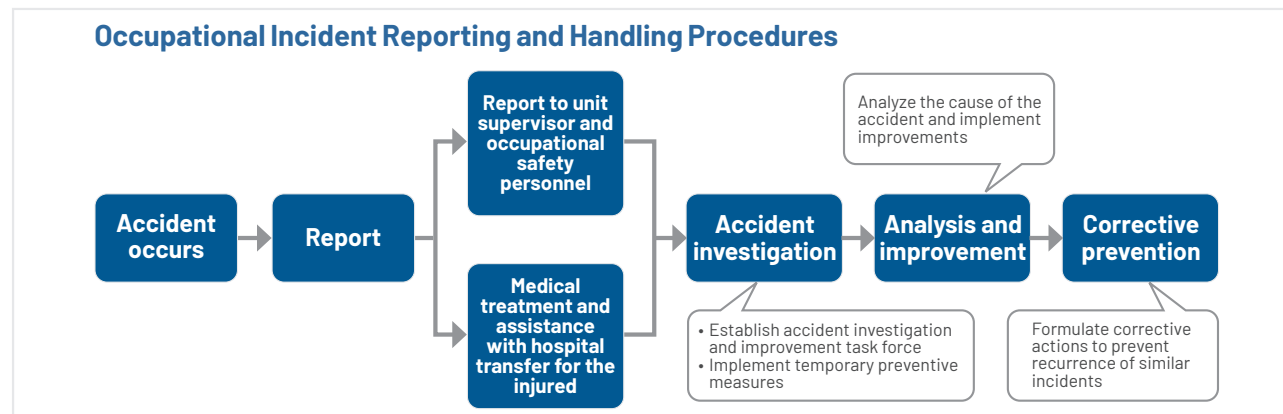
TSC Auto ID has established a comprehensive hazard identification and risk assessment mechanism. A hazard evaluation team—consisting of certified operators—regularly assesses both routine and non-routine occupational safety and health risks. These include potential risks in operational processes, machinery, 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 2024, 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 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 2024, a total of 19 courses were offered, with 859 participants and a cumulative total of 1,509 training hours. Online learning resources were also provided 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. At the Lize Plant, in accordance with the selection method for labor representatives under the Occupational Safety and Health Act, employees elect safety and health representatives. The elected members participate in quarterly meetings, are responsible for reviewing safety policies, supervising the working environment, assisting in accident investigations, and engaging in discussions on various occupational safety and health issues. Resolutions are 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 2024.

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
<p>Policy Commitment</p>	<p>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</p>
<p>Risk Assessment</p>	<p>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</p>
<p>Implementation Guidelines</p>	<p>The "Contractor Management Plan Operating Procedures" serve as the safety management standard to ensure construction safety.</p>
<p>Education and Training & Agreement Signing</p>	<p>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.</p>
<p>Performance Review</p>	<p>The Company regularly convenes Safety and Health Committee meetings to review contractor safety performance and plant incident indicators (including those involving contractors).</p>

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 identifies major occupational hazards such as: being struck, electric shock, crushing injuries, and collisions. The Company is dedicated to mitigating potential hazards through investigation of near-miss incidents, safety behavior observation, and continuous improvement. TSC has established an autonomous inspection plan and an occupational safety and health management plan, and utilizes risk identification and management mechanisms to prevent various physical, chemical, biological, and ergonomic hazards. In response to emerging occupational diseases, the Company has implemented the "Ergonomic Hazard Prevention Plan," the "Abnormal Workload-Induced Illness Prevention Plan," and the "Prevention Plan of Unlawful Workplace Conduct During Duty," to ensure a healthy working environment. In 2024, TSC reported no major occupational accidents and no cases of occupational disease, demonstrating the effectiveness of its management mechanisms. The Company aims to achieve solid management performance in 2025 to ensure the safety of all employees and contractors.

Employee Occupational Injury Statistics

Item	2022	2023	2024
Total Working Hours	699,192	732,096	710,000
Number of Occupational Injuries	0	0	0
Occupational Injury Rate (IR)	0	0	0
Number of Recordable Occupational Injuries	0	0	0
Recordable Occupational Injury Rate	0	0	0
Number of Fatal Occupational Injuries	0	0	0
Fatal Occupational Injury Rate	0	0	0
Number of Serious Occupational Injuries	0	0	0
Serious Occupational Injury Rate	0	0	0
Disabling Injury Frequency Rate (FR)	0	0	0
Disabling Injury Severity Rate (SR)	0	0	0
Number of Occupational Disease Cases	0	0	0
Occupational Disease Rate (ODR)	0	0	0
Number of Recordable Occupational Disease Cases	0	0	0
Number of Occupational Disease Deaths	0	0	0
Occupational Disease Fatality Rate	0	0	0

Note 1: Statistics include all employees at TSC's headquarters and Lize plant.

Note 2: Serious Occupational Injury Rate excludes fatalities and is calculated as: $\text{Serious injuries} \times 1,000,000 / \text{Total working hours}$.

Note 3: Disabling Injury Frequency Rate (FR) = $\text{Total number of disabling injuries} \times 1,000,000 / \text{Total working hours}$.

Note 4: Disabling Injury Severity Rate (SR) = $\text{Total lost days due to injuries} \times 1,000,000 / \text{Total working hours}$.

Note 5: Injury Rate (IR) = $\text{Number of occupational accident incidents} \times 1,000,000 / \text{Total working hours}$.

Note 6: Occupational Disease Rate (ODR) = $\text{Number of occupational diseases} \times 1,000,000 / \text{Total working hours}$.

Non-Employee Worker Occupational Injury Statistics

Item	2022	2023	2024
Total Working Hours	8,760	8,760	8,760
Number of Occupational Injuries	0	0	0
Occupational Injury Rate (IR)	0	0	0
Number of Recordable Occupational Injuries	0	0	0
Recordable Occupational Injury Rate	0	0	0
Number of Fatal Occupational Injuries	0	0	0
Fatal Occupational Injury Rate	0	0	0
Number of Serious Occupational Injuries	0	0	0
Serious Occupational Injury Rate	0	0	0
Disabling Injury Frequency Rate (FR)	0	0	0
Disabling Injury Severity Rate (SR)	0	0	0
Number of Occupational Disease Cases	0	0	0
Occupational Disease Rate (ODR)	0	0	0
Number of Recordable Occupational Disease Cases	0	0	0
Number of Occupational Disease Deaths	0	0	0
Occupational Disease Fatality Rate	0	0	0

Note 1: Statistics include all employees at TSC's headquarters and Lize plant.

Note 2: Number of serious occupational injuries (excluding fatalities) $\times 1,000,000 / \text{Total working hours}$.

Note 3: Disabling Injury Frequency Rate (FR) = $\text{Total number of disabling injuries} \times 1,000,000 / \text{Total working hours}$.

Note 4: Disabling Injury Severity Rate (SR) = $\text{Total lost days due to injuries} \times 1,000,000 / \text{Total working hours}$.

Note 5: Injury Rate (IR) = $\text{Number of occupational accident incidents} \times 1,000,000 / \text{Total working hours}$.

Note 6: Occupational Disease Rate (ODR) = $\text{Number of occupational diseases} \times 1,000,000 / \text{Total working hours}$.

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 an 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 2024, TSC's initiatives include birthday cash gifts, marriage and bereavement allowances, travel subsidies, employee social gatherings and club subsidies, childcare subsidies, scholarships for employees and their spouses/children, talent and skill rewards for employees and their children, and gifts for long-serving employees—totaling NT\$7.3 million. These efforts aim to enhance employees' overall well-being and foster a joyful work environment.

2024 LOHAS Workplace Benefits Overview

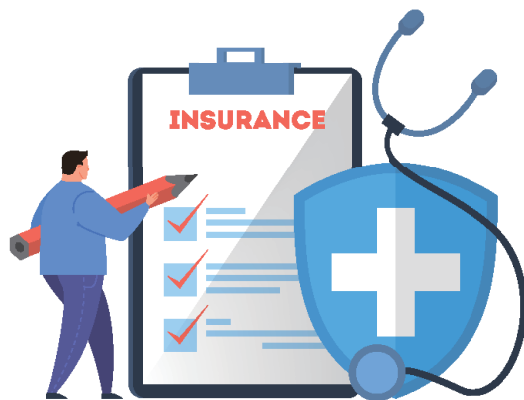
LOHAS Workplace Benefits	Implementation
Birthday parties	24 parties held
Employee travel	300 participants
Employee social events	1000 participants
Scholarships for employees and their spouses/children	130 applicants, NT\$220,500 awarded
Childcare subsidies and talent and skill rewards for employees and their children	70 applicants, NT\$150,000 awarded
Club subsidies	7 clubs supported, NT\$43,328 awarded

Additionally, the HQ and Lize Plant have participated in the Health Workplace Certification program by Taiwan's Health Promotion Administration since 2016 and 2018, respectively, earning the "Health Initiation Label" and "Health Promotion Label." This reflects the Company's continued pursuit of becoming a happy workplace that safeguards the health of every employee.

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
- In 2024, a total of four lectures/workshops were conducted

Health Promotion Activities

- Organize ESG weight-loss competitions and cardio workouts to encourage exercise and improve health
- Host walking and fitness contests with participation encouraged from employees and their families

Health Management Performance

In 2024, TSC implemented diverse health management initiatives across five major areas to support employees' occupational health. These included employee health examinations, onsite medical services, and various voluntary health promotion programs such as health lectures and workshops, sports week, and weight loss competitions—providing comprehensive health management solutions to protect employee well-being.

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.)	<ul style="list-style-type: none"> • 338 employees and 6 family members participated in the 2024 health checkups • Completion rate for mandatory health check items: 100%, exceeding the statutory participation rate of 92.56%
Health Care and Monitoring		
Onsite Medical Services	To prevent occupational diseases and detect health issues early—thereby maintaining labor health and enhancing competitiveness—TSC partnered with an on-call medical team to provide onsite health services.	Total of 140 service sessions conducted
Psychological Counseling Services	In cooperation with a professional counseling clinic, TSC offers 24/7 psychological counseling to allow employees to seek third-party professional help while safeguarding privacy. Counseling records are strictly confidential and retained only by the counselor.	Total of 11 service users, with an average satisfaction score of 4.4
Health Education Sharing		
Biweekly Health Newsletter / Health Education Column	TSC promotes a variety of health-related topics, regularly sharing information through e-newsletters, bulletin boards, and other internal communication channels.	A total of 25 health education articles distributed
Health Lectures and Workshops		
Ergonomics Course	Repetitive tasks at work may lead to musculoskeletal disorders. To prevent such conditions, TSC invited a specialist in osteoporosis to conduct onsite ergonomics training.	A total of 133 people participated; the post-course satisfaction score reached 4.81 . Employees gave feedback that the course was helpful in preventing occupational injuries.
DASH Diet	To promote balanced eating and disease prevention, a nutritionist was invited through the public health center to conduct a DASH diet course at the facility.	A total of 12 people participated; the post-course satisfaction score reached 4.90 . Employees gave feedback that they gained a deep understanding of the importance of a balanced diet through the course.
The Mischievous Stone – Gallstones	Shared preventive knowledge about gallstone disease.	A total of 8 people participated; the post-course satisfaction score reached 4.87 .
Eye Protection Awareness Campaign	Shared preventive knowledge on eye diseases and vision care.	A total of 10 people participated; the post-course satisfaction score reached 4.83 .
Health Promotion Activities		
ESG Weight Loss Competition	According to research, individuals with obesity emit approximately 20% more carbon dioxide and other greenhouse gases than those with normal body weight. To promote healthy eating and appropriate physical activity, TSC held the ESG Weight Loss Competition to encourage participants to adopt a healthy lifestyle. Through balanced nutrition and regular exercise, the goal was to help participants reach their ideal weight while reducing greenhouse gas emissions—contributing to environmental protection.	A total of 69 people participated in the weight loss competition. Over a three-month period, a total of 148.8 kilograms were lost.
Sports Week	In response to National Sports Day, TSC organized sports activities and a walking competition. Employees and their families were invited to participate in light exercise. Prizes were offered as incentives to encourage participation, enhance employee awareness of healthy exercise habits, improve abnormal health check results, and promote overall wellness.	The total number of participants in Sports Week activities was 338 ; the walking competition had 30 participants, who collectively took a total of 13,122,282 steps.

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



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

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, the Company launched the "Hanbao Camp" Parent-Child Competency Development Program for the first time in 2024, in collaboration with Carnegie. This program marked the first time that competency training, originally designed for employees, was extended to their children—promoting holistic family growth and development. 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 2024, the Hanbao Camp had a total of 15 employee children and 24 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 program was designed with a parent-child co-learning model. Through in-depth communication between Carnegie instructors and parents, the course guided parents to play a proactive role in supporting and encouraging their children's positive transformation, nurturing a healthy family communication model. 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.

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.

24 **15** children of employees and family members enthusiastically participated

Total course hours: **84** hours



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.

CH5

Shared Prosperity with Society

Upholding the spirit of "giving back to society," TSC has established three core pillars for social development and actively participates in a diverse range of philanthropic initiatives. These include collaborations with the Eden Social Welfare Foundation to care for developmental delay children, and partnerships with food banks to package food boxes, aiming to address the health and well-being of disadvantaged groups. By encouraging employee participation in these activities, the Company fosters empathy and a grounded, service-oriented attitude among its workforce. Recognizing that outstanding talent is the cornerstone of sustainable corporate development, TSC regularly hosts campus recruitment briefings to share practical industry experience and actively recruit exceptional individuals. Through these efforts, the Company contributes to creating a positive social impact and cultivating a community built on mutual growth and shared success.

Recommended Primary Readers:

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

- ▶ 5.1 Exerting Social Influence
- ▶ 5.2 Industry-Academia Collaboration

5.1 Exerting Social Influence

TSC is committed to empowering talent, promoting diversity and inclusion, and advancing health and well-being. The Company shows care and companionship to underprivileged children, emphasizes education and development for youth, and actively collaborates with non-profit organizations to carry out public welfare initiatives that foster a diverse and inclusive society. TSC also maintains a focus on poverty-related issues, partnering with food banks to improve the well-being of disadvantaged groups, injecting positive energy into social good. In addition, TSC is dedicated to cultivating technological talent. Through long-term partnerships with universities and colleges, the Company regularly hosts campus recruitment briefings to bridge theoretical knowledge and practical application. These efforts support industry trends and meet the employment needs of young people, thereby amplifying the Company's social influence.

TSC's Social Development Pillars



TSC's Social Welfare Projects

Public Welfare Highlights

Total donations exceeded NT\$ **1 million**

In-kind donations¹ valued over NT\$ **20,000**

Over **1,000** total employee volunteer hours

Total of **2,252** beneficiaries

Note 1: In-kind donations include 25 phone holder keychains and 36 camping chairs, with values calculated at market price.

TSC implemented three core public welfare initiatives, there were Volunteer Companionship Activities, Donation Campaigns and Food Bank Collaboration. These initiatives invited employees to actively participate and share in the experience of giving back. In 2024, with enthusiastic employee participation, the total volunteer service hours exceeded 1,000 hours. Beyond accompanying children with developmental delays on outings, over NT\$1 million in donations was raised, bringing hope and warmth to the Slow-Flying Angels and cheering them on.

2024 Public Welfare Action Projects

Volunteer Companion Activities

In cooperation with the Eden Social Welfare Foundation, volunteers accompanied Slow-Flying Angels on fun outings, creating joyful memories and offering caregivers valuable time to rest.

Donation Campaigns

In cooperation with the Eden Social Welfare Foundation, employees and the public were invited to support Slow-Flying Angels through donations. Gifts were also prepared as a token of appreciation for donors.

Food Bank

In cooperation with the Andrew Food Bank, volunteers assisted in packing near-expiry food items.



Highlight Story: Slow-Flying Angels – Let Love Fly

TSC Auto ID has long been dedicated to caring for and supporting underprivileged groups, exemplifying its sense of corporate social responsibility. In 2024, TSC collaborated with the Eden Social Welfare Foundation to successfully host two volunteer companion events, spreading love and care to those in need. TSC Auto ID employees actively signed up as volunteers and accompanied 27 Slow-Flying Angels through a joyful day, while also providing 30 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.

Looking ahead, TSC Auto ID will continue its close collaboration with the Eden Social Welfare Foundation, aiming to organize annual volunteer companion events to support and care for more families. TSC believes that through charitable actions, more people can come to understand and support the needs of vulnerable groups, working together to create a more inclusive and compassionate society. We also call on more partners to join us in supporting Slow-Flying families, and to accompany them on their journey of joyful growth!

27 Slow-Flying Angels

total Donations: NT\$139,238

Volunteer Hours: 320



感謝函

茲感謝 鼎翰科技股份有限公司 熱心公益，因為有您們的愛與付出，讓伊甸在服務的路上不孤單，期望您能持續的參與我們的各項活動，共同散播愛與關懷，創造有愛無礙的社會。嘉惠身心障礙朋友，本會不勝感激，特此感謝。

敬祝
平安 喜樂

財團法人伊甸社會福利基金會
執行長 鍾嘉林 敬上
中華民國 113 年 04 月 29 日

感謝狀

伊甸會字第 1130403100 號

茲感謝 鼎翰科技股份有限公司 熱心公益，協助本會推動社會服務工作，共同散播愛與關懷，創造有愛無礙的社會，懿行可風，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 113 年 08 月 15 日



Highlight Story: Proper Care – Food Bank Project

600 beneficiary children and youth	600 food boxes packed	Volunteer Hours: 99
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In 2024, TSC Auto ID participated in the "Food Bank Project" organized by the Andrew Charity Association, taking concrete action to help those in need. The project designed five types of customized food boxes based on different case needs, including: infant supplies boxes, staple food boxes, vegetarian food boxes, special material boxes, and elder care boxes. These were intended to aid children under 15 from vulnerable families and seniors over 65 throughout Taiwan, ensuring they receive proper care despite economic hardship and allowing them to live with security.



- Infant Supplies Box
- Staple Food Box
- Vegetarian Food Box
- Special Material Box
- Elder Care Box

During the packing process, employees placed each food item into boxes according to specific order and position to ensure that each food box met the recipient's needs, especially for the 3-15-year-old children and youth. In this initiative, TSC Auto ID volunteers successfully packed 600 food boxes, meaning 600 children and youth in need received staple food boxes, improving their quality of life. This activity was more than a simple packing task—it was a heartfelt act of love and sharing.

Moving forward, TSC Auto ID will continue to support the Andrew Charity Association's "Food Bank Project" and encourage more employees to join in volunteer efforts, bringing warmth and hope to more families in need. We believe that through such efforts, more people will come to understand and care for vulnerable groups, collectively contributing to society.



Industry-Academia Collaboration

Over 500 résumés received	2-3 campus briefings
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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 500 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. In 2024, TSC Auto ID successfully recruited excellent graduates, bringing new energy into TSC.

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.

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
- ▶ Appendix 7 Limited Assurance Report of Accountants

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

2024 Economic Value Distribution		
	Item	Economic Value (NT\$ thousands)
Direct Economic Value Generated	Total Annual Revenue (Net Sales)	8,798,132
	Economic Value Distributed	
	Operating Costs	6,062,972
	R&D Investment	304,582
	Employee Salaries and Benefits	1,856,485
	Payments to Shareholders (Dividend Distribution)	612,854
	Community Investment	100Note
	Total Economic Value Distributed	8,836,993
	Total Economic Value Retained (Net Profit After Tax)	669,957

Note: Community investment in 2024 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 2024

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.
Organizational and Report 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	As TSC Auto ID is publishing this report for the first time, no restatements apply	-
2-5	External assurance	About This Report	P.6
Activities and Workers			
2-6	Activities, value chain and other business relationships	Material Topic Identification and Stakeholder Communication	P.14
		1.1.1 Company Profile	P.16 · P.19
2-7	Employees	4.1.1 Talent Recruitment and Retention	P.77
2-8	Workers who are not employees	4.1.1 Talent Recruitment and Retention	P.77
Governance			
2-9	Governance structure and composition	1.2.1 Corporate Governance	P.21-23
		1.2.2 Board of Directors Overview	P.24-25
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.22-23
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.23
2-15	Conflicts 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

Statement of Use	TSC has reported the information for the period from January 1, 2024, to December 31, 2024, 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.
2-18	Evaluation of the performance of the highest governance body	1.2.2 Board of Directors Overview	P.27
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.89
Strategy, Policies and Practices			
2-22	Statement on sustainable development strategy	Message from the Chairman and General Manager	P.3-4
2-23	Policy commitments	1.2.1 Corporate Governance	P.22
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 Risk Protection	P.35
		2.3.2 Sustainable Supply Chain Management	P.55
		4.1.1 Talent Recruitment and Retention	P.78
2-26	Mechanisms for seeking advice and raising concerns	4.1.4 Human Rights Management and Labor Relations Communication	P.92
		4.1.4 Human Rights Management and Labor Relations Communication	P.92
2-27	Compliance with laws and regulations	1.2.3 Integrity Management and Regulatory Compliance	P.29
2-28	Membership associations	Appendix I: Company Profile Information	P.106
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.92

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 2024, 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 Risk Protection	P.33
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 Risk Protection	P.35

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.37

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.40
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.41
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1.2 Product Quality Control	P.41
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.43
417-2	Incidents of non-compliance concerning product and service information and labeling	2.1.2 Product Quality Control	P.43

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.46
GRI 301: Materials (2016)		Report Section	Page No.
301-1	Materials used by weight or volume	2.2.1 Development of Sustainable Products	P.47
301-2	Recycled input materials used	2.2.1 Development of Sustainable Products	P.47

Material Topic Disclosures

Below are the material topics identified by TSC for 2024, 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.52
GRI 204: Procurement Practices (2016)		Report Section	Page No.
204-1	Proportion of spending on local suppliers	2.3.1 Supply Chain Overview	P.50
GRI 308: Supplier Environmental Evaluation (2016)		Report Section	Page No.
308-1	New suppliers that were screened using environmental criteria	2.3.2 Sustainable Supply Chain Management	P.54
308-2	Negative environmental impacts in the supply chain and actions taken	2.3.2 Sustainable Supply Chain Management	P.54-55
GRI 414: Supplier Social Evaluation (2016)		Report Section	Page No.
414-1	New suppliers that were screened using social criteria	2.3.2 Sustainable Supply Chain Management	P.54
414-2	Negative social impacts in the supply chain and actions taken	2.3.2 Sustainable Supply Chain Management	P.54-55

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.72
GRI 306: Waste (2020)		Report Section	Page No.
306-1	Waste generation and significant waste-related impacts	3.2.1 Waste and Circularity	P.73
306-2	Management of significant waste-related impacts	3.2.1 Waste and Circularity	P.73

GRI 306: Waste (2020)		Report Section	Page No.
306-3	Waste generated	3.2.1 Waste and Circularity	P.74
306-4	Waste diverted from disposal	3.2.1 Waste and Circularity	P.74
306-5	Waste directed to disposal	3.2.1 Waste and Circularity	P.74

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.76
		4.1.2 Talent Development	P.82
GRI 401: Labour Relationship (2016)		Report Section	Page No.
401-1	New employee hires and employee turnover	4.1.1 Talent Recruitment and Retention	P.77-78
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.80
401-3	Parental leave	4.1.1 Talent Recruitment and Retention	P.81
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.84
404-2	Programs for upgrading employee skills and transition assistance programs	4.1.2 Talent Development (TSC currently does not provide transition assistance for retirees or those ending employment)	P.83-84
404-3	Percentage of employees receiving regular performance and career development reviews	4.1.2 Talent Development	P.85

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.
205-2	Communication and training about anti-corruption policies and procedures	1.2.3 Integrity Management and Regulatory Compliance	P.29
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.60 、 P.62-63
GRI 305: Emissions (2016)		Report Section	Page No.
305-1	Direct (Scope 1) GHG emissions	3.1.2 GHG Emissions Management	P.67
305-2	Energy indirect (Scope 2) GHG emissions	3.1.2 GHG Emissions Management	P.67
305-3	Other indirect (Scope 3) GHG emissions	3.1.2 GHG Emissions Management	P.67
305-4	GHG emissions intensity	3.1.2 GHG Emissions Management	P.67

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.69
302-3	Energy intensity	3.1.3 Energy Management	P.69

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.74
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.2.2 Environmental Protection and Pollution Prevention	P.74

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.24-25
		4.1.3 Diversity, Equity, and Inclusion	P.88
405-2	Ratio of basic salary and remuneration of women to men	4.1.3 Diversity, Equity, and Inclusion	P.89

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.92
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.92
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.90
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.88
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.88

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 Management	P.93
403-2	Hazard identification, risk assessment, and incident investigation	4.2.1 Workplace Safety Management	P.94
403-3	Occupational health services	4.2.2 Building a LOHAS Workplace	P.98-99
403-4	Worker participation, consultation, and communication on occupational health and safety	4.2.1 Workplace Safety Management	P.95

Basic Topic: Occupational Health and Safety			
GRI 403: Occupational Health and Safety (2018)		Report Section	Page No.
403-5	Worker training on occupational health and safety	4.2.1 Workplace Safety Management	P.94
403-6	Promotion of worker health	4.2.2 Building a LOHAS Workplace	P.98-99
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.2.1 Workplace Safety Management	P.95
403-8	Workers covered by an occupational health and safety management system	4.2.1 Workplace Safety Management	P.93
403-9	Work-related injuries	4.2.1 Workplace Safety Management	P.96
403-10	Work-related ill health	4.2.1 Workplace Safety Management	P.96

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.106
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.71
303-3	Water withdrawal	3.1.4 Water Resource Management	P.71
303-4	Water discharge	3.1.4 Water Resource Management	P.71
303-5	Water consumption	3.1.4 Water Resource Management	P.71

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.69
RT-EE-150a.1	(1) Amount of hazardous waste generated, (2) percentage recycled	Metric tonnes (t), Percentage (%)	No hazardous waste generated in TSC	-
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.41
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.41
RT-EE-410a.1	Percentage of products by revenue that contain IEC 62474 declarable substances	Percentage (%) by revenue	2.2.2 Product Lifecycle Management	P.49
RT-EE-410a.2	Percentage of eligible products, by revenue, certified to an energy efficiency certification	Percentage (%) by revenue	2.2.2 Product Lifecycle Management	P.49
RT-EE-410a.3	Revenue from renewable energy-related and energy efficiency-related products	Presentation currency	2.2.2 Product Lifecycle Management	P.49
RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Not applicable	2.3.1 Supply Chain Overview	P.51
RT-EE-510a.1	Description of policies and practices for prevention of: (1) corruption and bribery and (2) anti-competitive behaviour	Not applicable	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.77

Appendix V – Climate-Related Information of Listed and OTC 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.57
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.57 、 P.61-63
3. Describe the financial impact of extreme weather events and transformative actions	3.1.1 Climate Risk Management	P.62
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.57-59 、 P.61
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.64-65
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.62-63
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.	3.1.2 GHG Emissions Management	P.57
Greenhouse gas inventory and assurance for the last 2 years		
Information on greenhouse gas inventory Describe the greenhouse gas emissions (metric tons of CO ₂ e), intensity (metric tons of CO ₂ e per million NT\$), and the scope of the data for the most recent 2 years.	3.1.2 GHG Emissions Management	P.67
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 VI – Third-Party Assurance Statement.	P.115
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.67-68

Appendix VI – Sustainability Disclosure for the Computer and Peripheral Equipment Industry

No.	Indicator	Type	Unit	Report Section	Page No.
1	Total energy consumption, percentage of purchased electricity, utilization rate (renewable energy)	Quantitative	Gigajoules (GJ), Percentage (%)	3.1.3 Energy Management	P.69
2	Total water withdrawn, total water consumption	Quantitative	Thousand cubic meters (m ³)	3.1.4 Water Resource Management	P.71
3	Total hazardous waste generated and percentage recycled	Quantitative	Metric tons (t), Percentage (%)	3.2.1 Waste and Circularity	-
4	Types of, number of employees in and rate of occupational accidents	Quantitative	Percentage (%), quantity	4.2.1 Workplace Safety Management	P.96
5	Product Lifecycle Management Disclosure: including weights of scraps and electronic waste and percentage recycled (Note 1)	Quantitative	Metric tons (t), Percentage (%)	Appendix I: Company Profile Information	P.106
6	Description of the management of risks associated with the use of critical materials	Qualitative	Not applicable	2.3.1 Supply Chain Overview	P.51
7	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
8	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 – Limited Assurance Report Of Accountant

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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 2024 Sustainability Report of TSC Auto ID ("the Report") for the year ended December 31, 2024.

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 (TWSA)3000 "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 Accountants 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.

Summary of Work Performed

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

- 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 present 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, form, 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, 2024 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 assurance work for any change of the subject matter information or the criteria applied after the issuance date of this report.

The engagement partners on the assurance resulting in this independent auditors' report are Huang, Yu-Ting and Kuo, Yang-Lan.

KPMG
Taipei, Taiwan (Republic of China)
July 18, 2025

Signatures

The limited assurance report and the accompanying selected information are the English translation of the Chinese version prepared and issued in the Republic of China. There may be conflicts between any differences in the interpretation of the English and Chinese language limited assurance report and the selected information, but Chinese version shall prevail.

Appendix I - Summary of the Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
1.1.1	Energy Management	Total energy consumption: 3,520,771 gigajoules(GJ) Gasoline: 6,191 gigajoules(GJ) Diesel: 22,094 gigajoules(GJ) Purchased electricity: 3,437,296 gigajoules(GJ) Note 1: Energy conversion factors in this table refer to the "Net Calendar of Energy Products" and the "Units and Conversions" published by the Energy Administration, Ministry of Economic Affairs. Note 2: TSC Auto ID currently does not use renewable energy or biofuels.	GRI 305-1 Energy consumption within the organization
1.1.2	GHG Emissions	TSC Auto ID has established a comprehensive GHG inventory mechanism in accordance with ISO 14064:2018. The company has set 2023 as the baseline year for the first inventory. 2024 Category 1 GHG Emissions: 46,749.2 metric tons CO ₂ e Emissions Category (Unit: tCO ₂ e) Head Office Line Plant Category 1 Direct GHG Emissions: 13,897.3 32,851.9 Carbon dioxide (CO ₂) 4,233.5 1,637.1 Methane (CH ₄) 8.7285 22.8259 Nitrous oxide (N ₂ O) 0.1346 0.0231 Hydrofluorocarbon (HFCs) 0.7813 8.5088 Note 1: The Company does not emit PFCs, SF ₆ , NF ₃ , or CO ₂ emissions from biogas use. Note 2: GHG emissions are compiled using the operational control approach. GWP are based on the IPCC Sixth Assessment Report (2023). Emission factors are taken from Version 6.0.4 of the Ministry of Environment's Emission Factors Management Table, Environment. Note 3: The electricity emission factor is based on the latest carbon emission factor for electricity announced by the Energy Administration, Ministry of Economic Affairs (2024: 0.474 kg CO ₂ e/kWh).	GRI 305-1 GHG emissions
1.1.2	GHG Emissions	TSC Auto ID has established a comprehensive GHG inventory mechanism in accordance with ISO 14064:2018. The company has set 2023 as the baseline year for the first inventory. 2024 Category 2 GHG Emissions: 452,478 metric tons CO ₂ e Emissions Category (Unit: tCO ₂ e) Head Office Line Plant Category 2 Indirect GHG Emissions: 72,562.0 379,915.9 Note 1: The Company does not emit PFCs, SF ₆ , NF ₃ , or CO ₂ emissions from biogas use.	GRI 305-2 Energy indirect (Scope 2) GHG emissions
1.1.2	GHG Emissions	TSC Auto ID has established a comprehensive GHG inventory mechanism in accordance with ISO 14064:2018. The company has set 2023 as the baseline year for the first inventory. 2024 Category 3 GHG Emissions: 452,478 metric tons CO ₂ e Emissions Category (Unit: tCO ₂ e) Head Office Line Plant Category 3 Indirect GHG Emissions: 72,562.0 379,915.9 Note 1: The Company does not emit PFCs, SF ₆ , NF ₃ , or CO ₂ emissions from biogas use.	GRI 305-2 Energy indirect (Scope 2) GHG emissions

Appendix II - Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
4.1.1	Talent Recruitment and Retention	Note 2: GHG emissions are compiled using the operational control approach. GWP are based on the IPCC Sixth Assessment Report (2023). Emission factors are taken from Version 6.0.4 of the Ministry of Environment's Emission Factors Management Table, Environment. Note 3: The electricity emission factor is based on the latest carbon emission factor for electricity announced by the Energy Administration, Ministry of Economic Affairs (2024: 0.474 kg CO ₂ e/kWh).	GRI 401-1 New employee hires and employee turnover
4.1.2	Talent Recruitment and Retention	Note 1: Turnover ratio = Number of employees who left / Total number of employees, excludes contractors and interns. Note 2: Turnover statistics include voluntary resignations, as well as departures due to dismissal, retirement, or work-related fatalities.	GRI 401-3 Percentage of employees receiving regular performance and career development reviews

Appendix III - Subject Matter Information

No.	Corresponding Section	Subject Matter Information	Applicable Criteria
5	Talent Development	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: Supervisory level is defined as Assistant Manager level and above.	GRI 403-3 Percentage of employees receiving regular performance and career development reviews



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