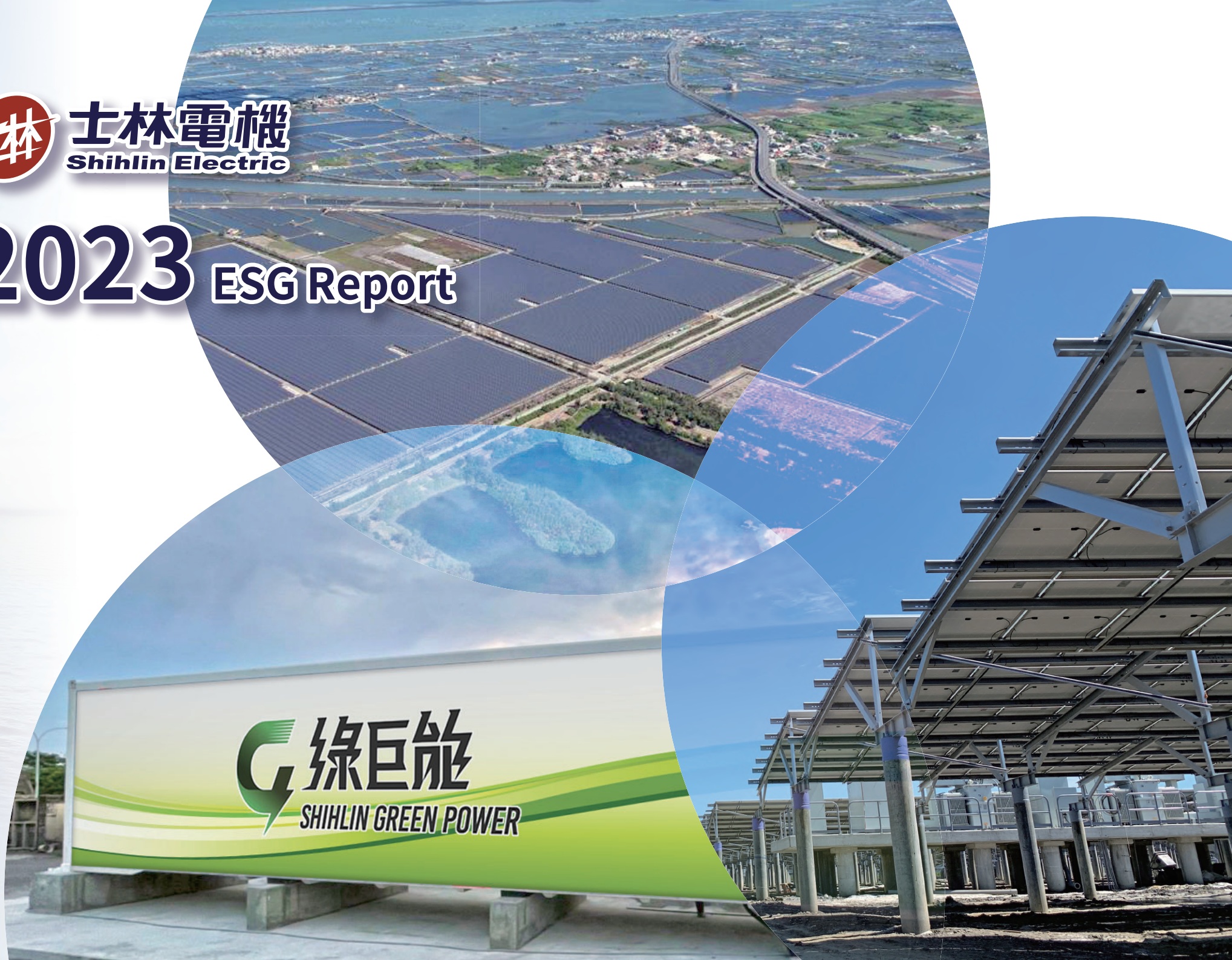




2023 ESG Report



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About the Sustainability Report

The 2023 ESG Report is the eighth Report issued by SHIHLIN ELECTRIC & ENGINEERING CORPORATION (herein after referred to as "SEEC", "the Company"). The content of this report covers the practices and actions of SEEC in terms of Environment (E), Society (S), and Corporate Governance (G) in 2023. It focuses on themes such as 'Sustainable Operation,' 'Integrity Governance,' 'Commitment to Green Energy,' 'Environmental Sustainability,' 'Inclusive Workplace,' and 'Social Participation.' The report includes management and performance in major topics, risk management, and ESG sustainability strategies, showcasing the Company's achievements and performance in all aspects.

Report Scope and Boundaries

This report covers the period from January 1, 2023 to December 31, 2023. The scope of disclosure covers SEEC Taiwan's operating area, including Taipei Headquarters and four Major Business Groups (Heavy Electric Business Group, Automobile Equipment Business Group, Breaker & Switchgear Business Group and Automation Business Group), as well as various regional offices. Environmental disclosure encompasses greenhouse gas emissions and energy use within the aforementioned scope. Other environmental aspects such as water resources and waste management primarily pertain to the four Business Groups and exclude Taipei Headquarters and regional offices. Social participation content extends to include activities related to the Yeang Der Group Memorial Foundation of Mr. Ching-Teh Hsu. Subsidiaries included in consolidated financial statements and overseas locations are not within the scope of this report. Additional reporting on these locations or historical data adjustments, if applicable, will be detailed within the text.

*For information on related companies, please refer to the 2023 Annual Report of SEEC "Information on Related Companies."

Taipei Headquarters	4 Major Business Groups		
Head Office	Heavy Electric Business Group	Automobile Equipment Business Group	Breaker & Switchgear Business Group / Automation Business Group
Head Office 16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City, Taiwan (R.O.C)	Heavy Electric Factory No.23, Zhonghua Road, Hukou Township, Hsinchu County, Taiwan (R.O.C)	Automobile Equipment Factory No. 17, Zhonghua Road, Fengshan Village, Hukou Township, Hsinchu County, Taiwan (R.O.C)	Xin Feng Factory No.234, Zhonglun Village, Xinfeng Township, Hsinchu County, Taiwan (R.O.C)
TEL (02)2834-2662 FAX (02)2836-6187	TEL (03)598-1921 FAX (03)598-1480	TEL (03)598-6951 FAX (03)598-6950	TEL (03)599-5111 FAX (03)599-5259

Principles of Report Writing

This report is primarily prepared in accordance with the latest version of the Global Reporting Initiative (GRI) Standards 2021, issued by the Global Sustainability Standards Board (GSSB), and complies with the "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of the Taiwan Stock Exchange Corporation. Additionally, it references the Sustainability Accounting Standards Board (SASB) standards for Electrical & Electronic Equipment sustainability indicators, the Task Force on Climate-related Financial Disclosures (TCFD) recommendations, and the United Nations Sustainable Development Goals (SDGs).



Report Publication Date

SEEC issues the ESG Report every year, uploads it to the FSC Public Information Observatory <https://mops.twse.com.tw>, and publishes it on the Company's official website at the same time.

Release date of this report: June 28, 2024

Contact Information

Please contact us if you have any comments or suggestions for this report.

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Information Quality and Assurance

Internal Review and Assurance

This report is prepared in accordance with the "Sustainability Reporting Preparation and Verification Procedures" of SEEC, concurrently updating internal control and audit systems to enhance the quality of disclosure in the report. The statistical data disclosed in this report are derived from surveys and compilations conducted by various operational units of SEEC. Financial data are publicly disclosed information verified by auditors and consistent with the Company's Annual Report. Unless otherwise specified, all figures are presented in New Taiwan Dollars (NTD). Furthermore, the Company's management systems are certified, including IATF 16949 Automotive Quality Management System, CNS National Standards, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Health and Safety Management System, and ISO 14064-1 Greenhouse Gas Inventory, with annual internal audits (supported by external verification) to ensure the accuracy of data and information.

External Verification and Declaration

The content of this report is compiled by the ESG Report Preparation Team, based on data provided. After review and approval by department heads, it undergoes verification by a third-party independent auditing organization, British Standards Institution Taiwan Branch (BSI), adopting the AA1000AS v3 Type 1 Moderate Assurance level. This verification ensures the inclusivity, materiality, responsiveness, and impact of the disclosed information in the report. The verified report was issued after approval by the Board of Directors in May 2024. (Please refer to Appendix 4 for the verification statement.)

Reports over the years

Electronic files of previous reports



· 2023



· 2022



· 2021



· 2020



· 2019



· 2018



· 2017



· 2016



Sustainability Performance and Acknowledgment

Awards and Acknowledgment



Four energy-saving products from the Automation Business Group won the 32nd Taiwan Excellence Awards.



The Taiwan Excellence Awards is an annual celebration that gathers Taiwan's leading innovators in industry. Upholding its commitment to continuous technological innovation, Shihlin Electric actively participates in the selection process and has consistently been recognized for its achievements. This year, SEEC's Automation Business Group garnered accolades for four products: the Variable Frequency Drives for Water Pumps, Variable Frequency Drives for Exhaust Fans, Servo Motor Drivers, and Hollow Shaft Motors. Among 948 entries from 469 companies, these products stood out and received the prestigious Taiwan Excellence Awards at the 32nd edition. This recognition not only positions SEEC as a leader in Taiwan's industry but also showcases Taiwan as a reliable global partner.



SEEC has been recognized with the 16th TCSA Taiwan Corporate Sustainability Award.



SEEC continues to advance in corporate sustainability and enhance transparency in information disclosure. In 2023, it participated once again in the 16th TCSA Taiwan Corporate Sustainability Awards, with the number of participants reaching 526, a 24% increase from the previous year and an all-time high. Among many competing enterprises, SEEC was awarded the Silver Prize for its Sustainability Report, marking significant improvements in all evaluation criteria compared to the previous year. Moving forward, SEEC remains committed to demonstrating its dedication and achievements in corporate social responsibility.



SEEC has been recognized with the 2023 Golden ESG Achievement Award.



In recent years, ESG has become a critical indicator for evaluating a company's operations. In 2023, at the 'Taiwan International Smart Mobility Exhibition (E-Mobility Taiwan)' organized by the Foreign Trade Association, besides showcasing important exhibitions in areas such as electric vehicles, autonomous driving, and 5G networking technologies, the organizers also held a special ESG evaluation event. Shihlin Electric participated for the first time and won the ESG Golden Award, successfully gaining more exposure opportunities at this exhibition.



The Automobile Equipment Business Group was consecutively recognized as an outstanding supplier by major motorcycle manufacturers.



SEEC's Automobile Equipment Business Group, as a long-term strategic partner of Taiwan's leading motorcycle industry, supplies electrical products for motorcycles. Continuously meeting customer expectations in product quality and delivery, the group has been recognized by customers. In 2023, it was once again awarded the following accolades:

- "Outstanding Supplier Award for Electrical Products Comprehensive Evaluation" from KYMCO.
 - "Outstanding Supplier Award for Electrical Products - Best Overall Evaluation" from Aeonmotor
 - "Operational Excellence Supplier Award" from SANYANG MOTOR.
- Represented by Vice President Lee, Shui-Yuan and Sales Director Han, Zhu-Sheng, the Business Group attended the awards ceremony to accept these honors and acknowledgments.

Sustainable Performance

Governance Performance

- Consolidated revenue 31,807 million dollar in 2023 increased by 3.41% compared to 2022.
- Consolidated net profit after tax in 2023 was 15.9% higher than in 2022.
- The average attendance rate of the board of directors in 2023 was 100% (including proxy attendance).
- The performance evaluation result of the board of directors in 2023 was 4.71 points (out of 5 points).
- There was no major violations and negative news in 2023.
- In 2023, the Company did not receive any complaints or reports.
- In 2023, SEEC did not have any corruption incidents or corruption cases investigated by judicial prosecutors.
- In 2023, there was no leakage of customer privacy or violation of relevant information security regulations.
- In 2023, a total of 42 patent certificates was obtained. From 2021 to 2023, a total of 115 patent certificates was obtained. The Company has accumulated a total of 323 valid patents to date.
- In 2023, there were 2 information security drill, and the average pass rate of the whole company was 91%.

Environment Performance

- In 2023, energy-saving measures accounted for 2.7% of total electricity usage, estimated to save 988 MWh/ year and reduce greenhouse gas emissions by 489 metric tons of CO₂e / year, achieving a target attainment rate of 135%.
- In 2023, water consumption was reduced by a total of 940 metric tons, and the target achievement rate was 154%.
- In 2023, 160 metric tons of waste were recycled, achieving a target attainment rate of 100%.
- In 2023, a solar panel system with a capacity of 609 kW was installed, generating 258,420 kWh (approximately 930.3 GJ) of electricity.
- The greenhouse gas intensity decreased by 6% compared to the baseline year (2022).
- The renewable energy project has achieved 32% completion.

Social Performance

- In 2023, there was no incidents that endanger human rights in the Company, and there was no related appeals and complaints.
- In 2023, there was no occupational injury incidents among non-employee workers.
- In 2023, there was no cases where workers were judged as occupational diseases.
- Conducted regular CPR and AED training courses, with a total participation of 45 colleagues in 2023.
- By the end of 2023, more than 200 key suppliers have signed the "Supplier Social Responsibility Letter of Commitment".
- In 2023, the Company conducted annual supplier assessments for a total of 31 suppliers. Additionally, the Company conducted 88 periodic supplier evaluations involving 62 suppliers.
- In 2023, the Company conducted evaluations for 20 new suppliers, with a pass rate of 100%.
- The average education and training hours in 2023 were 21.63 hours, and the implementation rate of the annual training hours for education and training were 119%.
- In 2023, the social welfare donations amounted to approximately 14.49 million, with a cumulative total over the past three years reaching approximately 49.19 million.



Chairman's Expectation

SEEC, with nearly 70 years of history since its establishment, remains committed to continuous improvement, proactive innovation, and a clear and pragmatic business strategy in the face of challenging and uncertain economic environments. In 2023, amidst factors such as inflation, the Ukraine-Russia conflict, and accelerated monetary tightening, most enterprises adopted a conservative outlook. However, as a leader in the electrical machinery industry, SEEC has actively expanded into the green energy sector. SEEC has seized opportunities in Taiwan's robust electricity grid resilience initiative, involving ground-mounted solar power plants, aquaculture photovoltaic projects, government public works, and Taiwan Power Company (Taipower) turnkey projects. This strategic positioning has resulted in record-high revenues. Additionally, SEEC collaborates closely with its supply chain partners to uphold environmental protection and fulfill corporate social responsibilities, advocating for sustainable business practices.

In renewable energy, SEEC independently installed two rooftop solar energy systems in 2023 with a capacity of 609 kW, generating 258,420 kWh. It is planned to install one rooftop solar system and one solar + storage facility in 2024, with a combined capacity of approximately 1,290 kW. This installation is expected to generate a total electricity output of approximately 1.92 million kWh annually. By 2030, the Company aims to achieve a capacity of 5,100 kW, generating 5.43 million kWh, meeting 15% of SEEC's

total electricity consumption. In green energy projects, SEEC has developed capabilities in solar energy boosting stations, unit substations, monitoring systems, and energy storage facilities. It aims to integrate these capabilities into solutions for solar + storage system integration and energy management, positioning itself as a leading systems provider in the market. In the electric vehicle (EV) sector, SEEC is developing power systems ranging from 10 kW to 150 kW for electric motorcycles and vehicles, while also expanding its footprint in EV charging stations.

SEEC upholds principles of "People-Centricity," "Innovative Growth," and "Sustainable Development," striving to enhance its core competencies and the global products competitiveness and advantage in development worldwide. By pursuing international markets, SEEC demonstrates its robust capabilities and commitment to competing globally.

As the steward of SEEC, I firmly believe in the importance of ESG (Environmental, Social, and Governance) not only as our corporate responsibility but also as our commitment to future generations. SEEC will continue to strive, ensuring positive impacts across economic, social, and environmental dimensions. Through the collective efforts of all our employees, the Company will persistently uphold the principles of "People-Centricity," "Innovative Growth," and "Sustainable Development," advancing continuously and staying ahead of the curve. The Company aims to work hand in hand with shareholders, employees, partners, and every global citizen to achieve a better future together.

Innovative Growth

To seize the opportunities in net-zero carbon emissions, the Company is developing the "Green Power" brand products, which include high-efficiency energy-saving transformers, next-generation transformers, smart energy-saving switches, and charging stations. In terms of engineering, the Company is investing in solar power plants, substation turnkey projects, energy storage systems, charging stations, and transportation infrastructure, among other areas, to sustain the innovative growth.

People-Centricity

Over the years, in addition to providing generous employee benefits, the Company has strengthened training programs for professional and managerial skills. Through internal advocacy and policy implementation, the Company is committed to creating an equitable, friendly, and non-discriminatory workplace environment.

Sustainable Development

The Company upholds the corporate philosophy of "Integrity Governance and Sustainable Operation." In May 2023, the Board of Directors officially approved the establishment of the "Sustainable Development Committee." The committee, led by the Chief Sustainability Officer, is responsible for developing and promoting sustainability-related initiatives, regularly monitoring progress towards goals, and implementing carbon reduction plans to ensure the Company's sustainable development.



Shihlin Electric & Engineering Corp.
Chairman

Emmet Hsu

Chapter

7 Sustainable Operation

★ Annual Performance

2023 Golden ESG Achievement

SEEC Recognized with the Award

Silver Award EPS 4.51

TCSA Taiwan Corporate Sustainability Award in the Electronic Information Manufacturing Industry

Return on Equity of 8.0% in 2023

31,807 million

Consolidated Revenue of a 3.41% Increase Compared to 2022

2,460 million

Net Profit After Tax, a 15.9% Increase Compared To 2022

8 DECENT WORK AND ECONOMIC GROWTH



- Commit to investing in new products and new markets to generate revenue performance.
- Form strategic alliances with business partners to capture the electric motorcycle and charging industries.
- Promote digital transformation and develop digital and intelligent products (AIOT, MES, e-Factory).

Key Stakeholders



Employees



Customers



Shareholders/
Investors



Business
Partners



Financial
Institutions



Community



Government
Agencies

1.1 About SEEC

SEEC, founded in 1955, has nearly 70 years of history as a prominent heavy electrical enterprise in Taiwan. With a solid foundation and exceptional technology, SEEC has evolved alongside Taiwan's economic growth and industry trends, steadily expanding its market size. In response to the global push for net-zero carbon emissions and government-driven energy policies, the Company has transformed from a traditional supplier of electrical equipment and automotive parts to an EPC (Engineering, Procurement, and Construction) contractor, system supplier, and provider of green energy-related products. This transformation aims to support enterprises in achieving sustainable operations amidst the wave of climate change.

SEEC continuously improves products quality and service standards, offering a comprehensive product line widely used in various industries and fields, including steel, metallurgy, chemical, power, electronics, construction, public works, automotive components, and household appliances. Upholding a commitment to quality, SEEC continually enhances its offerings. From power system planning, complete sets of equipment, low-voltage electrical appliances to industrial control products, it provides comprehensive Total Solution to meet customer needs for products and services. Through strategic alliances with major international companies, SEEC strengthens its core competitiveness, striving for excellence and solidifying its capability to compete in the global market. With outstanding in-house manufacturing technology as its competitive advantage, SEEC collaborates with Japanese partners such as Mitsubishi Electric and Mitsubishi Electric, leveraging their R&D design and resource strengths to jointly advance product development and core manufacturing capabilities, creating new business opportunities together.

The headquarters of SEEC are located in Taipei, Taiwan, with operational sites spread across the globe. Upholding the philosophy of sustainable operation, SEEC has long focused on climate change issues, formulating long-term strategies and goals for energy conservation and carbon reduction. Through the promotion and implementation of corporate sustainable development, SEEC aims to make concrete contributions to the economy, environment, and society.

1955

士林電機 Shihlin
Electric



Basic Information Table

Date of Establishment	November 03, 1955
Chairman	Emmet Hsu
Ownership and Legal Form	Listed Company (Stock code 1503)
Paid-up Capital	NT\$ 5.2 billion
Consolidated Revenue	NT\$ 31,807 million
Total Number of Employees	3,925 people (2,135 in Taiwan, 1,790 overseas)



Operating Base

Taiwan <ul style="list-style-type: none"> ● Automobile Equipment Business Group ● Heavy Electric Business Group ● Breaker & Switchgear Business Group ● Automation Business Group 	<ul style="list-style-type: none"> ● Taipei Head Office ● Taipei Branch ● Hsinchu Branch (Heavy Electric Business Group) ● Hsinchu Branch (Breaker & Switchgear / Automation Business Group) ● Taichung Branch 	<ul style="list-style-type: none"> ● Tainan Branch (Heavy Electric / Breaker & Switchgear Business Group) ● Tainan Branch (Automation Business Group) ● Tainan Branch (System Engineering Integration Division) ● Kaohsiung Branch
China <ul style="list-style-type: none"> ● Changzhou Shihlin Auto Parts Co., Ltd. ● Changzhou Mitsubishi Electric Shihlin Automotive Co., Ltd. ● Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd. ● Wuxi Shihlin Electric & Engineering Co., Ltd. ● Mitsuba Shihlin Electric (Wuhan) Co., Ltd. ● Xiamen Shihlin Electric & Engineering Co., Ltd. ● Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd. ● Shihlin Electric (Suzhou) Power Equipment Co., Ltd. ● Suzhou Shihlin Electric & Engineering Co., Ltd. ● Shihlin Technology (Shenzhen) Co., Ltd. 	<ul style="list-style-type: none"> ● Shenzhen Branch ● Xiamen Branch ● Shanghai Branch ● Qingdao Branch ● Beijing Branch 	<ul style="list-style-type: none"> ● Changchun Office ● Shenyang Office ● Jinan Office ● Suzhou Office ● Wuxi Office ● Changzhou Office ● Yangzhou Office ● Hangzhou Office ● Fuzhou Office ● Quanzhou Office ● Guangzhou Office ● Zhongshan Office ● Dongguan Office
Vietnam <ul style="list-style-type: none"> ● Vietnam Shihlin Electrical Engineering Co., Ltd. ● Shihlin Electric Engineering Equipment Vietnam Co., Limited 		

U.S.A. ● Shihlin Electric USA Company Limited

Philippines ● Philippines Office

Participating Organizations

The Company participates in activities of external organizations such as the Taiwan Electrical and Electronic Manufacturers' Association, the Taiwan Automation Intelligence and Robotics Association, and the Taiwan Association of Machinery Industry, among various other associations, guilds, and NGOs. By doing so, we contribute to the promotion of industrial and economic exchanges domestically and internationally, aiming to become a driving force for the advancement of Taiwan's industries. Chairman Mr. Emmet Hsu is actively involved in promoting economic and cultural exchanges between Taiwan and other countries. In his commitment to corporate sustainable development, he advocates for and promotes environmental protection and sustainable resource management as an indispensable duty. Additionally, he serves as a supervisor of the Chinese National Association of Industry and Commerce (CNAIC), where he actively urges the association to act as a communication platform between the government and the business sector. He integrates the opinions of the business community and provides advice to the government on financial, environmental, and social matters.

Participate in External Organization Associations

Taiwan Automobile Industry Association

Locomotive Research and Development Association of the Republic of China

Accounting Research and Development Foundation of the Republic of China

Taiwan Telecommunications Engineering Industry Association

Import and Export Commercial Association of Taipei City

Taiwan Automotive Electronics Industry Alliance

Offering Company Shareholders Association of the R.O.C.

Association of Outstanding Enterprise Managers of the Republic of China

Taipei Parking Lot Commercial Association

Taiwan Electrical Engineering Industry Association

Taiwan Optoelectronic Semiconductor Industry Association (TOSIA)

East Asia Economic Association of the Republic of China

Taiwan Photovoltaic Industry System Association

Taiwan Electric Power Association

Taiwan Rail Vehicle Industry Development Association

High Efficiency Motor Alliance

Industrial Safety and Health Association of the Republic of China

Taiwan Electronic Equipment Association

Taiwan Electric Power and Energy Engineering Association

Information Managers Association of the Republic of China

Taiwan Energy Saving PATROL

Chinese Human Resources Management Association

National Cheng Kung University Motor Center Motor Intelligence Alliance

Taipei Metrology & Measurement Association

Internal Audit Association of the Republic of China

The Chinese Institute of Electrical Engineering

GS1 Taiwan

The Taiwan Photovoltaic Industry Association (TPVIA)

Taiwan Printed Circuit Association (TPCA)

Taiwan Intelligent Building Association (TIBA)

ROC-USA Business Council

Chinese Society for Quality (CSQ)

The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)

Taiwan Motor Industry Association

The Third Wednesday Club (San San Fe)

CNS Certification Mark Association, R.O.C. (CCA)

Taiwan Mold & Die Industry Association

Taiwan Electrical and Electronic Manufacturers Association

Taiwan Power Electronics Association

Taiwan Association of Machinery Industry (TAMI)

General Association of Chinese Culture (GACC)

China Credit Information Service, Ltd.

Taiwan Wind Turbine Industry Association (TWTIA)

The Chinese National Association of Industry and Commerce, Taiwan (CNAIC)

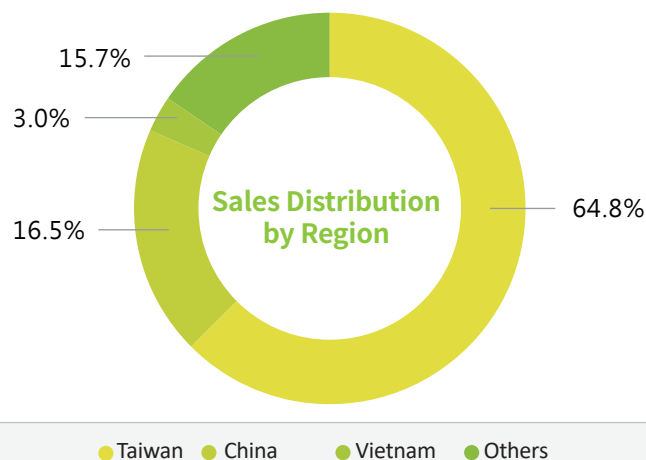
Taiwan Automation Intelligence and Robotics Association (TAIROA)

Primary Products and Services

Comprehensive Solutions Integrator

The Company comprises four major business groups: Heavy Electrical Business Group, Automotive Electrical Components Business Group, Machinery Business Group, and Automation Business Group. Our main products include heavy electrical equipment, automotive electrical components, low-voltage switches, industrial control products, integrated engineering equipment, and digital home appliances (distribution).

The primary sales regions for the Company's heavy electrical products are the Americas, ASEAN countries, domestic public and private enterprises, the green energy market, and Taipower. The main sales regions for switch products are Southeast Asia, China, the Middle East, and domestic sales in Taiwan. For automation products (including components and integrated engineering equipment), the main sales regions are domestic sales in Taiwan, exports to China, and Asia. The primary sales regions for automotive electrical components are domestic sales in Taiwan, and exports to China, Southeast Asia, Europe, and the Americas. Overall, the sales distribution for SEEC in 2023 by region is shown in the accompanying chart.



Note: Others including the United States, Canada, the Philippines, and the European Union

Established	1955	1965	1973	1984
	Heavy Electrical Business	Automobile Equipment Business	Breaker & Switchgear Business	Automation Business
Primary Business	<ul style="list-style-type: none"> Overall management of research and development, manufacturing, and production of transformers, distribution equipment, and capacitors. Overall management of sales for transformers, distribution equipment, and capacitors. Overall management of turnkey projects and system engineering for transformers. 	<ul style="list-style-type: none"> Overall management of research, development, manufacturing, and sales of automotive electrical components and special motor products domestically and internationally. 	<ul style="list-style-type: none"> Overall management of research, development, and manufacturing of fuseless circuit breakers and electromagnetic switches. Overall management of sales for fuseless circuit breakers, electromagnetic switches, and related products. Overall management of sales for digital and security industry products. 	<ul style="list-style-type: none"> Oversee the research, development, manufacturing, and sales of products including Programmable Logic Controllers (PLC), touch screens, variable frequency drives (VFD), and servo motors. Manage CIM connectivity integration projects for production machinery, electrical control system engineering, monitoring system engineering, and related equipment products, including installation and construction.
Main Products (Green Energy related)	<ul style="list-style-type: none"> Power Transformers Cast Resin Transformers Oil-immersed Transformers High and Low Voltage Capacitors Distribution Panels Current Transformers / Potential Transformers Turnkey Projects New Energy Business (Solar Energy / Energy Storage / Wind Power) 	<ul style="list-style-type: none"> Automotive Electrical Components Motorcycle Electrical Components Special Motors Automotive Electronics Products EV Power Systems Charging Pile 	<ul style="list-style-type: none"> Fuseless Circuit Breaker Residual Current Circuit Breaker (RCCB) Air Circuit Breaker (ACB) Vacuum Circuit Breaker (VCB) Electromagnetic Switch Wall Switch Residual Current Device (RCD) Motor Protection Switch Power Automatic Transfer Switch Smart and Energy-saving Switch AC & DC High Voltage Switch 	<ul style="list-style-type: none"> Variable Frequency Drives (VFD) Servo Drive Systems Small Programmable Logic Controllers (PLC) Large Programmable Logic Controllers (PLC) System Integration Engineering

Heavy Electrical Business Group

Since the transition from state-owned to private enterprise in 1955, SEEC has been manufacturing transformer products. With decades of accumulated experience and proactive research and development efforts, the Company has produced Taiwan's highest-grade 345kV 1260MVA ultra-high voltage transformers used in nuclear power plants. In 2017, it also passed the KEMA 242kV 200MVA short-circuit and type tests. In addition to supplying Taiwan Power Company and major private customers domestically, these products are distributed globally through SEEC's international marketing network, reaching countries such as the United States, Canada, Australia, the Philippines, and ASEAN nations, with outstanding performance records.

In recent years, SEEC has actively engaged in public works integration projects in the power system sector, including the Taipower Wansong Substation Project, railway electrification South Link Project, and EMU500 Electric Multiple Unit Project. These initiatives have earned us government awards for excellence in public engineering, underscoring our recognition for technical expertise and project quality. Our company emphasizes quality and was one of the first to achieve TAF certification. The Company has also developed surge-resistant and non-crystalline transformers (SK TR) to meet diverse load requirements. The primary sales regions include Taiwan, followed by the Philippines and North America.

Product Applications

Production of the highest-grade 345kV 1260MVA nuclear-grade ultra-high voltage transformers, a full range of transformers and distribution equipment for large power plants, technology giants, department stores, high-rise buildings, luxury homes, and public infrastructure, playing a crucial role in transmission and distribution systems.

Automobile Equipment Business Group

The Electrical Equipment Business Group, established in 1965, specializes in the research, development, manufacturing, and sales of automotive and motorcycle electrical equipment and DC motors. With high-quality products marketed both domestically and internationally, the Group has earned significant customer recognition. To enhance the products' global competitiveness, the Group continuously strive to strengthen quality, cost-effectiveness, delivery times, development processes, management, and service. The Group is committed to building a solid foundation in developmental technology and core manufacturing capabilities. The Group has formed strategic alliances with several major Japanese technology companies, collaborating not only on product technology but also on overseas joint ventures and production sharing. This approach allows the Group to jointly expand into overseas markets, creating win-win strategic partnerships. The primary sales regions are Taiwan, followed by North America and Europe. In response to rising environmental awareness, the Group is actively investing in the research, development, and production of EV power systems. The Group is also promoting charging pile business and has formed strategic alliances with the Hotai Motor Group and eTreego Corporation. Together, the Group has jointly invested in establishing the "Charging Ecosystem Technology Services Company" to develop the charging operation business.

Product Applications

- Two-wheel series products: Applied in motorcycles, electric vehicles, and other off-road vehicles (such as jet skis, snowmobiles, ATVs, etc.) for engine starting and power supply.
- Four-wheel series products: Used in automobiles for engine starting and power supply.
- DC motor products: Applied in the control systems of electric wheelchairs and mobility scooters.
- Charging piles: Used for DC charging of motorcycles and DC fast/slow charging of cars, installed in communities, parking lots, and other public areas.

Breaker & Switchgear Business Group

Since 1973, the Breaker & Switchgear Business Group has focused on the research, development, production, and sales of low-voltage switches. As the market leader with the highest market share in Taiwan, the Group has built a solid foundation over decades. The Group is actively expanding into overseas markets, with extensive sales points and distribution networks in Mainland China, ASEAN countries, the Middle East, Central and South America, West Africa, and Western Europe. The Group is steadily and firmly progressing towards the goal of "global deployment."

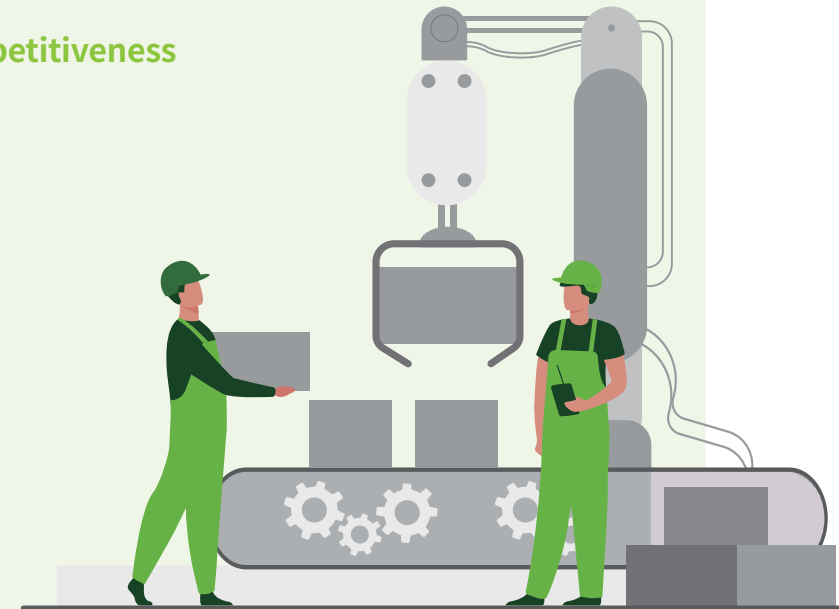
To create a world-class global supply chain and promote high-quality Taiwanese manufactured products worldwide, the Group has established production bases that leverage resources from both sides of the Taiwan Strait. The Group continuously improve the independent development capabilities and accelerate the development of new products and models through precision mold making, automation departments, and an IEC-certified short-circuit testing laboratory. This approach helps us develop core processes that combine quality and efficiency. The products have passed rigorous testing standards with multiple international and local certifications, proving that our product specifications, quality, and performance meet international standards. In pursuit of excellence and to enhance the core competitiveness, the Group has formed strategic alliances with international giants such as Japan's Mitsubishi, Osaki Electric, and America's General Electric for technical cooperation and integration of advantages, jointly entering the international market.

Low Voltage Switchgear Business Group Demonstrates Outstanding Competitiveness

- Shared resources across the Taiwan Strait, providing competitiveness in international markets.
- Products have obtained multiple international certifications such as CCC, KEMA, TUV, cULus, CSA, SIRIM, SNI, etc.
- Competitive advantage in low-cost manufacturing.
- Capability for independent development.
- Comprehensive marketing and distribution system.

Main Product Applications

The low-voltage switches, residual current circuit breakers, and related power distribution equipments produced at the Xin-Feng plant are mainly supplied for power distribution boxes in domestic and international factories, commercial buildings, department stores, residential buildings, luxury homes, and public infrastructure projects. These products serve the purpose of protecting electrical systems and personnel safety.



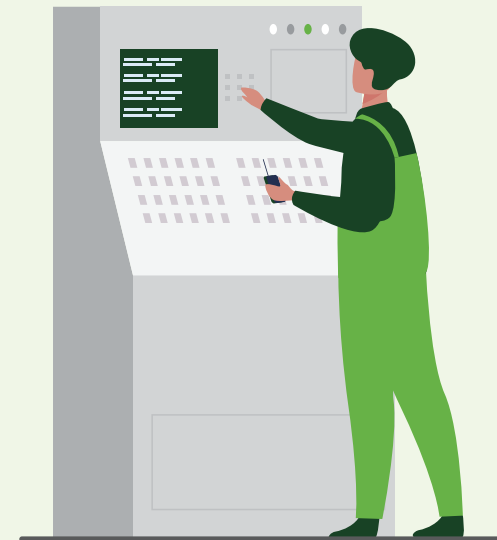
Automation Business Group

The Automation Business Group, established in 1984, focuses on providing customers with a comprehensive range of FA (Factory Automation) industrial control products. In addition to continuously developing proprietary products and representing renowned industrial control brands, the group established the Automation Engineering Integration Business Division in 1996. This division offers automated equipment system integration services, widely applied in industries such as semiconductors, PCB, LED, machine tools, food processing machinery, packaging machinery, energy-saving systems, warehouse logistics, factory automation, material handling equipment, smart manufacturing, and Internet of Things systems, providing customers with Total Solutions. From 2022, leveraging SEEC's cross-domain advantages, the group launched new photovoltaic and energy storage products to align with government new energy policies, contributing to the creation of a comprehensive net-zero carbon emission green environment.

The Automation Business Group and Automation Engineering Integration Business Division have established R&D centers and advanced manufacturing plants across the Taiwan Strait, with global sales points. The main R&D centers and production bases are located in Taiwan and Suzhou, China. Through continuous development of high-efficiency and low-energy consumption products, and actively recruiting high-tech industry elites and management talents, the group aims to provide superior products and services for industrial upgrading and industrial automation. The primary sales regions are Taiwan, followed by China, Japan, and others.

Main Product Applications





- Automation equipment can reduce direct labor costs, streamline production information, improve yield rates, and enhance competitiveness.
- Programmable Logic Controllers (PLCs) are essential control devices in automation and serve as the command system for automated machinery, applicable from single machine control to whole plant automation.
- Inverters are stepless speed change induction motor drivers, suitable for driving components in industrial machinery and machine tools.
- Servo systems feature positioning control, speed control, and torque control functions, suitable for driving components in industrial machinery and machine tools.
- Sensors are detection devices used in conjunction with automated machinery for identification and discrimination.
- Linear motors directly convert input power into linear kinetic energy, differing from traditional torque and rotational kinetic energy. It's analogous to unfolding a traditional motor, with the coil wound into a straight configuration for use.
- PV inverters are devices that convert the direct current generated by solar cell modules into alternating current, with grid connection capability. Inverters refer to current conversion equipment.
- Power Conversion System (PCS) refers to the device in energy storage systems that connects the battery system with transformers and switching equipment. It can perform AC-DC conversion and bidirectional energy conversion between the energy storage system and the grid connection point.



1.2 Business Performances

Business Performance Management Approach

Sustainability Criteria Response: [GRI] 201 Economic Performance

Importance to SEEC	Business performance is one of the most crucial elements of sustainable operations, with significant impact on both internal and external stakeholders. SEEC continuously strengthens product development, sales expansion, and market positioning across all business groups. In recent years, we have made particular breakthroughs and growth in green energy products, electric vehicle markets, robust power grids, and public works sectors, achieving stable and impressive profitability. This not only brings positive benefits to stakeholders but also serves as a key driving force for SEEC in implementing corporate social responsibility.	<div><div>Policy<ul style="list-style-type: none">● Actively seize energy transition opportunities in response to the global "net-zero emissions" trend.● Focus on strategic products with core advantages, expanding domestic and international markets.● Promote digital transformation, striving for sustainable operations.</div><div>Commitment<ul style="list-style-type: none">● Continue to promote environmental sustainability and strengthen corporate governance.● Continuously enhance communication and cooperation with stakeholders.● Maintain uninterrupted operations.</div><div>Responsibility<ul style="list-style-type: none">● The management team is responsible for overseeing operational strategies.● All employees collectively adhere to and achieve goals. The company website features an investor section, stakeholder mailbox, and shareholder service contact line.</div><div>Grievance/Communication Channels<p>The company website features an Investor Relations section, a stakeholder email address, and a shareholder contact hotline.</p></div></div>
Negative Impact (Description) / Remedial Measures	<p>The Company's revenue and profitability continue to grow positively, with no significant negative impacts.</p> <p>If negative impacts occur, SEEC will analyze the causes, implement responsive measures, and develop prevention strategies for individual negative events to achieve loss mitigation.</p>	
Positive Impact (Benefit) Description	SEEC formulates medium and long-term management policies, sets annual KPI performance indicators, regularly reviews and improves them, adjusts strategies dynamically in response to economic environment changes, and ensures effective execution and continuous improvement through pragmatic management. The company shares operational results with employees, shareholders, and other stakeholders.	
Management Evaluation Mechanism	<ul style="list-style-type: none">● Monthly management meetings and weekly meetings are held to review the operational status of each business group, responding and improving to mitigate impacts in real-time.● Track ESG key indicators, hold monthly ESG meetings to review and improve unmet indicators.	

2023 Goals / Goal Achievement Status	Short-term Goals (Within 3 Years)	Medium to Long-term Goals (Over 3 Years)
<ul style="list-style-type: none">● Stable growth in corporate profitability. Achieved● Enhance green energy-related services. Achieved	<ul style="list-style-type: none">● Continuous positive growth in corporate revenue and profitability.● Increase the proportion of revenue from green energy products and services.● Annual average return on equity of at least 7%.	<ul style="list-style-type: none">● Consolidate existing market share, actively expand overseas markets.● Cultivate and recruit talents in engineering, green energy, digitalization, and export.● Continue to develop market opportunities in green electricity/energy storage/energy conservation.

2023 Specific Actions	Performance Results
<ul style="list-style-type: none">● Prepare annual plans and KPIs, review achievement status and areas for improvement.● Monthly management meetings to track performance of each business group.● Weekly meetings for in-depth review and strategy formulation on important management issues for each business group.● Continue to focus on climate change opportunities and risks, strengthening sustainable management policies.● Participate in domestic and international exhibitions to promote company products and brands, with 24 exhibitions attended in 2023.● Fully pursue turnkey projects in green energy/transportation and public works/Taiwan Power Company's robust grid plan.● Promote digital transformation, develop digital and intelligent products (AIOT, MES, e-Factory).	<ul style="list-style-type: none">● Consolidated Revenue of NT\$31,807 million, a 3.41% growth compared to 2022.● Consolidated Net Profit After Tax of NT\$2,460 million, a 15.9% growth compared to 2022.● Return on Equity of 8.0% in 2023, EPS of NT\$4.51.

Operation Policies

01

In response to the global "net-zero emissions" trend, actively seize energy transition opportunities

Fully pursue turnkey projects in green energy/transportation and public works/ Taipower Company's resilience plan

02

03

Focus on strategic products with core advantages, expanding domestic and international markets

Promote digital transformation

04

05

Comprehensive optimization of organization and talent

Strive for sustainable operations (ESG)

06



Financial Performance

In the realm of green energy applications, SEEC has achieved comprehensive deployment with significant results. In 2022, the Company established "Green Power" Company, that consolidates the Group's green energy-related businesses, covering various components, equipment, and turnkey projects. The Company is committed to creating comprehensive green energy system solutions, offering a variety of green energy solutions to meet diverse user needs, actively diversifying our portfolio, and creating sustainable green business opportunities.

In 2023, despite factors such as inflation, the Russia-Ukraine war, and accelerated interest rate hikes leading to monetary tightening, which caused most companies to adopt a conservative outlook, SEEC, as a leading enterprise in the electrical industry, has actively deployed in the green energy sector in recent years. Capitalizing on Taipower's grid resilience plan opportunities, the scope covers fishery-solar symbiosis and ground-mounted solar power plants, government public works, and Taipower's turnkey projects. The revenue continues to reach new heights. Meanwhile the Company is collaborating with supply chain partners to implement environmental protection and social responsibility, jointly practicing the concept of sustainable operations and creating a better future. The Company is dedicated to investing in new products and markets, generating revenue performance. The operational overview of each business unit is as follows:

1. Power Distribution Department

Despite fierce competition in domestic and international power distribution markets, the revenue performance in 2023 was impressive. In addition to aligning with the replacement and upgrade of the domestic power market, the Power Distribution Department continued to deepen its involvement in green energy turnkey projects, with significant gains in substation construction, achieving a market share of nearly 70%. SEEC continues to expand its system engineering business and, in line with government green energy policies, actively invests in solar and wind power systems. The Company have initiated the installation of 12 rooftop solar systems at the Hsinchu plant, with a maximum power generation capacity reaching 15% of the Company's total electricity consumption, completion will proceed gradually starting in 2024. Additionally, the Company is actively expanding into overseas markets such as North America and Southeast Asia. In the distribution market, the domestic housing market is buoyed by factors such as Taiwanese businesses returning and renovations of aging buildings, contributing to favorable market conditions. With our department actively promoting the replacement market, developing and marketing waterproof residual current circuit breakers for street lights, and undertaking school power renovation projects, domestic revenue continues to grow, maintaining the leading market share. In overseas distribution markets, the Company is actively deploying in mainland China and Southeast Asian markets for public and private customers, as well as pursuing opportunities in Saudi Arabia and Bangladesh, resulting in robust export performance. Furthermore, by continuously investing in the research and development of green, intelligent, and miniaturized products, and promoting international product certification, the department remains highly competitive in the face of market challenges.

2. Vehicle Components Department

In 2023, the domestic automobile market grew by 11%, with imported cars growing by 18%, accounting for 48% of the market. The main customers for automotive electrical equipment are domestic car manufacturers. In addition to steadily managing existing markets, electrical equipment manufacturers are actively developing products related to electric vehicles and charging piles. The motorcycle market grew by 19%, with gasoline motorcycles growing by 22% due to competitive promotions from the two major manufacturers, while electric motorcycles declined by 9%. However, the company continues to invest in developing its own EV power systems. Leveraging the design and process capabilities accumulated from producing automotive and motorcycle electrical products and electric motorcycle power systems, we have developed an air-cooled, high-efficiency 8kW power system for electric motorcycles with lower costs, higher reliability, and longer range. This demonstrates innovation in R&D technology and value in the electrification process of gasoline vehicles. Additionally, we actively cooperate with domestic and international automakers in development, enhancing our international reputation and overall competitiveness. In response to future opportunities, the Company continues to invest in energy-saving starter generator (ISG) products and adopt cross-strait division of labor to enhance product competitiveness. The Company is actively expanding into European and American export markets while continuing to deploy in mainland China and Vietnam, aiming to become an important supply chain member for major international automakers.

3. Automation Equipment and Components Department and Others:

The Automation Business Group and Automation Engineering Integration Business Division have established R&D centers and advanced manufacturing plants across the Taiwan Strait, with global sales points. The main R&D centers and production bases are located in Taiwan and Suzhou, China. Through continuous development of high-efficiency and low-energy consumption products, and actively recruiting high-tech industry elites and management talents, we aim to provide better products and services for industrial upgrading and industrial automation. The main sales regions are Taiwan, followed by China, Japan, and others. In other departments, revenue primarily comes from digital product sales and rental income.

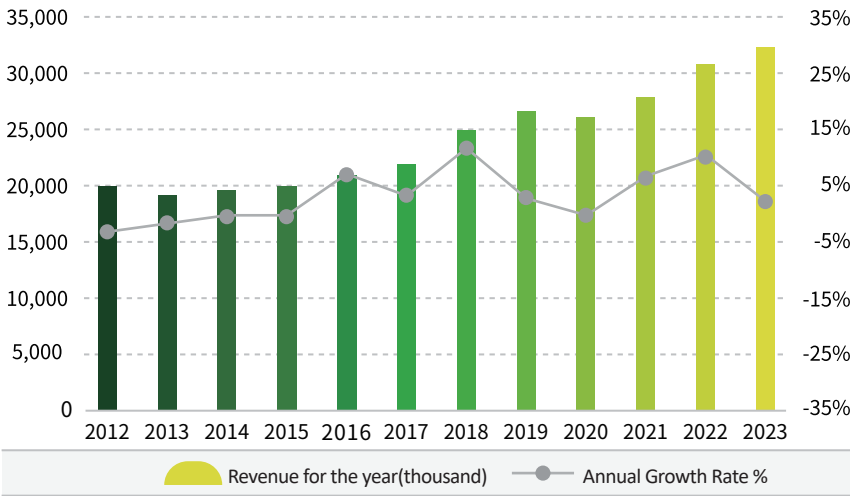
Despite global challenges such as the Russia-Ukraine war, Federal Reserve interest rate hikes, and high inflation, SEEC has successfully responded to external environmental changes with comprehensive strategic deployment and flexible adaptability, achieving steady growth. In 2023, consolidated revenue reached NT\$31.8 billion, a 3.4% increase from the previous year; net profit after tax was NT\$2.46 billion, growing by 15.9% compared to the previous year. This impressive performance not only demonstrates the SEEC's operational strength but also embodies the concept of sustainable management.

Consolidated Economic Performance Statistics for the Past Three Years

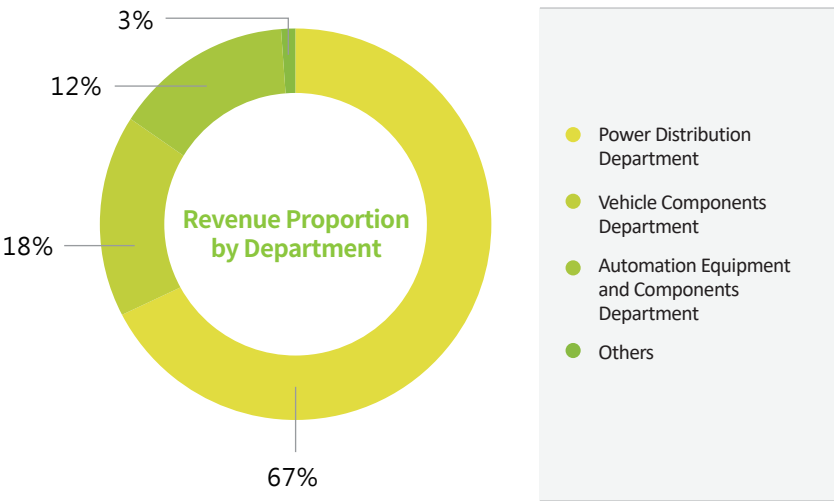
Unit: NTD million

Item /Year	2021	2022	2023
Operating Revenue	27,690	30,758	31,807
Operating Costs	22,702	25,517	26,140
Gross Profit	4,988	5,241	5,668
Operating Profit	1,998	2,255	2,464
Net Profit Before Tax	2,473	2,756	3,114
Net Profit After Tax	1,909	2,122	2,460
Earnings Per Share (Unit: NT\$)	3.46	3.86	4.51
Employee Salary and Benefit Expenses	3,613	3,858	3,944
Shareholder Dividends (NT\$/Share)	1.8	2.0	3.0
Payments to Government (Including Income Tax, Business Tax, etc.)	456	411	662
Social Welfare Expenditure	17.8	16.9	14.5

Financial Performances



Revenue Proportion by Department



〈Three Strong Powers Alliance Forces to Create GOCHABAR〉 Focusing on On-Site Charging Operations

SEEC, Hotai Motor Group, and eTreego Corp. have formed a strategic alliance and partnership to jointly invest in and establish the "GOCHABAR Technology Services Company" (English: GOCHABAR, abbreviated as GCB). The Company officially debuted on February 14, 2023, focusing on intelligent charging services. The newly established "GOCHABAR" will provide charging system technology services in the future, combining local operators' practical experience and overseas resources. The GCB will leverage its patented electric module charging technology to customize solutions for large-scale charging station demands and provide optimal charging solutions, leading the domestic electric vehicle charging industry in competing for international markets.



Strategic Alliance to Seize the Electric Motorcycle Market

SEEC, in collaboration with HCT Logistics and the KYMCO Group, is setting up battery exchange stations to create the largest electric motorcycle logistics and charging system in Taiwan. The 2000th KYMCO battery exchange station is located at HCT Logistics' Luzhou branch. The 8kW electric vehicle intelligent power system, independently developed by the Automobile Equipment Business Group, has been applied to the KYMCO iONEX S series platform. Currently, 9kW and 10kW electric vehicle power systems are under development and will also be supplied to KYMCO, providing the best customized services for KYMCO.

Through the strategic alliance between KYMCO, SEEC under the Yeangder Group, and HCT Logistics, green energy is the core value. By combining the expertise and strengths of both parties, a comprehensive electric vehicle solution that aligns with international trends can be achieved. This collaboration creates a win-win situation and jointly constructs a blueprint for advancing into the international green energy industry.



SEEC's Heavy Electric Business Booms ! Investing NTD 1.2 Billion to Build a New Factory to Meet Future Surging Growth Orders.

SEEC's Heavy Electric Business is experiencing a surge in orders, driven by Taipower's resilient power grid plan, the green energy industry, and Biden's infrastructure plan. To cope with this surge, SEEC is investing NTD 1.2 billion to build a new factory, expanding its large transformer product line. The construction is expected to be completed by the end of 2024, with production commencing in the second quarter of 2025. The new factory will increase annual production capacity by 40%. In addition to the new factory, SEEC will build a new warehouse to meet the demands of Taipower's power grid resilience and the rise of green energy. Moreover, the factories in Vietnam and Suzhou are handling an initial wave of orders to manage the overflow.

Government Financial Subsidies

The financial subsidies of the Company receive from the government primarily come from R&D investment tax credits, smart machinery investment tax credits, and undistributed earnings tax credits. The details of these subsidies over the past three years are as follows:

Detailed Table of Government Financial Subsidies Received

Unit: NTD million			
Year	2021	2022	2023
R&D Investment Tax Credit	24	28	35 ^{Note}
Smart Machinery Investment Tax Credit	5	6	5 ^{Note}
Undistributed Earnings Tax Credit	15	19	23 ^{Note}

Note:

1.The amount has not been finalized yet. It will be updated in future reports once finalized.

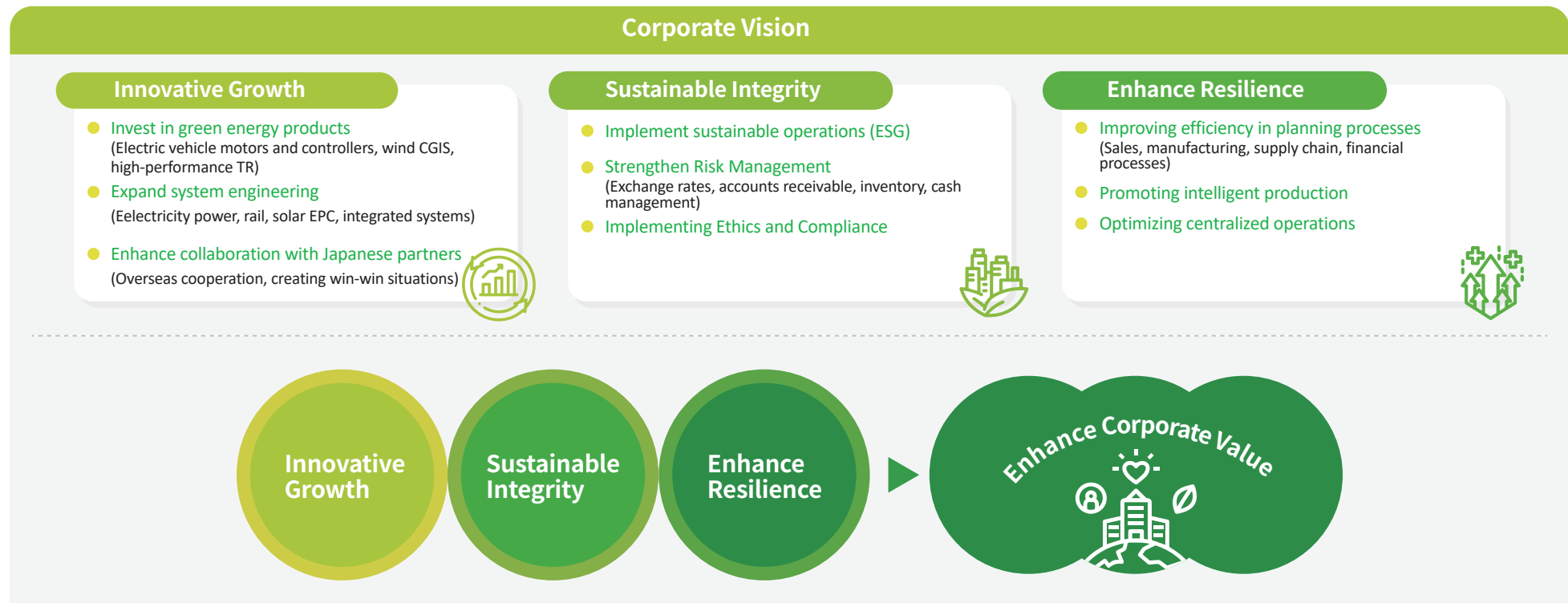
2.Amounts for 2021 and 2022 have been revised to reflect finalized data.

Tax Governance

The Company implements a tax governance policy, ensuring compliance with national tax laws at all production and operational sites. Transactions between these sites follow standard trading principles. Transfer pricing analyses are regularly conducted by professional accounting firms, disclosed through financial reports and other public channels related to corporate sustainability, enhancing transparency of tax information for stakeholders.

The Finance Department is responsible for tax governance within the Company, conducting tax risk assessments for significant transactions and decisions. Following tax regulations, tax incentives, and tax agreements for tax planning, the Company ensuring compliance with tax laws through internal control mechanisms.

1.3 Sustainable Management and Practices



Commitment to Sustainability

With a history spanning nearly 70 years in the electricity power industry, the Company has established a solid foundation. As a leading electromechanical manufacturer in Taiwan, the Company is dedicated to accelerating Taiwan's energy transition. SEEC proactively responds to government policies on net-zero carbon emissions, actively expanding into green energy development. Our goal is to build a comprehensive energy business portfolio, offering holistic green energy solutions to customers and industries. As a leading electrical machinery manufacturing enterprise in the industry, the Company remains committed to the practice of sustainable development. The Company continues to promote technological innovation, energy conservation, carbon reduction, and social welfare activities with the mission of 'Taking from society, Using for society,' aiming to achieve symbiotic prosperity with the broader society."

E

Environmental Protection

- **Energy Conservation and Carbon Reduction:**
The Company is committed to the research and application of energy-saving and carbon reduction technologies to improve energy efficiency and reduce greenhouse gas emissions.
- **Green Products:**
In response to global net-zero carbon policies, the Company is dedicated to developing green products to minimize negative environmental impacts.
- **Energy and Pollution Control Management:**
The Company adheres to environmental regulations and standards, establishing an environmental management system to minimize pollution and environmental degradation



S

Social Participation

- **Employee Welfare and Training:**
The Company values employee welfare and training, providing competitive salary benefits and a comprehensive education and training mechanism to ensure continuous employee growth.
- **Green Supply Chain:**
The Company grows together with suppliers, promoting green concepts to build a sustainable supply chain.
- **Social Responsibility:**
The Company actively engages in philanthropic activities, supporting the development of education, culture, sports, healthcare, and other fields to contribute back to society.



G

Corporate Governance

- **Corporate Governance Structure:**
The Company establishes a robust corporate governance structure to ensure the implementation of sustainable development decisions within the Company.
- **Information Transparency:**
The Company prioritizes stakeholder interaction and feedback to ensure transparency in information, enhancing corporate image and reputation.
- **Risk Management:**
The Company has established a comprehensive risk management mechanism to promptly identify and address potential risks. By reducing the impact of risks, the Company aims to enhance decision-making quality and ensures the stability of company operations.

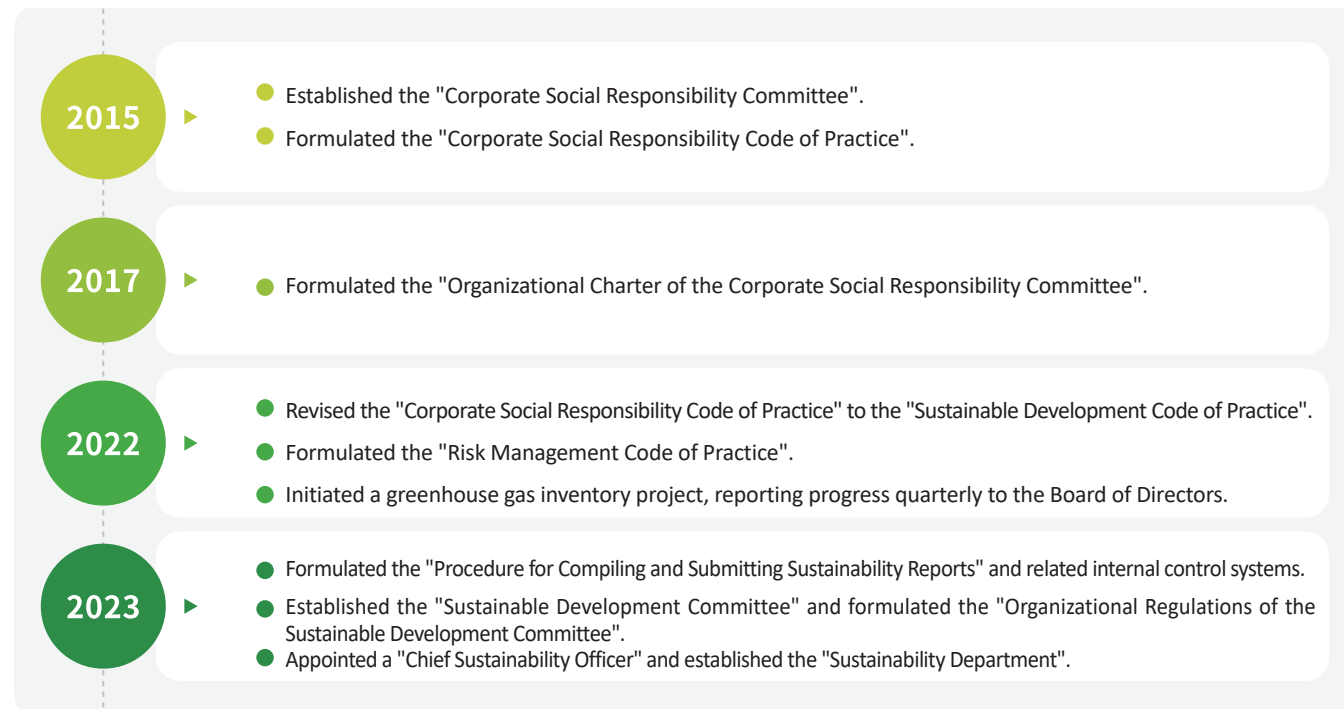


Evolution of Sustainable Governance

SEEC has been committed to the principles of sustainable business operations, guided by values of integrity, steady growth, and sustainable development. In November 2015, the Company established the "Corporate Social Responsibility Committee" and subsequently endorsed the "Corporate Social Responsibility Code of Practice" through board deliberations, initiating our commitment to corporate social responsibility. In June 2017, the Company formulated the "SEEC Corporate Social Responsibility Committee Organizational Charter" to ensure the implementation of corporate social responsibility policies. In May 2022, in accordance with the Taiwan Stock Exchange's announcement amending the "Corporate Sustainability Best Practice Principles for Listed and OTC Companies," the Company renamed the "Corporate Social Responsibility Committee" to the "Sustainable Development Committee," and concurrently adjusted related regulations accordingly.

In March 2023, the Company presented the "Procedures for Compiling and Submitting Sustainability Reports" and related internal control systems to the board of directors to ensure the effective implementation of the sustainability efforts. By May of the same year, the "Sustainable Development Committee" was formally established as a functional committee, authorized by the board under the Sustainability Department, with the appointment of a dedicated Chief Sustainability Officer. This step enhances the promotion and execution of sustainability policies, striving to fulfill corporate social responsibility.

ESG Progression Timeline



Organizational Structure and Operations of the Sustainable Development Committee

The Sustainable Development Committee of the Company is composed of all independent directors. Under the committee's purview is the Sustainability Department, led by Mr. Yang, Tsun-Ching as the Chief Sustainability Officer. It is structured into six working groups aligned with the three pillars of Environmental Protection, Social Participation, and Corporate Governance. These groups collaborate to advance ESG initiatives, reporting regularly to the Board of Directors. The commitment lies in practicing sustainable business operations guided by principles of integrity, steady growth, and sustainable development.

In the fiscal year 2023, the Sustainable Development Committee convened once and presented a total of 8 sustainability proposals across 4 meetings to the Board of Directors. Topics included corporate sustainability plans and goals, strategies for managing climate-related issues, and progress updates on greenhouse gas inventory initiatives. Concurrently, by the end of 2023, the Sustainability Department facilitated the formulation of four sustainability management policies across functional departments in various factory sites: (1) Continuous Operations Management Policy, (2) Energy Management Policy, (3) Greenhouse Gas Management Policy, and (4) Water Resource Management Policy. These policies were endorsed by the Chairman in 2024 and formally approved by the Board in March of the same year.

Organizational Structure of the Sustainable Development Committee



Responsibilities of Committee Members

Committee Tasks

- Establishing corporate sustainable business policies and objectives
- Supervising and executing the short, medium, and long-term goals of corporate sustainability by committee members and task force members

Sustainable Development Office

- Conducting research and improvements on various ESG promotion projects
- Implementing corporate sustainability policies for senior executives

The Affairs Bureau Promotes Task Forces

- Grasping the committee's tasks and initiating PDCA (Plan-Do-Check-Act) cycles
- Regularly reviewing performance execution to ensure continuous improvement activities
- Managing the annual process and timeline for producing sustainability reports
- Monitoring greenhouse gas inventory progress regularly and reporting to the Board of Directors

Functions of the Affairs Bureau Task Forces

Governance

- Sustainable Organizational Strategy
- Operational Risk Management
- Compliance with Laws
- Shareholder Rights Protection
- Internal Audit Management



Employee Care

- Sustainable Organizational Strategy
- Employee Education and Training
- Fair Compensation and Performance Evaluation
- Workplace Health and Safety
- ESG Internal Advocacy



Environmental Sustainability

- Promoting Environmental Sustainability Policies
- Implementing Energy Efficiency and Carbon Reduction Programs
- Waste Management
- Resource utilization and management
- Pollution Emission Management



Social Welfare

- Community Engagement
- Contribution to Public Welfare
- Employee Public Welfare Activities Promotion



Supply Chain Management

- Supplier Evaluation
- Supplier Audit and Risk Management
- Raw Material Traceability Management



Customer Service

- Products Safety and Service
- Handling Customer Complaints
- Customer Relations and Communication
- Customer Satisfaction Survey



Key Points of ESG Issue Reporting to the Board in 2023

Date of Meetings	Report Content
2023/03/09	<ul style="list-style-type: none"> Greenhouse Gas Inventory and Verification Schedule Report
2023/05/11	<ul style="list-style-type: none"> Operational Procedures for Compiling and Verifying Sustainability Reports Drafting of Organizational Regulations for the Sustainable Development Committee Greenhouse Gas Inventory and Verification Schedule Report
2023/08/08	<ul style="list-style-type: none"> 2023 Annual Report on Sustainable Development Implementation Completion and Submission of the "2022 ESG Report" Company's Strategies for Supervising Climate-related Issues Communication Frequency and Status with Stakeholders Greenhouse Gas Inventory and Verification Schedule Report
2023/11/08	<ul style="list-style-type: none"> Donation to the "Memorial Foundation of Mr. Ching-Teh Hsu" Greenhouse Gas Inventory and Verification Schedule Report

1.4 Stakeholder Engagement


The Company values stakeholder communication, recognizing the significant role each stakeholder plays in achieving organizational objectives. By engaging with stakeholders' feedback, it helps to paint a clear vision and identify the various roles. The company should assume across different levels to promote sustainable strategies and create shared value. Through stakeholder engagement, it filters out key topics with risks, opportunities, and significant impacts, allowing management to allocate resources effectively under constraints, and to plan short, medium, and long-term sustainable development strategies while transparently disclosing both positive and negative information.




[See the Stakeholder Engagement Survey for Details.](#)




Identification and Communication with Stakeholders

The Company references the AA1000 Stakeholder Engagement Standards (SES), specifically the five principles of Relevance, Accountability, Influence, Diversity of Perspectives, and Tension to identify stakeholders who have significant impact on SEEC. Simultaneously, the Company adheres to the stakeholder definitions outlined in the GRI Standards (2021). The Company assesses individuals or groups potentially affected by each sustainability issue and categorize the stakeholder groups for 2023 based on their level of impact. These groups include: employees, customers, shareholders/investors, business partners (suppliers, distributors, contractors, etc.), financial institutions, communities (non-governmental organizations, non-profits, vulnerable groups), and government agencies. The Company engages with these stakeholders through diverse channels to understand their expectations.

To ensure the implementation and achievement of key issues, the Company's ESG Report Preparation Team holds regular project meetings, consolidates stakeholder engagement results from various departments, and sustainability discussion recommendations. Annually, these are reported and confirmed to the board of directors. The communication status with stakeholders in 2022 was reported to the board on August 8, 2023.

Stakeholders	Meaning to SEEC	Main Focus Topic	Communication Methods and Frequencies	2023 Key Topics/Concerns and Actions
 <div>Employee</div>	<p>Employees are the cornerstone of the company's success, as their professional skills, knowledge, and attitudes determine the company's operational capabilities and growth potential. SEEC prioritize talent training, motivation, and welfare to ensure the Company's sustained development and success.</p>	<ul style="list-style-type: none"> Labor Management Training and Education Operational Performance Occupational Health and Safety Talent Development and Retention 	<ul style="list-style-type: none"> Labor-Management Meetings / Quarterly New Hires and Senior Executive Roundtables / Biannually Union Meetings / Every 2 months Occupational Health and Safety Committee / Quarterly Employee Welfare Committee / Quarterly Management Roundtables at Various Levels / Irregular SEEC Bi-monthly Magazine / Every 2 months HR Service Inbox, Grievance System / Immediate 	<ul style="list-style-type: none"> Labor-Management Meetings / 4 times New Hire and Senior Executive Roundtables / 2 times Union Meetings / 6 times Occupational Safety and Health Committee Meetings / 4 times Employee Welfare Committee Meetings / 4 times

Stakeholders	Meaning to SEEC	Main Focus Topic	Communication Methods and Frequencies	2023 Key Topics/Concerns and Actions
 Customers	Customer demands and market trends constantly drive businesses to innovate. SEEC is committed to delivering high-quality products to its customers. Through diverse channels, the Company seeks to understand the customer expectations of SEEC's products, aiming to better align our products/services with their needs	<ul style="list-style-type: none"> ● Innovation and research development ● Information security and management ● Business performance ● Integrity in operations ● Regulatory compliance ● Energy and emissions 	<ul style="list-style-type: none"> ● Customer audits at the factory / Irregularly scheduled ● Customer visits / Irregularly scheduled ● Promotion events / Irregularly scheduled ● Domestic and international exhibitions / Irregularly scheduled ● Customer satisfaction surveys / Annually ● Participation in overseas customer-supplier conferences / Twice a year ● Video and telephone conferences / Irregularly scheduled ● Customer service hotline and after-sales service hotline / Immediate response ● Official website, media / Updated as needed (APPs, product discs, catalogs, FB fan page, LINE platform) 	<ul style="list-style-type: none"> ● Customer factory audits / 34 times ● Customer visits / 99 times ● Promotional events / 27 times ● Domestic and international exhibitions / 24 times ● Average customer satisfaction rating / 4.39 ● Social media communication / Official website, LinkedIn, Facebook, IG, Youtube, Southeast Asian e-commerce platforms (Shopee, LAZADA, etc.), providing real-time information sharing
 Shareholders/ Investors	Shareholders' alignment with the Company is a critical force supporting sustainable operations and long-term development. SEEC is committed to maintaining open communication with shareholders and incorporating their valuable insights into our corporate strategies and policies. This helps ensure that the Company's development direction continues to receive shareholder endorsement, thereby establishing a solid foundation for sustainable and steady business operations.	<ul style="list-style-type: none"> ● Operational performance ● Integrity in business operations ● Risk management ● Innovative research and development ● Compliance with regulations ● Adaptation to climate change 	<ul style="list-style-type: none"> ● Shareholders' meeting / once a year ● Corporate briefing / at least once a year ● Shareholders' Annual Report / once a year ● Public Information Observation Platform / real-time ● Investor section of company website / real-time 	<ul style="list-style-type: none"> ● The shareholders' meeting was held on June 21, 2023. ● The corporate briefing was held on October 19, 2023. ● Revenue, financial reports, and significant information were disclosed on the Public Information Observation Platform. ● This year's EPS was NTS 4.51, with total revenue of NT\$ 31.807 billion.
 Business Partners	Business partners include suppliers, distributors, outsourcing companies, and collaborators, all essential components of the sales channels and supply chain. They are integral to SEEC's ecosystem, contributing to mutual prosperity and success.	<ul style="list-style-type: none"> ● Innovative research and development ● Operational performance ● Marketing and branding ● Procurement practices ● Integrity in business operations ● Adaptation to climate change ● Sustainable supply chain management 	<ul style="list-style-type: none"> ● New supplier evaluation / irregular ● Annual supplier assessment / once a year ● Supplier evaluation and guidance / irregular ● Supplier guidance / as needed ● Distributor meetings and training / irregular ● Electrician technician seminars / irregular ● SEEC Supply Chain Alliance Conference / once a year ● Supplier enhancement training / once a year 	<ul style="list-style-type: none"> ● New supplier evaluation / 20 suppliers, 100% pass rate ● Annual supplier assessment / 31 suppliers, 100% pass rate ● Irregular supplier evaluation and guidance / 62 suppliers, 88 sessions ● Distributor meetings and education training / 3 sessions ● Electrician technician seminar / 1 session ● Supply Chain Alliance Conference / 1 event, with participation from 76 key manufacturers ● Supply chain enhancement training / 2 sessions

Stakeholders	Meaning to SEEC	Main Focus Topic	Communication Methods and Frequencies	2023 Key Topics/Concerns and Actions
<div><div>Financial Institutions</div></div>	Financial institutions provide funding support, risk management tools, and services to businesses, helping SEEC expand operations, reduce financial risks, and enhance cash flow efficiency, thereby achieving sustainable and robust development.	<ul style="list-style-type: none">● Operational performance● Product quality and safety● Risk management● Innovative research and development● Compliance with regulations● Climate change adaptation	<ul style="list-style-type: none">● Corporate briefing / at least once a year● Business interview meetings / irregular● Financial institution seminars / irregular	<ul style="list-style-type: none">● Corporate briefing was held on October 19, 2023.● Participate in bank corporate interviews/seminars/forums, totaling 3 times.● Participated in E.SUN Bank's 2023 Sustainability Initiative activities.● Attended advocacy meetings hosted by the Stock Exchange, totaling 3 times and 13 person-hours.● Completed questionnaires for the Stock Exchange, totaling 24 times.
<div><div>Community</div></div>	By focusing on community needs and interests, minimizing negative impacts wherever possible, and actively promoting community development and prosperity, SEEC aims to foster strong relationships with the community. This approach helps build a positive corporate image and enhances sustainable competitiveness.	<ul style="list-style-type: none">● Corporate governance● Regulatory compliance● Workplace health and safety● Community involvement	<ul style="list-style-type: none">● Industrial zone service center / irregular● Industrial zone regional joint defense / once per quarter● Volunteer activities and charity events / irregular● Local cultural and art events / irregular● Telephone and complaint hotline / real-time● Company website communication inbox / real-time	<ul style="list-style-type: none">● Industrial zone regional joint defense / 4 times● Street cleaning / 4 times● Sponsored Taipei City's community events and festivities in Lanxing Li, Zhongcheng Li, and Dexiong Li neighborhoods.● Long-term adoption and care for the trees, sidewalks along Section 6 of Zhongshan North Road and Dexiong West Road, the Robot Square, and Dexiong Park in Shilin District. Approximately NT\$ 280,000 spent on flower and grass trimming, as well as cleaning and maintenance in 2023.● Repair of the sidewalk tiles in Dexiong Park.● Participated in sponsoring the Family Support Center's "Children's Dream Project."● Expenditure on charity activities / NT\$ 14,491,000.
<div><div>Governments</div></div>	Government agencies formulate laws and regulations that affect enterprises, oversee compliance, and provide guidance and recommendations on environmental protection, energy and resource usage, labor rights, and other aspects crucial for the sustainable operation of the company.	<ul style="list-style-type: none">● Regulatory compliance● Corporate governance● Risk management● Labor relations● Energy and environmental management	<ul style="list-style-type: none">● Government agency meetings and training sessions / irregular● Correspondence with government offices / irregular	<ul style="list-style-type: none">● Processed and signed off on 1,359 incoming documents according to procedures.● Corporate governance evaluation ranked between 36% to 50%.● Participated in 3 stock affairs networking meetings.● Addressed compliance violations by promptly making improvements and paying fines as required.● Participated in 59.5 person-hours of training courses organized by the Ministry of Labor.● Attended occupational safety education and training sessions organized by local government labor bureaus, totaling 6.5 person-hours.

1.5 Identification and Management of Significant Issues

Materiality Analysis Process

The Company annually adjusts its significant issue identification and management framework based on the latest GRI guidelines to identify major sustainability issues. These issues are not only used for compiling reports but also serve as the basis for developing long-term sustainability goals and strategies. In 2023, SEEC continues to adhere to the latest GRI guidelines, specifically the GRI 3 Major Topics 2021 Disclosure Principles. The evaluation process focuses on assessing the "actual or potential positive and negative impacts on external economic, environmental, and societal factors (including human rights)" and "actual or potential positive and negative impacts on SEEC's sustainable operations." This approach aligns with the principles of double materiality, aiming to better understand the substantial impacts the company creates externally and internally during its operational processes.

STEP 1 Compilation of Sustainability Issues

Firstly, compile sustainability issues that may impact the company's sustainable operations (risk, opportunity factors) and stakeholder concerns (including regulatory requirements). This compilation references sustainability standards and norms (GRI, SASB, TCFD), United Nations Sustainable Development Goals (SDGs), ESG rating agencies (MSCI), procedures for listed companies to prepare and disclose sustainability reports, stakeholder concerns, industry-specific regulations and standards, and recommendations from sustainability consultants. Finally, consolidate 22 sustainability issues relevant to SEEC.

STEP 2 Focus on Sustainability Issues

To enhance the discernment of significant assessment, this year, following the compilation of sustainability issues, the ESG Report Preparation Team referenced previous year's significant issues, stakeholder surveys, recommendations from sustainability consultants, and other sources. They preliminarily selected 16 sustainability issues that are relatively important or relevant for significant assessment.

Sustainable Issues Collection

GRI

31 Sustainability Topics

SASB

12 Accounting Metrics for the Electrical Equipment Industry

TCFD

Climate-related financial disclosures

SDGs

United Nations Sustainable Development Goals

Regulatory Requirements

Operational procedures for listed companies to prepare and disclose sustainability reports

Stakeholder Concerns

Issues of stakeholder interest, including topics regularly monitored and recommendations from sustainability advisors

Industry Trends

Industry norms and benchmarks from peers and leading enterprises

E

- Product Lifecycle Management
- Water Resources
- Energy and Emissions
- Air Pollution
- Waste Management
- Biodiversity
- Raw Materials
- Climate Change Risk Response

S

- Talent Development and Retention
- Employee Diversity and Equal Opportunities
- Employee Rights and Welfare
- Occupational Safety and Health
- Product Quality and Safety
- Information Security and Management
- Social Engagement

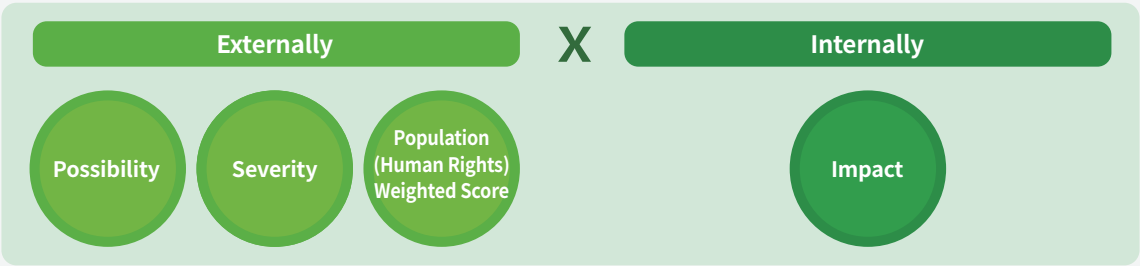
G

- Economic Performance
- Integrity Operation
- Clean Technology Opportunities
- Innovation and R&D Patents
- Taxation
- Sustainable Supply Chain Management
- Employment Market

Note: 「●」 Sustainability issues are considered general disclosure indicators, only revealed in the relevant sections of the report and do not require a separate response to the management approach.

STEP 3
Assessment of Sustainability Impacts

The Company follows the GRI 3 Major Topics 2021 Disclosure Principles to sequentially assess the internal and external impacts of the 16 preliminary focused sustainability issues. Here's an explanation of the assessment approach.

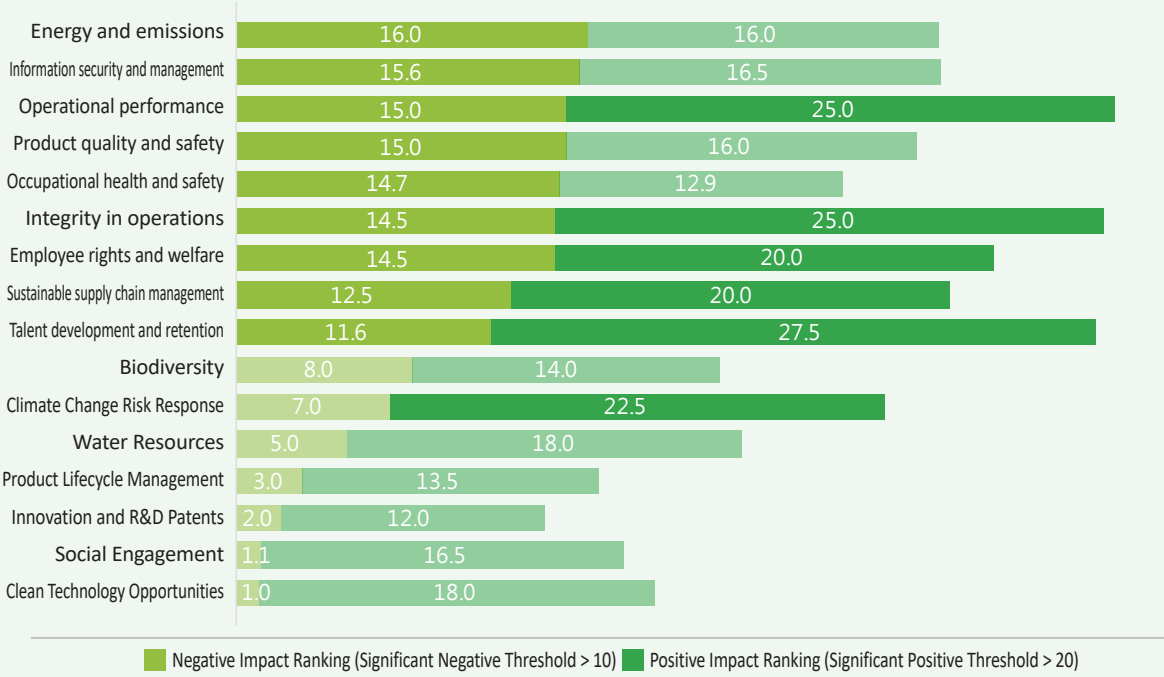


Note:
1.Positive and negative impact scores range from 1 to 5 points.
2.External probability and severity do not consider vulnerability (current prevention/remedy/mitigation measures); only internal considerations are taken into account.
3.Expected occurrence time: Short-term within 3 years; Medium-term 3-5 years; Long-term 5 years or more.

STEP 4
Significance Ranking of Sustainability Issues

Based on the impact assessment of 16 sustainability issues, both internal and external, positive and negative impacts are ranked and respective thresholds are set as criteria for selecting significant sustainability issues. Positive impact rankings include talent development and retention, operational performance, integrity management, climate change resilience, employee rights and welfare, and sustainable supply chain management. Negative impact rankings include energy and emissions, information security and management, operational performance, product quality and safety, occupational health and safety, integrity management, employee rights and welfare, sustainable supply chain management, and talent development and retention.

Significance Ranking of Sustainability Issues



STEP 5 Selection of Significant Sustainability Issues

After completing the significance ranking of sustainability issues, a kickoff meeting for the ESG report was held where the Sustainability Development Committee, department heads, Chief Sustainability Officer, and sustainability consultants discussed and confirmed the ranking results. This year, sustainability issues exceeding the threshold were prioritized, including energy and emissions, information security and management, operational performance, product quality and safety, occupational health and safety, integrity in operations, employee rights and welfare, sustainable supply chain management, talent development and retention, and climate change resilience—totaling 10 issues. Specifically, "Integrity in Operations," "Sustainable Supply Chain Management," and "Climate Change Resilience" were elevated to significant sustainability issues this year. Additionally, "Innovation in Research and Development with Patents" and "Clean Technology Opportunities," while not meeting the significance threshold, are integral to SEEC's long-term commitment to developing comprehensive green energy solutions. These areas continue to be included in the significant sustainability issues following discussions at the meeting. In summary, a total of 12 priority reporting items have been selected. These have been approved by Mr. Shih, Chin-Yi, Vice President and Chief Governance Officer, leading the ESG Report Preparation Team, to address SEEC's management policies and undergo regular review and adjustment throughout the year.

Sustainability Impact Assessment Matrix Diagram



- Social Engagement Aspect
- Environmental Conservation Aspect
- Corporate Governance Aspect

Note: The significant changes from the previous year's major sustainability issues are as follows: "Regulatory Compliance," "Corporate Governance," and "Risk Management" are categorized as basic disclosure items in STEP 01 sustainability issue consolidation and will be disclosed in the report regardless of their significance. "Product Lifecycle Management" and "Social Engagement" have been downgraded to minor issues due to both positive and negative impact scores not meeting the significance threshold. "Information Security and Management," "Integrity in Operations," "Sustainable Supply Chain Management," and "Climate Change Risk Response" have been elevated to major sustainability issues for the current year.

List of Major Sustainability Issues and Responses

Major Sustainability Issues	Major Ranking (Note 1)	Alignment with Sustainability Standards	Potential stakeholders affected							Goal of 2023	Achievement Status	Short term goal (Within 3 years)	Mid-long term goal (Longer than 3 years)	Respond to Chapter/ Management Approach
			Employees	Customers	Shareholders/Investors	Business partners	Financial institutions	Community	Government agencies					
Energy and Emissions	1 ▲	<div>GRI</div> 302 Energy(302-1, 302-3, 302-4) 305 Emissions(305-1,305-2, 305-4, 305-5) <div>SASB</div> Energy Management		○	○			○	○	<ul style="list-style-type: none">● Greenhouse gas reduction● Development of green energy	<ul style="list-style-type: none">● Greenhouse gas intensity decreased by 8% compared to the base year (2022)● Renewable energy plan 32% completed	<ul style="list-style-type: none">● Reduce greenhouse gas emission intensity by 20%● Increase solar power generation capacity to 3.5MW	<ul style="list-style-type: none">● Reduce greenhouse gas emission intensity by 36%● Increase solar power generation capacity to 5.1MW● 15% green electricity	4.2 Energy and Greenhouse Gas Management Climate Change Management Approach
Information Security and Management	2 +	<div>GRI</div> 418 Customer Privacy (418-1)	○	○	○	○	○		○	<ul style="list-style-type: none">● Information security management process for the automation business group● Complete information system backup mechanism	<ul style="list-style-type: none">● Implemented● Implemented	<ul style="list-style-type: none">● Each business group implements information security management processes● Obtain ISO 27001 certification for important core systems	<ul style="list-style-type: none">● Continue to implement and promote information security protection measures	2.4 Information Security Protection Information Security Protection Management Approach
Operational Performance	3 ▲	<div>GRI</div> 201 Economic Performance (201-1, 201-4)	○	○	○	○	○		○	<ul style="list-style-type: none">● Profit growth● Green energy services	<ul style="list-style-type: none">● Revenue growth of 3.41%● Continuous increase in the revenue share of green energy products.	<ul style="list-style-type: none">● Improve product quality expand● Pursue high return on equity	<ul style="list-style-type: none">● Consolidate market share, Expand overseas Market● Cultivate talent● Continue to develop market opportunities in green electricity/energy storage/energy saving	1.2 Operational Performance Operational Performance Management Approach
Product Quality and Safety	4 ▼	<div>GRI</div> 416 Customer Health and Safety (416-1, 416-2) 417 Marketing and Labeling (417-1~417-3) <div>SASB</div> Product Safety, Product Lifecycle Management		○	○	○		○	○	<ul style="list-style-type: none">● Reduce product defect rate	<ul style="list-style-type: none">● Achieved	<ul style="list-style-type: none">● Reduce defect rate annually● Continue to develop and promote environmentally friendly products	<ul style="list-style-type: none">● 100% compliance with product regulations● Gradually improve on-time delivery rate	3.1 Product Responsibility Product Responsibility Management Approach


Major Sustainability Issues	Major Ranking (Note 1)	Alignment with Sustainability Standards	Potential stakeholders affected						Goal of 2023	Achievement Status	Short term goal (Within 3 years)	Mid-long term goal (Longer than 3 years)	Respond to Chapter/ Management Approach	
			Employees	Customers	Shareholders/Investors	Business partners	Financial institutions	Community						Government agencies
Occupational Health and Safety	5 ▲	<div>GRI</div> 403 Occupational Health and Safety (403-1~403-10) <div>SDGs</div> 8.8 Promote safe working environments	○			○		○	○	<div>●</div> Implement management programs <div>●</div> Education and training plans	<div>●</div> 99% implementation rate <div>●</div> 100% implementation rate	<div>●</div> Reduce comprehensive disability injury index	<div>●</div> Zero accidents <div>●</div> Promote health knowledge	5.5 Workplace Health and Safety Workplace Health and Safety Management Approach
Integrity in Operations	6 +	<div>GRI</div> 205 Anti-corruption (205-2, 205-3) 206 Anti-competitive Behavior (206-1) <div>MSCI</div> Business Ethics <div>SASB</div> Business Ethics	○	○	○	○	○	○	○	<div>●</div> Establish functional committees <div>●</div> Increase communication channels and frequency with stakeholders	<div>●</div> Sustainability Management Committee established in May <div>●</div> Reported to the Board in August	<div>●</div> High frequency <div>●</div> High transparency <div>●</div> Improve corporate governance evaluation ranking	<div>●</div> Optimize risk management mechanism <div>●</div> Top 20% in corporate governance evaluation	2.2 Integrity Operation Integrity Operations Management Approach
Employee Rights and Welfare	7 ▼	<div>GRI</div> 201 Economic Performance (201-3) 401 Employment Relationship (401-1~401-3) 402 Labor Relationship(402-1) 406 Non-discrimination (406-1) 407 Freedom of Association and Collective Bargaining (407-1) 408 Child Labor (408-1) 409 Forced or Compulsory Labor (409-1) <div>MSCI</div> Labor Management	○			○		○	○	<div>●</div> Provide generous and competitive overall compensation	<div>●</div> Entry-level employee salaries are above the PR75 level in the market	<div>●</div> Competitive overall compensation <div>●</div> Promote internal knowledge sharing (KM)	<div>●</div> Implement learning organization <div>●</div> Encourage self-learning <div>●</div> Potential talent development system (MA training program)	5.1 Human Rights Management 5.2 Labor Relations and Harmony 5.3 Employee Compensation and Benefits Employee Relations Management Approach
Sustainable Supply Chain Management	8 +	<div>GRI</div> 204 Procurement Practices (204-1) 308 Supplier Environmental Assessment (308-1~308-2) 414 Supplier Social Assessment (414-1~414-2) <div>SASB</div> Procurement		○	○	○		○	○	<div>●</div> New supplier commitment signing <div>●</div> Annual supplier evaluation	<div>●</div> 100% signing rate <div>●</div> 100% achievement rate	<div>●</div> Promote digital transformation (e.g., Electronic Incoming Inspection System) <div>●</div> Guide suppliers to set carbon reduction goals and carbon neutrality plans <div>●</div> Supplier evaluation sustainability items	<div>●</div> Continue to develop green supply chain	3.3 Green Supply Chain Supply Chain Responsible Management Approach





Major Sustainability Issues	Major Ranking (Note 1)	Alignment with Sustainability Standards	Potential stakeholders affected							Goal of 2023	Achievement Status	Short term goal (Within 3 years)	Mid-long term goal (Longer than 3 years)	Respond to Chapter/ Management Approach
			Employees	Customers	Shareholders/Investors	Business partners	Financial institutions	Community	Government agencies					
Talent Development and Retention	9 ▼	<div><div>GRI</div>404 Training and Education (404-1, 404-3)</div> <div><div>MSCI</div>Labor Management</div> <div><div>SDGs</div>4.5 Eliminate Gender Disparities in Education</div>	○					○	○	<div>● Complete annual training plan</div> <div>● Education and Training Development Committee performance review meeting</div> <div>● Introduce online learning courses</div>	<div>● Achieved</div> <div>● Achieved</div> <div>● Achieved</div>	<div>● Annual courses aligned with professional group planning</div> <div>● Introduce management competency system training plan (MA)</div> <div>● Promote internal knowledge sharing (KM)</div>	<div>● Promote club activities</div> <div>● Establish good communication, promote cross-departmental communication efficiency</div>	5.4 Talent Training and Development Talent Training and Development Management Approach
Climate Change Resilience	10 +	<div><div>GRI</div>201 Economic Performance (201-2)</div> <div><div>TCFD</div>Climate-related Financial Disclosures</div>		○	○	○		○	○	<div>● Promote greenhouse gas inventory</div> <div>● Self-initiated energy saving</div> <div>● Establish dedicated unit</div>	<div>● Ongoing</div> <div>● Reduced 127.9 tons of CO₂e</div> <div>● Established Sustainability Department, set carbon reduction targets and regularly report to Sustainability Development Committee</div>	<div>● Complete greenhouse gas inventory for all group locations.</div> <div>● Complete greenhouse gas verification for Taiwan parent company</div> <div>● Promote internal carbon fee system</div>	<div>● Complete group-wide greenhouse gas verification</div> <div>● 15% green electricity</div>	4.1 Climate Change Management Climate Change Management Approach
Innovation in Research and Development with Patent	11 ►	Proprietary Theme	○	○	○	○				<div>● Patents over 30</div>	<div>● 42 patents</div>	<div>● Patents over 42</div>	<div>● Patents over 100</div>	3.1 Product Responsibility 3.2 Green Energy Development Green Energy Development Management Approach
Clean Technology Opportunities	12 ►	<div><div>GRI</div>302 Energy (302-5)</div> <div><div>MSCI</div>Clean Tech Opportunities</div> <div><div>SDG</div>7.a Enhance Clean Energy Research and Technology 11.2 Provide Safe, Sustainable Transport Systems</div>		○	○	○		○		<div>● Strive for green energy turnkey projects</div> <div>● Develop green energy products</div>	<div>● 37 successful cases</div> <div>● Continue to increase the proportion of green energy product revenue</div>	<div>● Increase the proportion of green energy revenue</div>	<div>● Recruit talent in green energy, digitalization, and export</div> <div>● Continue to develop market opportunities in green electricity/energy storage/energy saving</div>	3.2 Green Energy Development Green Energy Development Management Approach





NOTE:
1. Changes in Ranking Compared to the Previous Year: ▲ Increased ▼ Decreased ► Unchanged + Newly Added
2. Alignment with Sustainability Advocacy or Regulations: - MSCI - Industrial Machinery Sector SASB - Electrical and electronic equipment industry
3. In 2023, there were actual negative impacts in occupational health and safety, addressed through preventive measures in Response [5.5 Workplace Health and Safety Management Approach](#); no actual negative impacts occurred in other sustainability issues.

1.6 Sustainable Development Goals, SDGs

In 2015, the United Nations adopted the 2030 Agenda for Sustainable Development, which includes 17 core global Sustainable Development Goals (SDGs). These goals aim to guide governments, local authorities, businesses, and civil society in collectively striving over the next 15 years towards a world where "every country achieves sustainable, inclusive economic growth and every person has access to suitable employment." The agenda envisions a world where production, consumption, and the use of natural resources—from air to land, rivers, lakes, groundwater, and oceans—are conducted sustainably. SEEC also upholds this vision, actively responding to the SDGs by implementing specific actions, striving to contribute to sustainable development efforts.

SDGs	Detailed SDGs Targets	Specific Actions in 2023	Performance Results
 3 GOOD HEALTH AND WELL-BEING	3.4 Reduce Mortality From Non-Communicable Diseases and Promote Mental Health 3.d Strengthen Capacity for Health Risk Management	<ul style="list-style-type: none"> ● Group insurance: Accident Insurance, Accident Medical Insurance, Hospitalization Medical Insurance, Overseas Emergency Assistance Services ● Regular health check-ups for the entire company ● Irregular health and medical seminars ● Promote CPR and AED operation practice and other first aid knowledge among employees ● Company-wide sports competitions ● Employee fitness center (Hsinchu): gym, basketball court, badminton court, table tennis room, billiards room, aerobics room ● Club activities: basketball club, badminton club, aerobics courses, movie appreciation, etc. ● Added visually impaired massage therapists to provide massage services to employees 	<ul style="list-style-type: none"> ● Annual health check-ups, with total expenses of approximately 10.3 million ● Passed and obtained ISO 45001 occupational safety management system certification ● No employees in special health checks managed under levels three or four ● No occupational diseases among workers in 2023 ● Organized blood donation activities, with 25 participants in 2023 ● Invited Dr. Chung-Hua Teng from Tong General Hospital to conduct a seminar on "Cardiovascular Disease Prevention"
 4 QUALITY EDUCATION	4.4 Increase the Number of People With Relevant Skills for Employment 4.5 Eliminate Discrimination in Education and Training	<ul style="list-style-type: none"> ● Collaborate with schools on industry-academia technology cooperation ● Provide industry-academia training and internship opportunities ● Promote industry-graduate cooperation programs ● Establish a comprehensive talent development system ● Continuously promote golf sports, training amateur and professional players for years ● Continuously provide human rights-related education and training ● Conduct quarterly Education and Training Development Committee performance review meetings, with four meetings held in 2023 ● Sponsor the 31st National University Energy-Saving Car Competition 	<ul style="list-style-type: none"> ● Industry-academia technology cooperation: NTU, NTUST, NTUB, NCKU ● Industry-academia training: NTUB, MUC, LCUT ● Industry-graduate programs: NTUST, NCKU, NTUB ● Internship cooperation: Shih Chien University, Ming Chuan University ● Total expenditure on education and training in 2023 was 11.25 million, with an average of 21.63 hours of training per employee and an average of 3.49 training sessions per employee ● Employed 23 indigenous employees (1.08% of total employees) and 20 disabled employees (0.94% of total employees) in 2023 ● Implemented a blended learning system combining online micro-courses and physical courses for the "Section Chief Training Program" for the first time, promoting a culture of self-directed learning ● Hired 276 new employees in 2023 ● No human rights or discrimination incidents occurred
 7 AFFORDABLE AND CLEAN ENERGY	7.1 Universal Access to Modern Energy 7.2 Increase Global Share of Renewable energy	<ul style="list-style-type: none"> ● International exchange - participated in Thailand Renewable Energy Week ● Established a dedicated energy management unit to inventory operational climate risks and allocate future expenditures for energy-saving and carbon reduction (e.g., replacing high-energy-consuming equipment, installing renewable energy equipment, etc.) 	<ul style="list-style-type: none"> ● As of the end of 2023, the total solar power generation was 258,420 kWh (approximately 930.3 GJ), reducing 127.9 tons of CO₂e ● Renewable energy usage accounted for 0.56% of total energy consumption as of the end of 2023

SDGs	Detailed SDGs Targets	Specific Actions in 2023	Performance Results
	7.a Promote Research, Technology, and Investments in Clean Energy 7.b Expand and Upgrade National Energy Services	<ul style="list-style-type: none"> Continuously develop energy-saving green products Established the Green Power brand to integrate and provide related green energy services Participated in EPC projects for green energy engineering, with over 10 completed and grid-connected projects and 12 ongoing projects in 2023 <ul style="list-style-type: none"> > Solar energy: AUO Shuolin Project > Energy storage: New Star Kamalan Project 	<ul style="list-style-type: none"> Solar power generation capacity reached 609 kW in 2023 Obtained carbon footprint and carbon label certification for "Oil-immersed Amorphous Transformer" and "High Efficiency Transformer" The AUO Shuolin Project provided solar power generation (installed capacity of 178MW), achieving the largest single transmission volume in Taiwan The New Star Kamalan Project provided energy storage (installed capacity of 50MW)
	8.1 Sustainable Economic Growth 8.2 Diversify, Innovate, and Upgrade Economic Productivity 8.4 Improve Resource Efficiency in Consumption and Production 8.5 Full Employment and Decent Work With Equal Pay 8.8 Protect Labor Rights and Promote Safe Working Environments	<ul style="list-style-type: none"> Invest in new products and markets to create revenue performance Strategic alliances with business partners to capture the electric motorcycle charging market and charging industry Promote digital transformation by developing digital and intelligent products (AIOT, MES, e-Factory) Continuously develop green energy-saving products, dedicating 2.1% of annual revenue to R&D Actively promote "high-efficiency" transformers and update carbon footprint and carbon labels for two products Ensure equal starting salaries for new male and female employees with the same conditions, with no gender-based differences Continuously provide safety and health education and training, completing ISO 45001 occupational safety management system re-certification Held 16 occupational safety and health committee meetings to discuss occupational safety issues Collaborated with the Hsinchu County Fire Department to conduct expanded fire self-defense team drills and chemical disaster rescue drills 	<ul style="list-style-type: none"> Consolidated revenue of NT\$31,807 million in 2023, an annual increase of 3.41% Four energy-saving products from the Automation Business Group won the 2024 Taiwan Excellence Award No occupational diseases among workers in 2023 No workplace safety accidents in 2023
	9.1 Develop Sustainable, Resilient, and Inclusive Infrastructure 9.4 Upgrade All Industries and Infrastructure for Sustainability	<ul style="list-style-type: none"> Participated in large-scale public works and Taipower turnkey projects, receiving six major engineering projects in 2023, all in the construction phase TRA projects <ul style="list-style-type: none"> > Southern Link Railway Taitung-Chaozhou section electrification turnkey project > Taipei Electric Power Tunnel Section Conductive Rail Installation Turnkey Project 	<ul style="list-style-type: none"> Participated in 37 public works projects as of 2023 The Southern Link Railway Project reduces approximately 6,709 tons of CO₂ annually The Taipei Electric Power Section Project reduces approximately 140.4 tons of CO₂ annually
	10.1 Reduce Income Inequality 10.2 Promote Universal Social, Economic, and Political Inclusion 10.3 Ensure Equal Opportunities and Reduce Discrimination	<ul style="list-style-type: none"> Sponsor neighborhood gatherings and community activities Adopt and care for street trees and sidewalks around the enterprise Adopt parks around the enterprise, conducting greening and maintenance Sponsor Family Support Centers Hold employee and neighborhood ecological conservation activities Hold local cultural and artistic activities to support local culture and education Continuously provide human rights-related education and training Guarantee work opportunities for indigenous peoples and disadvantaged groups such as the disabled 	<ul style="list-style-type: none"> Sponsored neighborhood gatherings and community activities in Lanhua, Zhongcheng, and Dexing neighborhoods in Taipei City Adopted and cared for street trees and sidewalks on Section 6 of Zhongshan North Road and Dexing West Road, the Robot Plaza, and Dexing Park in Shilin District, with total expenses of approximately NT\$280,000 for 2023 Repaired sidewalk tiles in Dexing Park Human rights-related education and training, with 1,549 participants and 5,866.5 hours No human rights or discrimination incidents occurred

SDGs	Detailed SDGs Targets	Specific Actions in 2023	Performance Results
	12.4 Environmentally Sound Management of Chemicals and Waste 12.5 Reduce Waste Generation Through Prevention, Reduction, Recycling, and Reuse	<ul style="list-style-type: none"> Optimize processes to reduce losses Concentrate production and merge furnaces to improve production efficiency Exchange scrap materials with suppliers to reduce procurement costs and waste treatment volume Continuously promote waste liquid reduction improvement plans Environmental pollution prevention expenditures totaled NT\$18,164 thousand 	<ul style="list-style-type: none"> Collected 58.8 tons of scrap (copper) in 2023, processed and reused by contractors The waste liquid reduction improvement plan is estimated to save 600 tons of water annually and reduce waste generation
	13.1 Strengthen Resilience and Adaptive Capacity to Climate-Related Hazards 13.2 Integrate Climate Change Measures Into Policies and Planning 13.3 Build Knowledge and Capacity to Respond to Climate Change	<ul style="list-style-type: none"> Promote solar power generation installations, air compressors, air conditioners and chillers, and lighting system energy-saving improvements or updates in factories Use frequency converters or amorphous transformers to reduce power loss Established the Sustainable Development Office, formulated carbon reduction plans, and reported carbon reduction performance to the board regularly Regularly report greenhouse gas inventory progress and TCFD risk and opportunity assessment results to the board Established energy management systems in factories to monitor data such as green power generation and electricity consumption of production equipment, and control reductions Actively increase solar installation capacity, aiming to increase the proportion of green electricity usage to 15% by 2030 	<ul style="list-style-type: none"> Formulated carbon reduction plans (reduce carbon intensity by 36% and carbon emissions by 15% by 2030) Reduced greenhouse gas emission intensity by 6% in 2023 compared to the base year (2022) Conducted supply chain carbon inventory training in 2023 (held for 33 companies and 80 people on February 23, 2024) Estimated reduction of 489 tons of CO₂e/year from energy-saving improvements in factories in 2023 Additional solar power generation devices installed in factories in 2023 reduced 127.9 tons of CO₂e
	16.5 Substantially Reduce Corruption and Bribery 16.6 Develop Effective, Accountable, and Transparent Institutions	<ul style="list-style-type: none"> Established relevant standards and behavioral norms such as the "Corporate Governance Code," "Code of Ethical Conduct," "Integrity Management Code," and "Sustainable Development Practice Code" Built a comprehensive complaint/reporting mechanism, committed to protecting whistleblowers from inappropriate handling due to reporting Held external training related to integrity management issues for 314 participants, totaling 725 hours Continuously strengthened the disclosure of the operational status of functional committees (Audit Committee, Compensation Committee, and Sustainable Development Committee) 	<ul style="list-style-type: none"> No incidents of corruption, major violations, or involvement in unfair competition behavior Performance evaluation results of the Board of Directors, its members, and functional committees all scored above 4
	17.17 Encourage Effective Partnerships	<ul style="list-style-type: none"> SEEC invests in public welfare resources annually for foundations, industrial unions, and social groups Promotes cooperation and exchange between countries through the Yeang Der TPC Championship international event and multinational cooperation 	<ul style="list-style-type: none"> In 2023, SEEC's social welfare investment amounted to NTD 14.49 million Total donations from SEEC over the past three years amounted to NTD 49.19 million In 2023, the Memorial Foundation of Mr. Ching-Teh Hsu donated a total of NTD 21.334 million Total donations from the Memorial Foundation of Mr. Ching-Teh Hsu over the past three years amounted to NTD 682.36 million In 2023, the total prize money for the TPC Championship was increased to USD 750,000

Chapter

2 Integrity Governance

★ Annual Performance

All scored above **4** points

Performance evaluations of the Board, Board members, and functional committees

36%~50%

Corporate governance evaluation ranking

No Incidents

Corruption, major violations, or unfair competition

No Complaints, No Data Loss, No Violations

Complaints regarding customer privacy or customer data and circumstances related to information security regulations

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



- Formulation of standards and behavioral norms such as the "Corporate Governance Best Practice Principles," "Ethical Corporate Management Best Practice Principles," "Code of Ethical Conduct," and "Sustainable Development Best Practice Principles."
- Establishment of a comprehensive complaint/whistleblower mechanism with a commitment to protect whistleblowers from unfair treatment.
- Conducted external training sessions related to integrity management, totaling 314 participants and 725 person-hours.
- Continued enhancement and disclosure of the operational status of functional committees (Audit Committee, Compensation Committee, and Sustainability Committee).

Key Stakeholders



Shareholders / Investors



Customers



Business Partners



Employees



Government Agencies



Financial Institutions



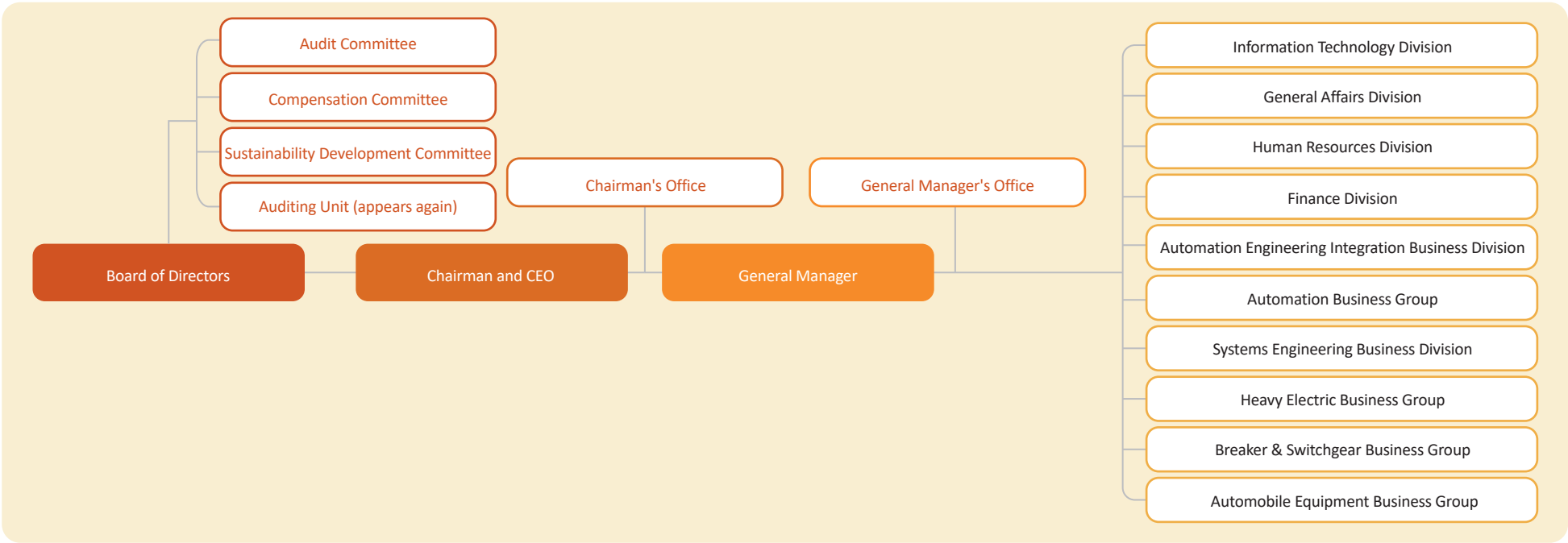
Community

2.1 Corporate Governance

SEEC establishes its articles of association and organizational structure based on regulations, with the Board of Directors as the highest governance body. Under the Board are the Audit Committee, Compensation Committee, Sustainability Committee, and Audit Office to strengthen corporate governance and maintain optimal business operations and shareholder interests.

As technology rapidly advances and climate change continues to evolve, businesses must base their operations and governance on sustainability as a cornerstone of decision-making. By implementing an independent director system, encouraging continuous education for directors, assessing director independence, and appointing a corporate governance officer to ensure proper governance, and by complying with relevant laws and guidelines, companies can enhance transparency and timeliness of information. Early disclosure of financial reports and annual shareholder reports, and creating sustainability reports in accordance with standards such as GRI, SDGs, TCFD, and SASB, all help to strengthen communication with stakeholders and foster a positive communication environment, thereby facilitating mutual growth and building a sustainable SEEC.

Corporate Organizational Structure



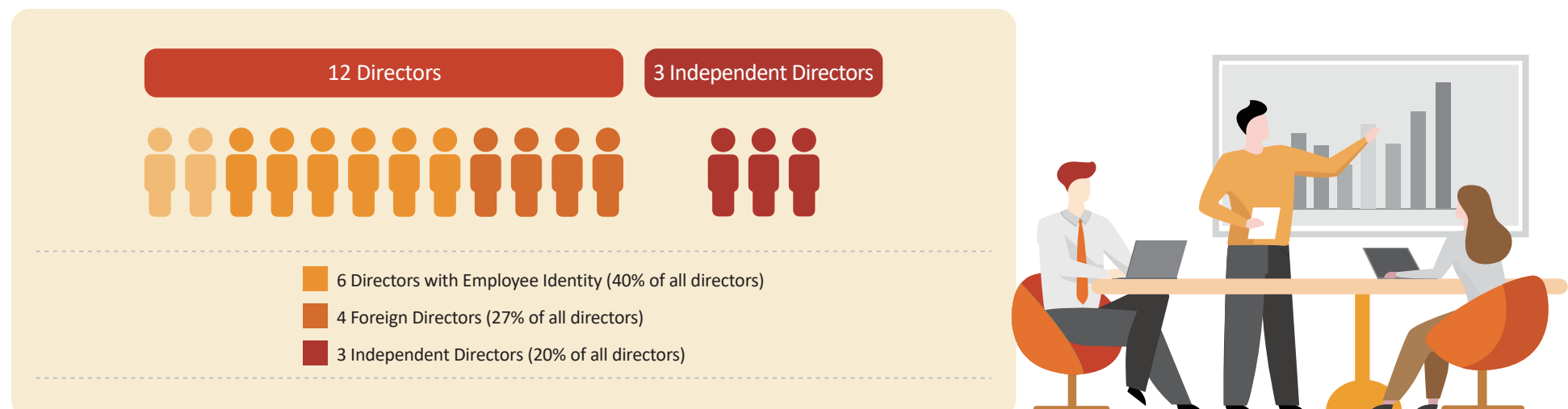
Board Diversity

The highest governance level at SEEC is the Board of Directors. Since 2014, the selection of directors (including independent directors) has followed a nomination system to enhance transparency and protect shareholder rights.

The composition of the Board considers the company's operational structure, business development, and future trends, evaluating diversity in nationality, age, tenure, management capability, cross-cultural leadership, and industry knowledge and experience.

The current Board (21st term) serves from June 21, 2023 to June 20, 2026, consisting of 15 male directors, including 5 executive directors and 3 independent directors. Chairman Emmet Hsu does not concurrently serve as the Company's General Manager. There are 2 familial relationships among directors (Chairman Emmet Hsu and Director Bryant Hsu are father and son), compliance with the provisions of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

SEEC has 15 board members, of which directors with employee status account for 40%, independent directors make up 20%, and foreign directors approximately 27%. There are 10 directors under the age of 60 (about 67%), 1 director aged 61 to 70 (about 13%), and 4 directors over the age of 71 (20%). Considering the needs of operational development and diversified management, the Company focuses on the professional experience, knowledge, and skills of the board members. Efforts have been made to increase the number of directors with expertise and experience beyond the electrical industry. Currently, nine board members (60%) possess extensive experience and expertise in finance, business, and management, significantly exceeding the initially set target of 10%.



Governance Structure Composition

Name	Date of Assignment	Term of office			Employee Status	Board of Directors		Audit Committee	Compensation Committee	Sustainability Development Committee
		<3 years	3~9 years	>9 years		Nationality	Job Title			
Yeang Der Investment Co., Ltd. Representative / Emmet Hsu	2023/06/21			●	●	R.O.C.	Chairman and CEO			
Mitsubishi Electric Corporation (Japan) Representative / Kawai Toshio	2023/06/21	●				Japan	Managing Director			
Yeang Der Investment Co., Ltd. Representative / Hsieh, Han-Chang	2023/06/21			●	●	R.O.C.	Managing Director			
Yeang Der Investment Co., Ltd. Representative / Tung, Chi-Jen	2024/03/12	●			●	R.O.C.	Managing Director			
Chanching Co., Ltd. Representative / Kan, Ming-Hung	2024/04/01	●				R.O.C.	Director			
Mitsubishi Electric Corporation (Japan) Representative / Komura Hideaki	2023/06/21	●				Japan	Director			
Mitsubishi Electric Corporation (Japan) Representative / Kunieda Masayuki	2023/06/21	●				Japan	Director			
Mitsubishi Electric Corporation (Japan) Representative / Uchiyama Akira	2024/04/01	●				Japan	Director			
Yeang Der Investment Co., Ltd. Representative / Bryant Hsu	2023/06/21		●		●	R.O.C.	Director			
Yeang Der Investment Co., Ltd. Representative / Cheng, Hsiang-Chih	2024/02/01	●			●	R.O.C.	Director			
Yeang Der Investment Co., Ltd. Representative / Kuo, Yueh-She	2024/02/01	●			●	R.O.C.	Director			
Shin-Po Investment Co., Ltd. Representative / Lin, Po-Fong	2023/06/21		●			R.O.C.	Director			
Lin, Hsin-I	2023/06/21		●			R.O.C.	Managing & Independent Director	●	● Convener	● Convener
Yan, Cheng Jau	2023/06/21		●			R.O.C.	Independent Director	● Convener	●	●
Hu, Chao Fong	2023/06/21		●			R.O.C.	Independent Director	●	●	●

NOTE:

1. Representative of Yeang Der Investment Co., Ltd.: Tung, Chi-Jen assumed the position on 2024/03/12.
2. Representative of Yeang Der Investment Co., Ltd.: Cheng, Hsiang-Chih assumed the position on 2024/02/01.
3. Representative of Yeang Der Investment Co., Ltd.: Kuo, Yueh-She assumed the position on 2024/02/01.
4. Representative of Chanching Co., Ltd.: Kan, Ming-Hung assumed the position on 2024/04/01.
5. Representative of Mitsubishi Electric Corporation (Japan): Uchiyama Akira assumed the position on 2024/04/01.
6. For information on the key positions of the Board members, representatives of stakeholders, and their roles on other boards, as well as their related competencies, please refer to SEEC's 2023 Annual Report under "Directors, General Manager, Deputy General Manager, Assistants, and Heads of Departments and Branches."
7. For details on cross-shareholding between board members and suppliers or other stakeholders, and the existence of controlling shareholders, please refer to SEEC's 2023 Annual Report under "The Number of Shares Held by the Company, its Directors, Managers, and the Enterprises Directly or Indirectly Controlled by the Company in the Same Reinvested Business Shall be Calculated Together to Determine the Combined Shareholding Ratio."

Board Operations

According to the Company's Articles of Incorporation, the Board of Directors meets at least once a quarter to oversee and understand the implementation of operational plans, the presentation of financial statements, audit reports, and their follow-up situations. In 2023, a total of 5 board meetings were held, with an average actual attendance rate (including proxy attendance) of 100% for all directors. Significant regulations formulated/revised by the board in 2023 include: "Company Articles of Incorporation," "Sustainability Report Preparation and Verification Procedures," "Sustainable Development Committee Organization Regulations," "Internal Control System Implementation Rules," and "Internal Audit Implementation Rules." Key resolutions of the board are also published in the Investor Relations section of the company website, and important company regulations such as the Company Articles, Corporate Governance Practice Guidelines, and Risk Management Practice Guidelines are made publicly available for reference.

To enhance corporate sustainable governance and strengthen the management function of the Board of Directors, the Company established a Compensation Committee on November 25, 2011, and an Audit Committee on May 10, 2017, as decided by the Board of Directors. The organization rules for both the Compensation Committee and the Audit Committee were established, and in May 2023, the "Sustainable Development Committee" was adjusted to a formal functional committee, with its organization rules established as well. All committee members are independent directors from the board (3 seats). In 2023, the Compensation Committee held 4 meetings, with a 100% attendance rate for all members; the Audit Committee also held 4 meetings, with a 100% attendance rate (including proxy attendance) for all members; and the Sustainable Development Committee held 1 meeting, with a 100% attendance rate for all members.

For more details on SEEC's Board of Directors, functional committees, and other aspects of corporate governance, please refer to the "Corporate Governance Operation" section in the SEEC 2023 Annual Report.

Director and Manager Compensation Policy

The remuneration policy for the directors of the Company is handled in accordance with Article 235-1 of the Company Act. It is proposed by the Compensation Committee and executed following a resolution by the Board of Directors. Additionally, it is stipulated in the Company's articles of Incorporation the Company profits in a given year, up to 4% of the profits should be allocated for director remuneration. However, if there are accumulated losses, an amount must be reserved in advance to cover these losses.

The annual compensation package for senior corporate governance personnel, senior managers, and executive officers consists of salaries, bonuses, and profit-sharing employee bonuses. For senior executives, the employee bonus amount generated by company performance accounts for about 10% to 30% of the annual compensation, indicating a strong correlation between company performance and annual remuneration. The compensation of senior executives, in addition to being approved by the Compensation Committee in accordance with legal requirements, is also appropriately disclosed in the Company's Annual Report, allowing all stakeholders to fully understand the high connection between senior executive compensation and company operational performance. When approving senior management compensation, the Compensation Committee also consults with external professional compensation consultants for advice.

Compensation Policies, Standards and Combinations

The remuneration of the directors of the company (including independent directors), is stipulated under Article 2 of the Company's Articles of Incorporation. The remuneration is suggested based on the Company's operational status and industry standards, and is approved by the board of directors in accordance with legal procedures. According to Article 5 of the rules concerning the scope of responsibilities of independent directors, the remuneration of independent directors may also be determined through relevant legal procedures as a fixed monthly payment, and they do not participate in the Company's profit distribution. The compensation for the General Manager and Deputy General Managers includes salary and various bonuses, which are determined in consideration of the salary levels of comparable external companies.

Procedure for Determining Remuneration

The remuneration items for the General Manager and Deputy General Managers are determined based on their involvement and contribution to the Company's operations and benchmarked against the salary levels of similar external companies. The remuneration is approved by the Chairman, reviewed by the Compensation Committee, and implemented upon the Board of Directors' approval. To accurately reflect the achievement of performance indicators, the Chairman's performance is measured based on operational, governance, and financial results, including pre-tax net profit, corporate governance evaluation, and sustainable development indicators. The General manager's performance evaluation includes operational safety management, supervision of financial plans, revenue management, internal control enhancement, quality assurance, and sustainability-related performance goals.

For more information on the compensation policies for directors and managers at SEEC, please refer to the "Information on Directors, General Manager, Deputy General Managers, Assistant Managers, and Heads of Departments and Branches" section in the SEEC's 2023 Annual Report.

Director Continuing Education

In accordance with the "Guidelines for the Continuing Education of Directors and Supervisors of Listed and OTC Companies," the Company requires new directors to complete at least 12 hours of education in the year of their appointment and a minimum of 6 hours each year thereafter. Reappointed directors are also required to complete at least 6 hours of education annually during their term. To ensure that directors continuously enhance their knowledge, the Company regularly provides them with information about available courses. In 2023, the educational content for the board members included corporate management, corporate governance, taxation, sustainable development, compliance, ethical management, anti-corruption, and net-zero emissions, among other training courses. All directors have met the required educational hours, and the details of their education are disclosed in the annual report and on the Public Information Observation Station. The Company continues to plan further educational courses for directors, gradually increasing topics related to ESG to provide directors with an understanding and mastery of sustainable trends.

Specific courses related to integrity and anti-corruption included "Duties and Responsibilities of Directors of Listed Companies," "Protection of Trade Secrets and Non-Competition," "Corporate Legal Compliance and Director Duties," "Corporate Governance and Analysis of Major Fraud and Significant Cases," "How Corporations Can Respond to International Anti-Tax Avoidance Measures," "Corporate Governance - Impact Investing Workshop," and "Introduction and Case Analysis of Insider Short-Term Trading." A total of 15 directors participated in these courses, with a 100% participation rate among all directors.

For more detailed information on the continuing education of directors, please refer to the "Corporate Governance Operation" section in the SEEC 2023 Annual Report.

Board of Directors and Functional Committees Performance Evaluation

To implement corporate governance and enhance the functionality of the Company's Board of Directors, performance goals are established to improve board efficiency. In accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies," the Company has formulated the "Board Performance Evaluation Procedures," approved by the Board of Directors, which stipulate that the Board, individual directors, and functional committees should be evaluated annually.

In 2023, the company conducted internal performance evaluations for the entire Board, individual Board members, and functional committees using internal self-assessment questionnaires. The evaluations were carried out using the "Board Performance Self-Evaluation Questionnaire," "Board Member Performance Self-Evaluation Questionnaire," and "Functional Committee Performance Self-Evaluation Questionnaire." The results of the evaluations were between 5 points for "Strongly Agree" and 4 points for "Agree," with directors generally expressing strong agreement on various operational indicators. The evaluations showed that the Board and its committees are functioning well, meeting corporate governance requirements, effectively strengthening the Board's roles, and protecting shareholder interests. The results of the 2023 Board performance evaluation were reported at the Board meeting on March 12, 2024.

For more information, please visit SEEC's website under [Sustainability Management/Corporate Governance/ Board of Directors /Annual Board Performance Evaluation](#) , or refer to the "Corporate Governance Operations" section in SEEC's 2023 Annual Report.

Conflict of Interest Management

To avoid conflicts of interest among directors, all newly appointed directors are required to sign a consent form, indicating their willingness to comply with Article 23 of the Company Act, which mandates the faithful execution of duties and the exercise of due care of a good administrator. Additionally, all directors must sign a declaration confirming their understanding of Article 206 of the Company Act concerning the abstention from voting rights and the legal consequences of violations. The Company's Corporate Governance Best Practice Principles (Article 32) and Board Meeting Rules (Article 16) also clearly stipulate the director's conflict of interest avoidance system, which is strictly enforced.

In 2023, there was 1 instance where a director abstained from voting on a matter due to a conflict of interest. The agenda item involved a donation to the "Chin-Teh, Hsu Memorial Foundation" (Board Meeting Date: November 8, 2023).

Furthermore, in accordance with Article 11 of the company's "Ethical Corporate Management Best Practice Principles," the Company, its directors, managers, employees, appointees, and actual controllers must comply with the Political Donations Act and internal procedures when making direct or indirect donations to political parties or individuals involved in political activities. They must ensure the donation's purpose aligns with the intended objective and must not seek commercial benefits or transactional advantages through such donations. There were no instances of political donations in 2023.



2.2 Integrity Operation

Integrity Operation Management Approach		Sustainability Criteria Response:	[GRI] 205 Anti-Corruption(205-2, 205-3), 206 Anti-Competitive Behavior(206-1)
			[MSCI] Ethical Operation [SASB] Ethical Operation
Importance to SEEC	Unethical behavior can lead to poor internal morale, financial loss, and reduced operational efficiency. If such behavior occurs and is exposed, it will affect stakeholders' trust in SEEC, potentially resulting in fines and severe damage to the Company's image.	<div> <div>Policy</div> <ul style="list-style-type: none"> Strengthen the corporate governance structure of the Board of Directors, enhance the professionalism and independence of directors. Implement the "Code of Ethical Operation and Conduct", and educate on workplace ethics and integrity. </div> <div> <div>Commitment</div> <p>The Company upholds the governance and management philosophy of integrity, responsibility, and execution, establishing a good governance atmosphere and risk control mechanism to create sustainable operations with stakeholders.</p> </div> <div> <div>Responsibility</div> <ul style="list-style-type: none"> Supervised and managed by the governance unit, audit group, and legal group. All employees adhere to ethical and integrity standards. </div> <div> <div>Grievance/Communication Channels</div> <p>The Company website has an Investor Area, Stakeholder Mailbox, and Stock Affairs Contact Line, with an internal anonymous reporting mechanism.</p> </div>	
Negative Impact (Description) / Remedial Measures	<p>SEEC complies with regulations and follows the guidelines of supervisory authorities, with no incidents of management failure or poor governance.</p> <ul style="list-style-type: none"> If there is suspicion or discovery of behavior violating laws or ethical conduct guidelines, the severity of the violation should be reported to the Board of Directors, Managers, Internal Audit Supervisors, or other appropriate personnel. If unethical or illegal behavior is found, aside from the Company's internal disciplinary regulations, all matters will be handled according to the law. 		
Positive Impact (Benefit) Description	Implementing ethical and moral advocacy, compliance training courses, and clearly defined reporting channels to prevent improper or illegal behavior from damaging the Company's image and to protect stakeholders' rights.		
Management Evaluation Mechanism	Through the functions of the Audit Unit, Audit Committee, Compensation Committee, and Sustainability Development Committee to ensure the Company's governance and operations are fully implemented.		
2023 Goals / Goal Achievement Status		Short-term Goals (Within 3 Years)	Medium to Long-term Goals (Over 3 Years)
<ul style="list-style-type: none"> Establish functional committees to strengthen governance and risk management. Achieved Increase communication channels and frequency with stakeholders. Achieved 		<ul style="list-style-type: none"> Continuously improve communication frequency and information transparency. Comply with laws and regulations with no major violations or fines. Improve corporate governance evaluation ranking. 	<ul style="list-style-type: none"> Establish a risk-aware management and ethical corporate culture. Comply with relevant laws to avoid government-related penalties. Aim for a top 20% ranking in corporate governance evaluations.
2023 Specific Actions		Performance Results	
<ul style="list-style-type: none"> The Board of Directors formally approved the establishment of the "Sustainability Development Committee," composed entirely of independent directors. Continuously enhance and disclose the operational status of functional committees (Audit Committee, Compensation Committee, And Sustainability Development Committee). Release financial information, major announcements, and hold Shareholders' Meetings and Legal Briefings. Organize business ethics and compliance courses, implementing integrity and ethical education. Conduct external training sessions related to ethical business practices with 314 participants, totaling 725 person-hours. 		<ul style="list-style-type: none"> Corporate governance evaluation ranking: 36%~50%. TCSA Taiwan Corporate Sustainability Award in Electronics Manufacturing - Silver Level. The number of meetings, attendance rates, and resolution achievements of relevant functional committees were disclosed according to regulations. Timely disclosure of 29 financial information and major announcements, 5 board meetings, 1 shareholders' meeting, and 1 legal briefing. The average attendance rate of all directors at board meetings reached 100% (including proxy attendance). A total of 119 hours of director training, with a 100% completion rate and 1 internal performance evaluation. No significant corruption risks, corruption incidents, or judicial investigations involving corruption occurred at SEEC. No involvement in unfair competition practices. 	

Ethical Conduct and Behavioral Standards

To implement ethical conduct and ethical business practices, and to facilitate the Company's goal of sustainable development, SEEC has established and maintained a robust corporate governance system. The Company has formulated various guidelines and standards, including the "Corporate Governance Best Practice Principles," "Code of Ethical Conduct," "Ethical Corporate Management Best Practice Principles," "Sustainable Development Best Practice Principles," "Sustainability Development Committee Organization Regulations," and the "Charitable Donations and Sponsorship Management Procedures." These serve as the framework for the Company in fulfilling its corporate social responsibility, outlining the relevant standards and behavioral norms.



Whistleblowing Mechanism and Whistleblower Protection System

The Company's "Ethical Corporate Management Best Practice Principles" explicitly outline mechanisms for promoting ethical and lawful behavior and organizational integrity. The principles state: "The Company continuously monitors the development of domestic and international regulations on ethical management and encourages Directors, Managers, and employees to make suggestions for reviewing and improving the company's ethical management policies and implementation measures to enhance the effectiveness of ethical management". The "Sexual Harassment Prevention Measures, Employee Grievance, and Disciplinary Rules" clearly stipulate the mechanisms and procedures for general grievances or sexual harassment complaints. It promises protection for whistleblowers against any improper treatment due to their reporting.

The Company has established an Independent Internal Whistleblowing Mailbox (audit@seec.com.tw), internal hotlines, and fax lines for use by internal and external personnel. Dedicated staff members assist in handling complaints. The complainant and those handling the Complaint must maintain strict confidentiality and must not disclose any information related to the complaint. Measures are in place to protect whistleblowers from improper treatment due to their reporting.

According to the "Ethical Corporate Management Best Practice Principles," if a report involves a Director or senior executive, it should be reported to the Independent Directors. If an investigation reveals significant violations or potential major harm to the Company, a report must be made immediately, and the Independent Directors must be notified in writing. Additionally, the Company's "Code of Ethical Conduct" stipulates: "Employees are encouraged to report to the Board of Directors, Managers, Internal Audit Supervisors, or other appropriate personnel if they suspect or discover any violations of laws, regulations, or the Code of Ethical Conduct, and to provide sufficient information for the Company to appropriately handle subsequent matters."

The Company expects to encourage employees to uphold the Company's social and corporate responsibility regulations through these systems and regulations. If there is suspicion of any violations by employees, an investigation should be conducted first to confirm the facts, preventing any harm to the company or society. In 2023, the company did not receive any complaints or whistleblower reports.

Complaints/Whistleblower Channels



The Company's auditing and legal departments oversee the operation of integrity management. The complaint mechanism is processed according to the procedures specified in company regulations.

Email: audit@seec.com.tw

The Human Resources Department handles general internal complaints and sexual harassment complaints, following the company's procedural regulations.

Whistleblower Protection Mechanism



The personnel handling complaints are authorized to address the matters within the administrative system. They must act with fairness, practicality, and integrity, thoroughly collect and analyze data, and resolve issues promptly. Throughout the whistleblower process, measures will be taken to protect the whistleblower from exposure and improper treatment.

Investigation and Handling Process



Upon receiving a complaint, the personnel will follow standard procedures for subsequent investigation, adhering to personal data protection laws and maintaining confidentiality. Retaliation against involved personnel is strictly prohibited.

Integrity Management Communication and Training

To prevent corruption, the Company has established a corporate culture of ethical management and robust development, setting standards for Directors and Managers to adhere to ethical behavior. The "Code of Ethical Conduct" and "Ethical Corporate Management Best Practice Principles" have been established and are disclosed on the Company website. These guidelines require Directors, Managers, employees, appointees, or those with substantial control to adhere to the following behaviors:



In 2017, the company revised the "Ethical Corporate Management Best Practice Principles" to prohibit Directors, employees, appointees, or those with substantial control from engaging in unethical behavior in commercial activities. Employee work rules and ethical declarations prohibit the misuse of job-related convenience for personal gain or accepting gifts from others and leaking any company technical and business information. Related control measures include establishing internal control systems and conducting regular and irregular audits.

SEEC conducts irregular anti-corruption education and training for the headquarters, branches, subsidiaries, and new employees to strengthen their awareness of the rule of law. Through preemptive education and training, employees are informed of the potential criminal and civil liabilities of violating laws to reduce the risk of legal infractions. Anti-corruption policies are promoted through department heads and procurement and sales staff, serving as communication bridges to internal employees and external suppliers. Practical examples of corruption from other companies are used to initiate dialogue in departmental and external business meetings to emphasize the Company's stance against corruption. In 2023, there were no significant corruption risks, such as government procurement scandals, nor any corruption incidents or judicial investigations involving SEEC.

Regarding policies against unfair competition, the company's "Code of Ethical Conduct," disclosed on the website, prohibits unfair trading practices. All external distribution contracts explicitly state that distributors set their prices independently, and the company does not manipulate market prices. Preventive measures include legal training for new employees, annual legal education for sales and procurement personnel, and e-Learning courses to enhance regulatory awareness. In 2023, SEEC did not engage in any unfair competition practices.

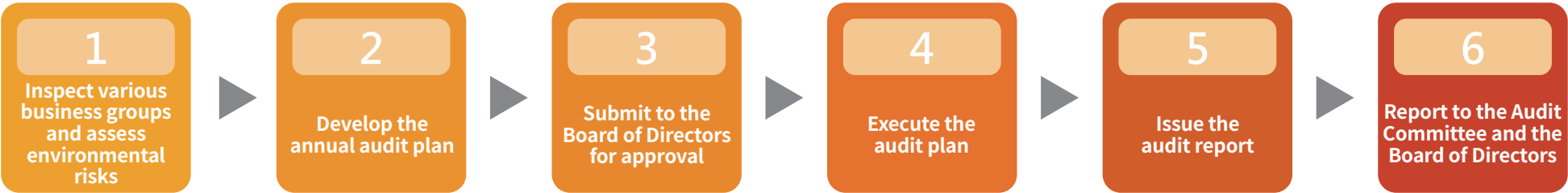
Communication Targets	Communication Methods	Communication/Training Ratio
New Employees	<ul style="list-style-type: none"> Since 2016, all new indirect employees, regardless of their position, have received anti-corruption education and training. Legal courses for new indirect employees are held twice a year, taught by the company's internal legal staff on ethical compliance concepts. In 2023, there were 80 participants, totaling 80 hours. 	100%
Current Employees	<ul style="list-style-type: none"> Anti-corruption materials are promoted irregularly and provided for study. 	100%
Procurement and Sales Personnel	<ul style="list-style-type: none"> Special anti-unfair competition, anti-trust, and anti-monopoly behavior education and training are provided for all procurement and sales personnel in Taiwan, who are at higher risk of encountering corruption. Face-to-face training sessions are conducted by the company's legal staff in small groups. E-Learning Courses: Related courses are offered irregularly through the e-Learning system, requiring sales and procurement colleagues to complete online courses. In 2023, topics included anti-bribery and anti-corruption, with 200 participants and 100 hours, enhancing anti-corruption awareness. Anti-bribery and Anti-corruption courses: At least one online or in-person education and training course must be completed annually, with a completion rate of 100%. Legal education training courses for sales and procurement personnel: A total of 96 participants, totaling 192 hours, focusing on anti-corruption and legal awareness. In 2023, the training ratio for anti-corruption courses for sales and procurement personnel (including new hires) was 100%. 	100%

Implement Internal Control Audit Management

The Board establishes an audit team to assist in identifying and assessing company risks, examining and reviewing the effectiveness of internal control system design and operations. The audit team annually develops an audit plan based on the COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control framework's five elements, considering past audit experiences, the following year's budget, and the existing organizational structure. This plan is used to assess management's understanding of overall internal and external environmental risks, operational risk control in business units, and the effectiveness of internal control system design and implementation. After completing audit reports, the team regularly tracks improvement outcomes, reporting them to the Audit Committee and Board Of Directors.

In addition to internal control systems, specific management systems such as ISO 14001, ISO 45001, and ISO 9001 are established at each factory site for compliance audits with relevant regulations. Departments and subsidiaries maintain management report platforms as required by management system regulations, periodically conducting internal audits and management reviews to ensure regulatory compliance. The corporate staff unit posts relevant regulations on the Company's internal website and promotes awareness among employees via email, providing regulatory compliance training for new hires to mitigate legal risks for both the Company and its employees.

Audit System Implementation Process



In 2023, audit focuses included operational procedures, regulatory compliance with Financial Supervisory Commission requirements, Internal Control Systems, etc. The audit team completed annual audits, and deficiencies identified in each unit were rectified within specified deadlines. Audit frequency adjustments were made based on the varying impacts of risks across business units to minimize operational risks company-wide.

Regulatory Compliance

The Company strictly adheres to governmental laws, international conventions, and regulations. It not only complies fully with local laws at operational sites but also stays abreast of global sustainability issues. Through company regulations and compliance training programs, it ensures all business operations and activities comply with relevant laws, fulfilling its corporate social responsibilities. In 2023, the Company had no significant compliance incidents, only minor fines were promptly paid and addressed by SEEC.

Violation Date	2023/6/13	Violation Date	2023/11/13
	<ul style="list-style-type: none"> Waste Disposal Act, Article 36, Paragraph 1 Penalty: NT\$36,000 Details of Violation: <div>Yilan/ Contracted energy storage engineering project, unclassified labeling and storage of waste.</div> 		<ul style="list-style-type: none"> Occupational Safety and Health Act, Article 6, Paragraph 1 Penalty: NT\$ 100,000 Details of Violation: <div>During equipment testing, an employee was injured while cleaning because the equipment was not stopped.</div>
	Preventive and Improvement Measures		Preventive and Improvement Measures
	<ul style="list-style-type: none"> Enhance the environmental awareness of external project site managers and appoint dedicated environmental personnel to ensure compliance with regulations. Continuously improve air pollution and wastewater treatment facilities to meet environmental regulations. 		<ul style="list-style-type: none"> Install guards and shields at equipment pinch points. Label dangerous mechanisms with warning signs. Strengthen personnel education and training.
	<div>For more details on waste management, please refer to Section 4.3 Environmental Pollution Prevention and Control.</div>		<div>For more details on occupational safety management, please refer to Section 5.5 Workplace Health and Safety.</div>

NOTE: Definition of "Major Violation" A "major violation" is defined as a fine of NTD 1,000,000 or more.

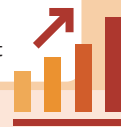
2.3 Risk Management

The Company is committed to establishing a robust risk management system. In November 2022, the Board approved the "Risk Management Best Practices Guidelines," which categorize risks based on their characteristics. In addition to the Corporate Governance Committee's oversight of risk management, operational risks of a general nature are regularly identified, assessed, and controlled by respective business units. This enhances the efficiency of risk management organization, command, self-assessment, and execution. Annual reports on the previous year's risk assessment and risk management operations are submitted to the Audit Committee and the Board of Directors. Through the optimization cycle of internal controls and management systems, operational risks are rigorously controlled and effectively reduced, ensuring stable growth in SEEC's operational performance and fulfilling its commitment to sustainable operations.

Operational Continuity Management Policy




Continuously Improving Corporate Culture
Flexible and Effective Response to Environmental Challenges
Regular Review and Improvement








Risk Management Scope

To ensure the Company's sustainable operation, the Company integrates and manages various strategies, operations, financial aspects, and hazards that may impact operations and profitability in a proactive and cost-effective manner. Through regular group risk assessments, risks are prioritized and categorized, and corresponding risk management strategies are implemented based on their severity.

The Company's sources of risk include Financial Risks, Raw Material Prices and Supply Chain Risks, IT Security Risks, Geopolitical Risks, Occupational Health and Safety Risks, Climate Change Risks, among others.

Risk Categories	External Environment and Risks	Mitigation Measures
 Financial Risks	Interest Rate Aspect: Due to the Ukraine-Russia war and increased global inflation risks, monetary policies in various countries are tightening, causing economic growth uncertainty.	Although the Federal Reserve's interest rate hikes are nearing an end, domestic interest rates have not fully reflected this, leaving room for future hikes. We will moderately reduce financing positions to minimize the impact on profits and losses. Our subsidiaries in China will also combine local financing with foreign debt to reduce capital costs.
	Inflation Aspect The annual growth rate of the Consumer Price Index (CPI) in 2023 has risen significantly compared to previous years. The cost fluctuations of precious metals and bulk raw materials are greatly influenced by the global economy, regional political and economic situations, and the pandemic, requiring close attention to market developments.	The company will use technology development and process optimization to reduce manufacturing costs. By flexibly adjusting procurement and inventory levels, we aim to minimize the impact of inflation. We will stockpile key raw materials at favorable prices and closely monitor fluctuations in related operating costs.
	Exchange Rate Aspect: International political and economic situations and the U.S. dollar's trends continue to affect global currency fluctuations, particularly the strong uncertainties brought by the U.S. government's economic and monetary policies.	He company's foreign exchange positions are mainly in U.S. dollars, Japanese yen, and Chinese yuan, so fluctuations in these currencies affect company profits and losses. USD operations are based on cash flow and exchange rate fluctuations, employing hedging techniques such as spot sales, pre-sales, or currency swaps. For JPY, the primary procurement strategy is to lock in the annual plan, assessing demand, safety stock levels, and market volatility. CNY operations continuously monitor trends, adhering to the principle of natural hedging by balancing receipts and payments.

Risk Categories	External Environment and Risks	Mitigation Measures
 <p>Raw Material Prices and Supply Chain Risks</p>	<p>Risk of Key Material Price Increases and Shortages</p>	<ul style="list-style-type: none"> ● Enhance design technology and process optimization to reduce the use of expensive materials. ● Establish a key material monitoring mechanism, manage exchange rates and key raw material price fluctuations, and increase stock levels at favorable prices. ● Leverage economies of scale to enhance bargaining power for key materials. ● Strengthen the development of multiple-source suppliers.
 <p>Information Security Risks</p>	<p>Cyber Attacks, Network Traffic Attacks, Ransomware, Phishing, Spam, Software Updates, Access Control</p>	<ul style="list-style-type: none"> ● The company has established internal information security management regulations and conducts regular audits to ensure compliance. ● Regular system security tests and user behavior audits. ● Strengthen antivirus and encryption mechanisms, and protect personal data through firewalls and other security equipment. ● Regular third-party audits, frequent employee training to raise awareness of information security. Refer to Section 2.4 Information Security Protection.
 <p>Political Risk</p>	<p>Geopolitical conflicts in recent years have continuously affected the global economy, posing challenges to company operations. The shift of China's "world factory" to India and Southeast Asia, coupled with Taiwan not joining regional organizations, creates tariff barrier risks.</p>	<ul style="list-style-type: none"> ● Diversify business and investments to spread risk, continuously reduce costs, and increase the value of the company's products and services. ● Establish emergency operation plans to respond to unforeseen events and continuously assess business and investment risks in different countries and regions.
 <p>Occupational Safety Risk</p>	<p>All occupational safety incidents involving workers and other stakeholders within the company's workplaces, including explosions, fires, earthquakes, chemical hazards, injuries, near misses, and other accidents.</p>	<ul style="list-style-type: none"> ● Implement ISO 45001 standard occupational safety and health management systems to ensure the physical and mental safety and health of employees and stakeholders. ● Adhere to human rights policies, establish comprehensive welfare and training systems in each plant. ● Offer various internal and external occupational safety training courses and actively promote sports clubs. Refer to Section 5.5 Occupational Health and Safety.
 <p>Climate Change Risk</p>	<p>The increasing frequency and severity of extreme weather due to global warming significantly impact human and climate operations. Risks and opportunities arise from countries' commitments to net-zero emissions, energy-saving, and carbon reduction trends, including transition risks (policies and regulations, technology, market, reputation), physical risks (immediate, long-term), and opportunities (resource efficiency, energy sources, products/services, market, resilience) that affect company operations.</p>	<ul style="list-style-type: none"> ● Actively promote energy-saving and carbon reduction initiatives to mitigate the impact of climate change. ● Develop and promote energy-saving and carbon-reducing products, assisting governments and businesses in achieving net-zero emissions. ● Continuously monitor changes in domestic and international environmental regulations and participate in public hearings for new or revised environmental regulations through industry associations. Refer to Chapter 4 Climate Change Management.

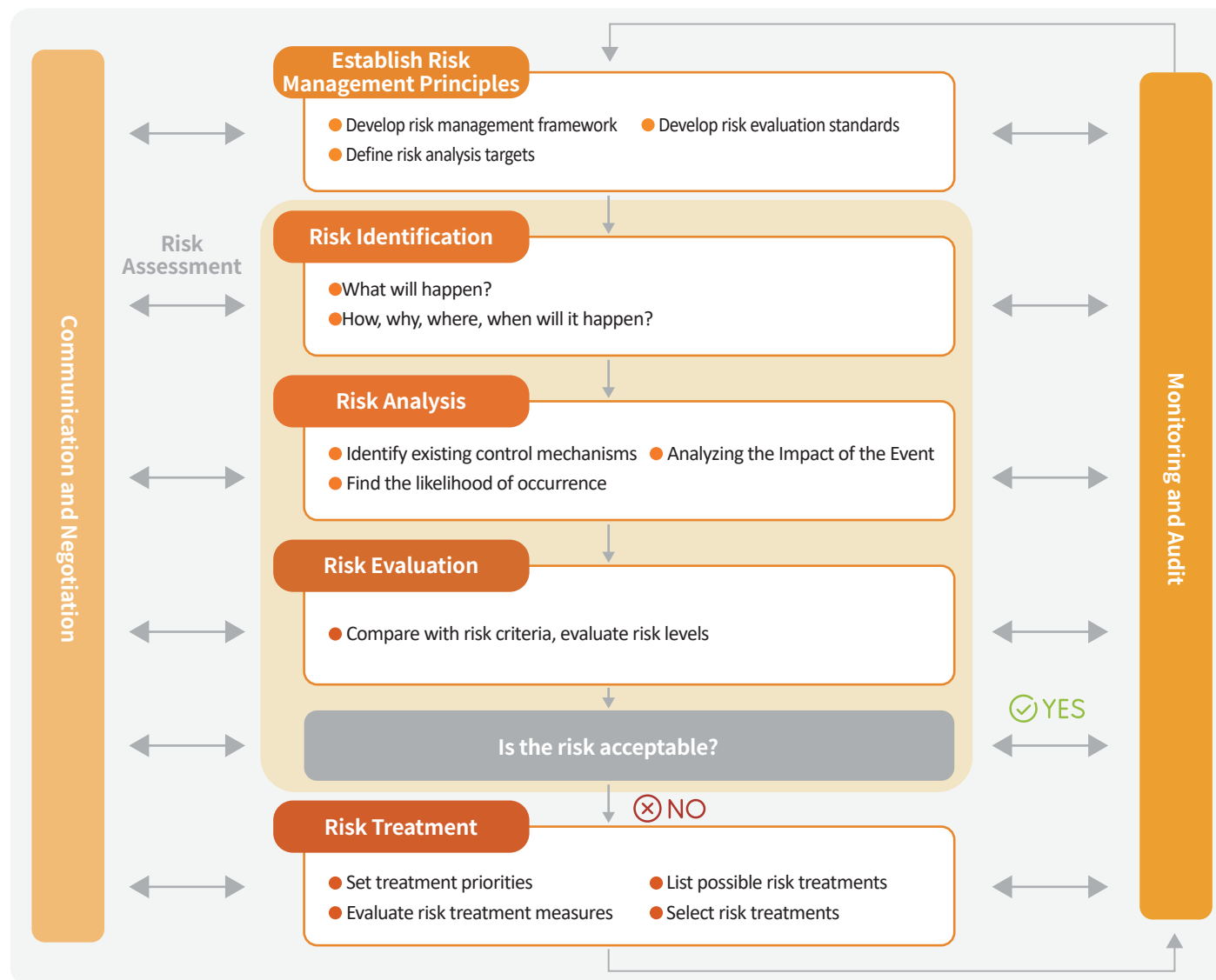
Risk Management Operations

To implement a robust risk management mechanism, the Company conducts annual group risk assessments. The results of these assessments are regularly reported to the Audit Committee (composed of 3 independent directors) and the Board of Directors (most recently reported on May 9, 2024). These reports include a summary of various risks faced by the Company during the year, along with risk response measures and anticipated improvement methods, ensuring effective operation and execution of risk management within the company.

The Company continues to focus on climate change adaptation and mitigation efforts. In May 2023, the Sustainability Development Department was established to promote environmental protection, social engagement, and corporate governance through an ESG framework. This strengthens the Company's strategies for mitigating the impacts of climate change and adapting to them.

To enhance risk awareness among group employees and integrate risk management concepts into daily operational activities, the company conducted 151 sessions of risk management education and training in 2023, totaling 933 hours. This initiative aims to bolster the Company's frontline capabilities in implementing risk management practices effectively.

Risk Management Process



2.4 Information Security Protection

Information Security Protection Management Policy		Sustainability Criteria Response: [GRI] 418 Customer Privacy
Importance to SEEC	Information is one of the most valuable assets of modern enterprises, including customer data, business secrets, operational plans, and related operational systems. Effective information security measures help prevent unauthorized data access, use, theft, or destruction. If there are violations of regulatory requirements for information security and privacy, in addition to leading to a reduction in corporate governance ratings or legal issues, incidents such as information service disruptions or confidential information leaks will significantly impact the stability of company operations.	<div> <div>Policy</div> <div>For more information, refer to the Information Security Policy</div> </div>
Negative Impact (Description) / Remedial Measures	SEEC thoroughly implements various Information Security Management Systems, effectively supervises and manages them, and has not experienced any information security incidents or data breaches. <ul style="list-style-type: none"> If an information security incident occurs, emergency response procedures will be immediately activated according to regulations. If stakeholders' rights are damaged or the Company's normal operations are affected, the major incident reporting procedure must be initiated immediately, and significant information must be published on the Market Observation Post System within the regulatory time limit. 	<div> <div>Commitment</div> <ul style="list-style-type: none"> Strictly adhere to the Information Security Management System. Ensure the confidentiality, integrity, availability, and legality of core system management operations. </div>
Positive Impact (Benefit) Description	In addition to complying with regulatory information security requirements, SEEC has formulated information security policies and plans and promotes them annually according to the plan. Information security systems and process specifications are continuously implemented, with comprehensive information security technical protection measures planned for 2024, including the implementation and certification of ISO 27001 to ensure information and communication security.	<div> <div>Responsibility</div> <ul style="list-style-type: none"> The Information Security Group within the IT Department is responsible for the overall planning and execution of information security operations. All employees must comply with information security regulations. </div>
Management Evaluation Mechanism	<ul style="list-style-type: none"> The Company's Audit Unit conducts annual audits of the computerized information system operations cycle according to Internal Control Systems to ensure effective implementation. Following the PDCA (Plan-Do-Check-Act) principle, various information security protection and control measures, incident reporting and response, information assessment, and information security performance management are promoted and continuously improved. 	<div> <div>Grievance/Communication Channels</div> <div>If an information security incident is detected, it must be reported immediately to the Information Security Group within the IT Department. If it is a major information security incident, it will be reported to the General Manager, and emergency response procedures will be initiated.</div> </div>
2023 Goals / Goal Achievement Status		Short-term Goals (Within 3 Years)
<ul style="list-style-type: none"> Automate Business Group's information security management processes. Achieved Improve the information system backup mechanism. Achieved 		<ul style="list-style-type: none"> Implement information security management processes across all business groups. Obtain ISO 27001 certification for IT critical core systems.
		Medium to Long-term Goals (Over 3 Years)
		<ul style="list-style-type: none"> Continuously implement and promote information security protection measures to ensure minimal information security risk.
2023 Specific Actions		Performance Results
<ul style="list-style-type: none"> Implemented and continuously improved the "Information Security Management System," enhancing operational processes and control measures. Revised 12 information security-related regulations in 2023. Established a headquarters-level Information Security Management Committee to coordinate company-wide information security operations. Conducted 3 employee information security training sessions to enhance information security awareness. Implemented 2 information security drills and four emergency response drills. Conducted annual information security advancement operations, including information asset inventory, annual risk assessment operations, internal information security audits, and information security management reviews. 		<ul style="list-style-type: none"> In 2023, no complaints regarding customer privacy infringement or data loss were reported, and no violations of information security regulations occurred. Completed the backup mechanism for main platforms and information security-related facilities in the data center. Provided information security education and training to 94 employees. Conducted information security drills involving 2,829 participants, with an overall company pass rate of 91%. Emergency response drills met the Recovery Time Objective (RTO) requirements. The Electrical Products Business Group continued to implement the Trusted Information Security Assessment Exchange (TISAX) certification requirements.

Information Security Policy

Implement Information and Communication Security, Enhance Service Quality

Strengthen Information Security Training, Ensure Continuous Operations

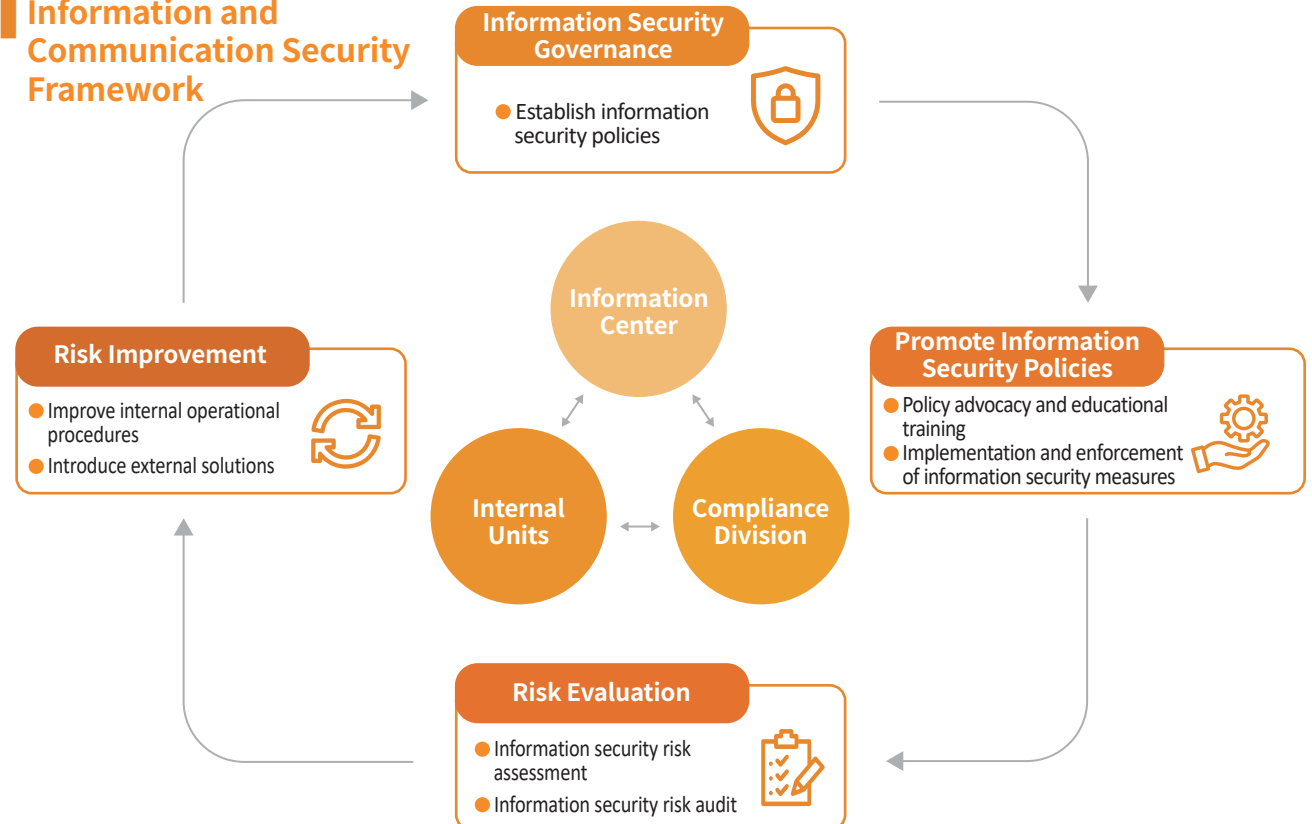
Prepare for Emergency Response, Enhance Organizational Resilience








The Company has established an information security policy, and all employees are obligated to actively participate in promoting this policy to ensure the secure operation of data, information and communication systems, equipment, and networks. The Company expects all employees to understand, implement, and maintain these measures to achieve continuous business operations. To enhance the Company's information security management and strengthen the protection of personal information and customer privacy, we have been following the ISO 27001 Information Security Management Framework since 2021. This framework helps us establish a comprehensive information security architecture and formulate management guidelines to control various information security risks, reducing the likelihood and impact of such risks.

Furthermore, to enhance the information security of SEEC and in response to the revision of the "Guidelines for Establishing Internal Control Systems for Public Companies" by the Financial Supervisory Commission, the Company has designated dedicated managers and staff for cybersecurity since 2023. This move aims to drive the Company's cybersecurity infrastructure and compliance efforts. Additionally, plans are in place to establish a corporate-level Information Security Management Committee to coordinate the promotion of the Company's cybersecurity operations.

Information and Communication Security Framework



Information Security Control Measures

Management Items	Specific Measures
 <p>Network Security Management</p>	<ul style="list-style-type: none"> Conduct periodic evaluations or tests of network system security. Regularly or timely dispatch patches to address security risks and vulnerabilities in the network operating environment. Internal critical websites and application systems should be isolated from the external internet using firewalls. Data transmission over the network should be encrypted. Establish internet usage policies and filtering equipment to prevent access to dangerous websites.
 <p>Information System Access Control</p>	<ul style="list-style-type: none"> Set access permissions for databases and file access. Accounts and passwords must comply with password policies, with a minimum password length of 8 characters and complexity requirements. Passwords should be updated every 60 days. For departing employees, the Information Center should delete user accounts or set an expiration date based on the termination date indicated in the departure form.
 <p>Computer System Security Management</p>	<ul style="list-style-type: none"> Install antivirus software on all main servers and personal PCs, with automatic virus definition updates. Implement security modules in the email system, such as spam filters, malicious software detection, and attachment control modules, to enhance email information security. When equipment fails or encounters information security incidents or business needs require recovery operations, follow the recovery procedures for each information system to quickly restore normal system operations and minimize service downtime. Recovery procedures should be proposed by system owners and approved by supervisors before implementation. Conduct regular disaster recovery drills for information systems.
 <p>Data Backup</p>	<ul style="list-style-type: none"> Perform daily backups of the database. Label backup data with the backup date, system name, and data content, and store it offsite.
 <p>System Availability</p>	<ul style="list-style-type: none"> Implement high-availability mechanisms for critical information systems. Perform daily full backups of application system programs.

Information Security Education and Training

To supervise all employees in implementing information and communication security management, SEEC continuously conducts annual ICT security training to establish the concept of "Information Security is Everyone's Responsibility." This aims to enhance employees' understanding of the importance of ICT security and encourage compliance with ICT security regulations, thereby increasing ICT security intelligence and emergency response capabilities, and reducing ICT security risks to achieve continuous operational goals. The Company arranges information security courses during new employee training and holds regular information security seminars for existing employees. It also announces and promotes information security messages to all employees and prioritizes training for those who have not previously completed the Company's information security course. In 2023, three sessions of employee information security education were conducted, covering topics such as network security and data protection, to enhance employees' awareness of information security. A total of 94 employees participated this year.

Additionally, the Company periodically conducts information security drills to enhance employees' awareness of information security and regularly organizes emergency response drills for information security to ensure rapid recovery in the event of information system failures or major disasters, thus ensuring continuous operation of critical business functions and enhancing organizational resilience. In 2023, 2 information security drills and 4 emergency response drills were conducted. The information security drills involved phishing email simulations across the company, reaching 2,829 employees, to enhance their awareness of information security risks. The average pass rate for the company was 91%, and employees who did not meet the criteria were given further education and intensified training. The emergency response drills tested the core system's emergency response capabilities with scenarios involving database destruction, conducted by the information responsible person of the core system, practicing data backup and restoration. The drill results met the Recovery Time Objective (RTO), which requires restoration within 6 hours.

2023 Information Security Education and Training

Employee Information Security Drills

- Dates: 5/2 and 7/10 (total of 2 sessions)
- Activity Name: Phishing Email Drills
- Participants: All employees
- Number of Participants: 1,418 (first session), 1,411 (second session)

Employee Information Security Education Training

- Dates: 6/16 and 8/24 (total of 3 sessions, each session 1 hour)
- Course Name: Employee Information Security Education Training
- Participants: Selected employees, prioritizing those who have not received training
- Number of Participants: 94

Information Security Emergency Response Drills

- Dates: Executed according to schedule
- Activity Names: ERP System Drills (quarterly), Email System Drills (annually), Workflow System Drills (annually)
- Participants: System-Related Responsible Person
- Number of Participants: 5

Information Security Seminars

- 3 cybersecurity personnel from the Company participated in cybersecurity seminars, achieving a 100% participation rate (including attendance at cybersecurity seminars).

Employee Information Security Education Training



To safeguard customer privacy, the company has established personal data protection management rules covering the collection, processing, copying, use, transmission, filing, deletion, and destruction of customer personal data. Detailed procedures for the protection of personal data are explained, and necessary training is conducted for relevant employees to ensure familiarity with all regulations and legal requirements. The company adheres to the Fair Trade Act, Personal Data Protection Act, Trademark Act, and requirements from the National Communications Commission and other government regulations for sales and promotional activities. In 2023, there were no complaints about customer privacy violations or loss of customer data, nor any breaches of cybersecurity regulations.

Strengthening Information Security Culture

TISAX Certification for Automobile Equipment Business Group

The automotive industry has experienced numerous cybersecurity incidents, prompting European automakers to accelerate the completion of the Trusted Information Security Assessment Exchange (TISAX) based on the VDA ISA standards. The Automobile Equipment Business Group at the Company has implemented TISAX and successfully passed the VDA ISA TISAX AL2 level certification in July 2022 (certificate valid until January 19, 2025). This not only meets customer requirements but also aids in expanding the customer base among European automakers and enhances the internal information security capabilities.

Advancement of Information Security Management

The Automobile Equipment Business Group, Automation Business Group, and Heavy Electrical Power Transformer Business Division conduct annual cybersecurity advancement activities, including inventory of information assets, annual risk assessments, internal cybersecurity audits, and security management reviews. These activities are part of implementing the Information Security Management System (ISMS) lifecycle to identify cybersecurity risks and develop solutions accordingly. Plans are in place to progressively extend these practices to other business groups and units annually.

The company plans to implement and obtain ISO 27001 certification by 2024.



Inventory and Risk Assessment Course for Information Assets



Risk Assessment Meeting

Chapter

3

Committed to Green Energy

★ Annual Performance

4 Energy-saving products

Won the 2024 Taiwan Excellence Awards.

The average score is **4.39** points

The total average customer satisfaction score of each business unit

100% qualified

Annual Supplier Assessment Results

A total of **85** companies and **170** people participating

Conducted "Supply Chain Alliance Conference"

100% compliant with RoHS regulations.

The products of each business group of SEEC

7 AFFORDABLE AND CLEAN ENERGY



- Participating in Engineering, Procurement and Construction (EPC) projects for green energy projects. In 2023, more than 10 projects have been completed and connected to the grid, and 12 projects are under construction.
- Establish the brand of "Shihlin Electric Green Power" to integrate and provide related green energy services.

8 DECENT WORK AND ECONOMIC GROWTH



- Continuously develop green energy-saving products and commit to product innovation and upgrading. Annual R&D expenses account for 2.1% of operating income.
- Actively promote "high-efficiency" transformers and other related products, and update the carbon footprint and carbon labels of two products.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



- Participated in large-scale government public projects and Taipower turnkey projects, receiving 6 major projects in 2023, all of which are in the construction stage.
- Participated in Taiwan Railway projects, including South Link Railway project, Taipei Electric Power Section tunnel section conductor rail installation project, etc..
- Participated in a total of 37 public projects by 2023

Key Stakeholders



Shareholders/
Investors



Customers



Business
Partners



Financial
Institutions



Government
Agencies



Community

3.1 Product Responsibility

Product Responsibility Management Approach

Sustainability Criteria Response:

[GRI] 416 Customer Health and Safety, 417 Marketing and Labeling
[SASB] Product Safety, Product Life Cycle Management

Importance to SEEC	Product quality is the top priority in the manufacturing industry. Only with good product quality can we have strong competitiveness. High-quality and safe products are the cornerstone of customer trust, while innovative research and development can help SEEC gain competitive advantages in the market, and patents are an important means of protecting innovation. If it cannot be managed properly, costs may be incurred to solve quality issues, or poor intellectual property management may lead to legal proceedings and fines, which may lead to damage to the brand image.
Negative Impact (Description) / Remedial Measures	SEEC strictly controls product quality and focuses on product research and development and patent portfolio. In 2023, SEEC had no product recalls, violations of product safety-related regulations, patent intellectual property rights, etc. <ul style="list-style-type: none"> ● If there are product quality issues or customer complaints, we will implement remedial measures in accordance with the prescribed methods. ● If a complaint of patent infringement is received, the legal office personnel will make initial intervention, contact relevant professionals to analyze the problem, and entrust a patent firm to conduct infringement case analysis, follow-up incident handling and related remedial measures.
Positive Impact (Benefit) Description	SEEC has a leading position in product quality and technology research and development capabilities. Continuous technology research and development and innovation contribute to the development and application of industrial technology and create upstream or industrial value. The company's products or services help improve environmental benefits, power saving and carbon reduction.
Management Evaluation Mechanism	<ul style="list-style-type: none"> ● Perform internal audits every year, regularly review the organization's quality management system, and hold management review meetings (once a year) to ensure continued suitability, adequacy, effectiveness and integration with the organization's strategic policies. ● Conduct customer satisfaction surveys every year, and review and adjust on a rolling basis through customer comments and feedback. ● Convene company-wide R&D management meetings on a regular basis (once per quarter).

2023 Goals / Goal Achievement Status

- Process defect rate <90~1000ppm **Achieved**
 - Market defective rate <110~2000ppm **Achieved**
 - Feeding defective rate <50~1290ppm **Achieved**
 - Homemade defective rate <60~1800ppm **Achieved**
- Note: Due to the different product attributes of each business unit, the defective rate setting is quite different, so it is expressed in intervals.
- Number of patents >30 **Achieved**

Short-term Goals (Within 3 Years)

- The product does not violate regulations
- Continuously develop and promote environmentally friendly products
- The defective rate decreased by 10% compared with the previous year (including process, market, ifeeding, and homemade)
- Number of patents >42

Medium to Long-term Goals (Over 3 Years)

- Reduce defective rate every year
- Gradually improve delivery on-time rate
- The defective rate decreased by 15% compared with the previous year (including process, market, feeding, and homemade)
- Number of patents >100

2023 Specific Actions

- Focus on product quality and safety, strictly control production quality, and continue to develop multiple system certifications.
- Regularly update and maintain product safety certificate validity.
- Annual research and development expenses account for 2.1% of operating income.
- A total of 1,053 people participated in quality assurance-related education and training, totaling 7,281.5 man-hours.
- Implement supplier production audit and coaching plans and QCC quality activity coaching.
- Strengthen the verification of new products and new regulations.
- Senior managers conduct production process inspections.
- Organize process soldering and visual inspection competitions and process review meetings to promote implementation.
- Customer visit project (market quality analysis and explanation).
- Increase on-site project audits.

Performance Results

- From 2021 to 2023, a total of 115 patent certificates were obtained, and a total of 323 patents are continuously valid.
- A total of 1,053 people participated in quality assurance-related education and training, totaling 7,281.5 man-hours.
- A total of 10 employees have obtained professional quality certificates issued by the Chinese Society for Quality.
- The products produced by each business unit of SEEC do not use harmful substances regulated by the RoHS directive and are 100% compliant with the RoHS directive.
- There has been no product recall, nor any legal proceedings or monetary losses due to violation of product safety-related regulations.
- The average total customer satisfaction score of each business unit is 4.39 points.



Policy

Quality policy: Pay attention to customer needs, continuously improve, and provide satisfactory products and services.



Commitment

We are committed to achieving the "Quality Policy", providing high-quality products and services, meeting customer needs and improving satisfaction.



Responsibility

Quality Assurance Center, R&D Center, Purchasing Department, Manufacturing Department, and Control Manufacturing Department of each business unit.



Grievance/Communication Channels

- It has an after-sales service center, a free customer service hotline, and a public email account on the official website.
- The main window for accepting customer complaints is the business unit.

Operation Policies

The quality policy of SEEC is "continuous improvement, providing customers with premium products and services." It has deepened its belief in employee mindset. It's also highlighted in the quality management manuals of each business group and the highest guiding principles for all employees.

Quality Management

Product quality is the top priority in the manufacturing industry. Only with good product quality can we have good competitiveness. In order to ensure product quality and customer safety in use, SEEC has set up "Quality Assurance Department" and "Manufacturing Management Department" in each business group. ", so as to have all-round control for the promotion of smart manufacturing, improving operational capabilities, deepening key manufacturing technologies, deepening core capabilities, improving product engineering management and verification technology, and strengthening risk management, etc., as well as ensuring the product quality of the company.

Quality Management System Verification

SEEC products developed and produced by each business group have passed the international quality management system certification and will continue to maintain it. In addition to the latest IATF 16949:2016 quality verification of the vehicle industry by the Automobile Equipment Business Group, all other business units (Taiwan production bases) have passed the latest version of the international quality management system ISO9001:2015 certification.



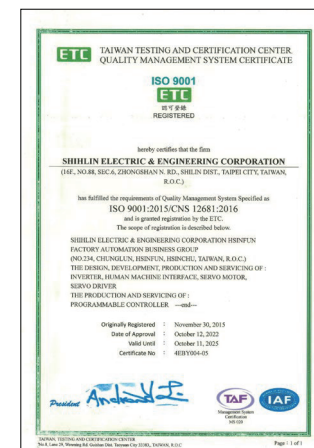
ISO 9001 : 2015
Heavy Electric Business Group
Certificate validity period: 2024/7/8



IATF 16949 : 2016
Automobile Equipment Business Group
Certificate validity period: 2027/06



ISO 9001 : 2015
Xinfeng Factory Breaker &
Switchgear Business Group
Certificate validity period: 2024/8/3



ISO 9001 : 2015
Xinfeng Factory
Automation Business Group
Certificate validity period: 2025/10/11

Quality Awareness Training and Certification Assessment

In response to the requirements of quality management, other than the internal institutional management of each business unit, the management unit of the head office also conducts quality education and training as well as internal assessment work, including the promotion of reviewing the old and the new training for employees, the verification of quality compliance, the research and development of new regulations, and the verification of benchmarks, etc., and formulate a professional certification and allowance incentive mechanism to encourage employees to obtain licenses and the related expenses will be subsidized by the company.

As for the external training and assessment, the head office management unit cooperates with external resources, invites external professional organizations to provide professional quality training, and sends personnel to participate in the qualification examination of CQT quality control technicians, CQE quality control engineers and other professional and technical qualification examination conducted by the Chinese Society for Quality. In 2023, a total of 10 employees obtained quality professional certificates issued by the Chinese Society for Quality. Among them, 9 people obtained the CQT certificate and 1 person obtained the CQE certificate. A total of 1,053 people participated in quality assurance-related education and training, with a total of 7,281.5 man-hours.

Continuous Improvement of Product Verification Capabilities

The company has set up precision measurement centers, reliability test centers, product test centers, etc., in each production business group, and product verification units, which conduct tests on R&D prototype product development, small batch trial verification, mass production inspection, and market feedback product verification, consequently, carry out effective product liability guarantee.

The Heavy Electric Business Group is certified by the TAF testing laboratory and can independently issue fair and effective test reports on power and distribution transformers, switchboards, voltage comparators, current transformers, lightning arresters, circuit breakers and other types of power or distribution equipment. Many test items not only meet the scope of factory test of national and international standards, but also cover many types test items, effectively increasing the confidence of stakeholders in our products.

The Heavy Power Product Testing and Experiment Center applied for the actual measurement and evaluation of TAF changes of 69kVPT and CT. After the evaluation, it passed the certification and obtained the TAF renewal "69 kV PT and CT changes" certification in Chinese and English. In 2022, it accepted the TAF extended practical evaluation and passed the certification, and obtained the "Full Product Certification" certificate issued by TAF in Chinese and English.



ISO/IEC 17025 Test Laboratory Certification

Type Test of Product Conforming to National or International Standards:

In addition, for product type test certification and voluntary certification, the products produced by the company can meet the requirements of relevant laws and regulations. For example:

1.High-voltage electrical equipment:

In 2023, a new approval letter from the Energy Bureau of the Ministry of Economic Affairs obtained for 3 items, with a total of 5 main models + 11 series models (a total of 117 items).

2.Low-voltage switch category:

As of 2023/12, a total of 364 items were subject to inspection and voluntary registration (49 items newly acquired in 2023).

3.Industrial control automation products:

All products have obtained CE certification (such as servo motors, drives, inverters, etc.), and the servo driver SDE, SDP-A, SDC-A, and SDC-E series have obtained UL certification.

4.Vehicle electrical equipment category:

Meets the requirements of car factory durability test and road vehicle test.

Product Traceability

In order to make the manufactured products traceable, SEEC has introduced the MES (Manufacturing Execution System) system, so that the products can be monitored through the system from order, production, process control to product completion to ensure product production quality. And through the database, graphical user interface, open architecture and other related information, the process of suppliers, property management, production, equipment maintenance, quality control and other processes can be integrated, and the real-time production information on the factory production line can be notified via web or other notifications. The method is accurately transmitted to the user for monitoring, thereby improving the enterprise process and improving production efficiency, and thereby establishing production history, production resource control, and error prevention management.

Health, Safety, and Labeling of Products

Hazardous Substance Management

Business Unit	Product	CE/RoHS	Reach
Heavy Electric Business Group	Power transformers exported to North America comply with UL regulations	Exclusion Clause	Exclusion Clause
Automobile Equipment Business Group	Generator, starter motor, fuel pump, ignition coil, magnet generator, start-stop generator	100%	100%
Breaker & Switchgear Business Group	Fusible circuit breakers, small type breakers, electromagnetic switches	100%	100%
Automation Business Group	Servo motors, programmable controllers, frequency converters, human-machine interfaces	100%	According to customer requirements, currently only SDP (3K, 7K) series conforms (about 1%)

Note: According to the product scope regulated by the RoHS Directive (2011/65/EU), heavy electrical products are excluded.

In order to ensure that the company's products meet the standards of the "Restriction of the use of certain Hazardous Substances in Electrical and Electronic Equipment" (RoHS Directive) and achieve the goal of being free of hazardous substances, the "Restriction of Hazardous Substances Directive (RoHS) Management Measures" has been formulated to ensure All of SEEC products and manufacturing processes comply with international environmental protection laws and standards and meet international environmental protection requirements.

In addition, in order to effectively manage our production quality and process, SEEC controls the production source. In addition to requiring suppliers to sign the "Third Party Supplier Banned and Restricted Substances Control Guarantee", and establishing "Incoming Material Inspection Methods". Suppliers must provide an inspection report from a third-party notary agency for hazardous materials for the first batch of supplies, and depending on quality needs, the manufacturer may be required to provide another inspection report from a third-party notary agency from time to time. The outer packaging of the products that pass the inspection shall be marked as RoHS products, and the remarks column of the quality inspection record shall be marked as RoHS-specific, ensuring that the environmentally friendly materials and parts provided comply with SEEC prohibited or restricted hazardous substance specifications.

SEEC banned and restricted substances are mainly six hazardous substances stipulated by RoHS, and their types and concentrations must comply with the content limit of the latest RoHS regulations issued by the European Union. In 2023, the products produced by each business group will comply with the RoHS directive (2011/65/EU) except for equipment with operating voltage less than 1000V AC or 1500V DC, such as heavy electrical products.

Our products are not included in the IEC 62474 regulatory framework. The percentage of products containing IEC 62474 scheduled substances (lead, mercury, cadmium, hexavalent chromium, etc.) is 100%, but they all comply with the restriction standards. Products sold by SEEC contain The percentage of declarable substances in IEC 62474 is 0%.

Product Safety and Labeling

The products have passed relevant tests and verifications such as international, national and customer standards before leaving the factory, and are 100% compliant with safety regulations. The products of the Heavy Electric Business Group exported to North America and the Automobile Equipment Business Group are 100% compliant with UL regulations. The electromagnetic contactors for export of the Breaker & Switchgear Business Group have obtained UL certification. The SDE series, SDP-A, SDC-A, and SDC-E series of servo drives of the Automation Business Group have all obtained UL certification. In addition, "Safety Precautions" are marked on the product manual when shipped to provide consumers with safe usage, installation environment and other product safety information.

The quality of the products of SEEC conforms to customer specifications or national standards CNS or well-known international standards (such as IEC, IEEE...). Taking CNS compliance as an example, through certification practices such as CNS Mark certification, we will continue to ensure customer safety in use. In conjunction with the promotion of the new version of the quality management system, we will continue to maintain and obtain the updated version of the CNS Mark certificate, and control product safety and labeling with the spirit of CNS Mark certification. As of 2023, an excerpt of the company's CNS Mark certification items is as follows:

Factory	Certificate Number	CNS	Product Name	CNS Mark	Smile Mark
Heavy Electric Factory	2897	598	Distribution transformer (single phase), rated primary voltage (11400V)	☑	-
	6001	11437	Instrument transformer (Current transformer)	☑	-
	6002	11437	Instrument transformer (Potential transformer)	☑	-
Xin Feng Factory	1260	1179	Low voltage capacitor	☑	😊
	1509	1372	High voltage power capacitor	☑	😊
	2261	2930	AC solenoid switch	☑	😊
	2371	4816	Low voltage switchgear and control device-Part 2: Circuit breaker	☑	😊
	3709	5422	Leakage circuit breaker (dedicated for ground fault protection)	☑	😊
	3710	5422	Leakage circuit breaker (ground fault protection, overload protection and short circuit protection)	☑	😊

Note: The smile mark is for the Industrial Development Bureau, Ministry of Economic Affairs to assist domestic traditional industries to improve product quality. Since 2010, it has promoted the verification system of Taiwan-made MIT smile products, which meet the "Taiwan-made origin certification standards" and "quality inspection". The evaluation experts will then go to the site to check to confirm whether the product is manufactured in Taiwan's original industry and meets the relevant verification standards of the industry. Only after passing the inspection can the MIT smile mark be issued.

The cumulative statistical certificate cases for heavy electrical products, low-voltage switches and industrial control products (sent to impartial testing agencies for testing and passing the test) are as follows:

Item	CE (Self-declaration)	CCC (China)	TUV (Germany)	KEMA (Netherlands)	BSMI (Taiwan)	cULus (USA)	SNI (Malaysia)
Power and distribution transformers	0	0	0	3	0	1	0
Breaker	4	107	26	14	71	0	1
Electromagnetic contactor	0	76	29	0	0	40	0
Auxiliary device	0	0	0	0	0	0	0
Thermal relay	0	0	3	0	0	6	0
Server driver	6	0	0	0	0	2	0
Frequency converter	6	0	0	0	0	0	0

In the panel industry, ID industry equipment has achieved considerable and stable profits. Actively approach semiconductor equipment and enter the semiconductor industry. The SEEC wafer loader Load Port and the wafer transfer equipment EFEM are equipped with a high-precision double-arm Robot design to quickly pick and place wafers and stably transport products, and are equipped with OCR to accurately interpret M12.T7 wafer markings, with high-speed and precise alignment and The interface is intuitive to operate. In order to enable SEEC semiconductor products to be sold to the global market and meet customer needs, "12-inch LOADPORT products" and "12-inch EFEM products" have obtained the "SEMI S2 certification" and "CE certification" international certifications in 2023 respectively.



Customer Service

Customer Communication and Service

SEEC has a wide range of customers. In order to provide customers with the best service, from new product development, product sales to after-sales service, Sales Units are the main contact window, and according to different topics, we directly visit or convene meetings with relevant units to communicate with customers. In order to ensure that we can fully receive customers' needs, questions and feedback when using the product, we setup many channels such as: 0800 dedicated line for free personal consultation, official website Q&A, consultation email, and dedicated on-site service. The consultation contact information is clearly marked in product catalogs, official vehicles, official website, company business cards, exhibitions, symposiums, LINE, various service bases, etc. to facilitate the real-time collection of customer needs and feedback and improvements, so that customers voice is properly conveyed to the company to achieve the goal of continuously improving customer satisfaction.

Communication channels

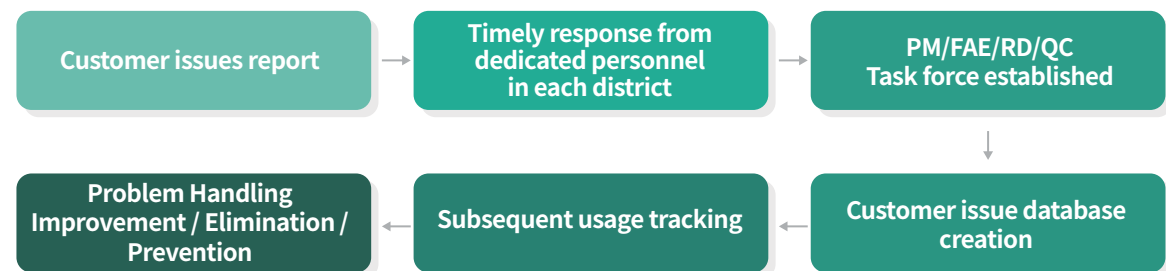
- 0800 Toll-free line
- Official Web
- Official Email
- Dedicated on-site service

Promotional channels

- Exhibition
- Symposium
- Product catalog
- Business car
- Social media LINE

Customer Consultation Process

Each business group has sales technicians in each branch, who can go to the customer site immediately to identify and eliminate issues. Once the customer issue is identified, it will be transferred to the dedicated department for analysis and processing. After the issue is solved, we will also track customer's subsequent usage status. This business group retains various problem-solving databases, conducts regular reviews and internal education and training on relevant issues, and continues to improve the efficiency of customer problem-solving.



Product Recall and Remediation Mechanism

The products manufactured and produced by SEEC strictly abide by relevant regulations and customer contract specifications, and we produce products that meet international standards, national standards and customer requirements. In 2023, we did not have any product recalls, nor did it have any violations of product safety-related regulations, legal proceedings and monetary losses.

In addition, the company has established "Quality Service and Complaint Handling Procedures". When receiving customer complaints, the company will implement the following in accordance with operating procedures and management regulations:

1. Provide plans for product and service quality enhancement to prevent complaints.
2. When complaints occur, information can be conveyed and dealt with promptly.
3. Confirm customer satisfaction and prevent similar complaints from happening again.

The main contact window for customer complaints is the business unit. If it is a product quality problem, the quality assurance center will mainly conduct analysis, countermeasures and statistics on the returned products and then reply to the customer. If the complaint involves product safety liability, a meeting will be conducted to handle the case.

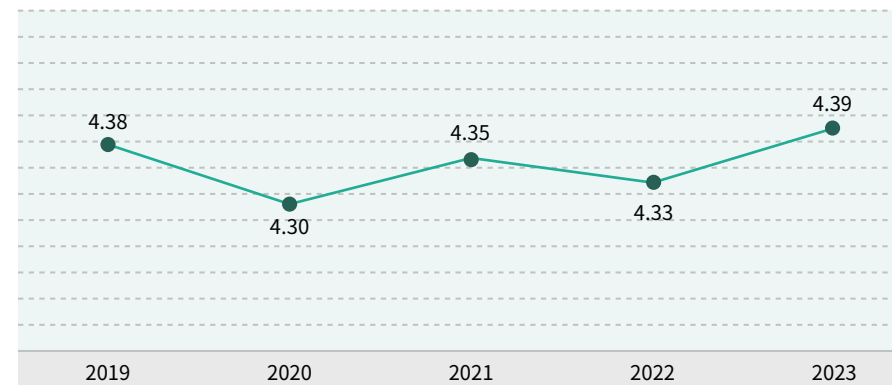
Customer Satisfaction

Each business unit regularly conducts customer satisfaction surveys every year, focus on four indicators: quality, delivery time, price, and service; and then prepare a "Customer Satisfaction Survey Form" and submit it to the top management of the business group. If the survey results are lower than 3 points (full score is 5 points), a review will be conducted for further enhancement.

The overall customer satisfaction score of SEEC maintains a sound level, with the average score above 4 points. The average total customer satisfaction score of each business group in 2023 is 4.39 points.

Among them, customer satisfaction with "delivery" has improved compared with last year, and the scores of other indicators have also reached satisfactory levels or above. We will organize, analyze, and give feedback based on customer satisfaction factor evaluations to understand customers' thoughts and make relevant improvements to improve service quality.

SEEC Customer Satisfaction Score Over the Years



2023 Goals / Goal Achievement Status

- On-time Delivery Rate >98% **Achieved**
- Customer Feedback Issues <20 **Achieved**
- Customer Satisfaction >4.5 points **Not Achieved (4.39 points)**

Short-term Goals (Within 3 Years)

- On-time Delivery Rate >98%
- Customer Feedback Issues <10-15
- Customer Satisfaction >4.5 points

Medium to Long-term Goals (Over 3 Years)

- On-time Delivery Rate >98%
- Customer Feedback Issues <10
- Customer Satisfaction >4.5 points

Product Development and Patent Management

The company's research and development expenses accounted for 2.1% of operating income in 2023. In addition to paying attention to the safety, labeling and reliability of products, it is also actively developing and providing various safety-improved products in the following applications. In 2023, a total of 42 patent certificates were obtained (including 10 invention patents, 28 new model patents, and 4 design patents). From 2021 to 2023, a total of 115 patent certificates were obtained (including 21 inventions, 89 new models, and 5 designs), and a total of 323 patents are continuously valid.

✓ Product Innovation and Research and Development: DC High Voltage Circuit Breakers

The Breaker & Switchgear Business Group focuses on the R&D, production and sales of low-voltage switches and is the leading brand with the largest market share in Taiwan. In 2022, "DC 1500 Volt high voltage circuit breaker" was launched and its product chain was improved in 2023. With this product, SEEC is the first pioneer to lead the DC high voltage circuit breaker market. We are the first to launch AC800V high voltage switch, leading the industry technology in line with the trend of development. For the first time, it provided the perfect solution for charging station A.B type leakage circuit breakers, and obtained the high voltage switch certification approval letter from the Energy Administration, fully demonstrating the quality and reliability of SEEC products. Market performance is applied to solar power generation systems (light), green energy charging systems (charging), and green energy storage systems (storage). Its light-charging-storage can be built into a micro-grid system, which can generate electricity by itself, and is also energy-saving and sustainable. It can be directly configured and used by SEEC. In the global goal of net zero carbon emissions, the construction of micro-grid is one of its important methods. Its architecture covers solar systems, charging systems, and energy storage systems. Taking SEEC Xinfeng Factory as an example, electricity can be self-sufficient and can be converted into energy storage during off-peak electricity usage periods so as to achieve energy system management benefits of environmental protection and energy saving.

01

The first company to launch DC1500V switch products



02

The first company to launch AC800V high voltage switch



03

The first company to launch charging station A.B type leakage circuit breaker



04

The first company to obtain the high voltage switch approval letter from the Energy Administration



Product certification

- The entire range of products has obtained TUV certification from the Department of Energy



Product specifications

- Complete product line DC250/500/750/1000V/1500V

Product advantages

- Local production **Fast delivery**
- Many service bases **Quick response**
- Price **High CP value**
- Domestic product **Quality first**

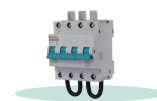
FUSE (including holder)



DS Switch-disconnector



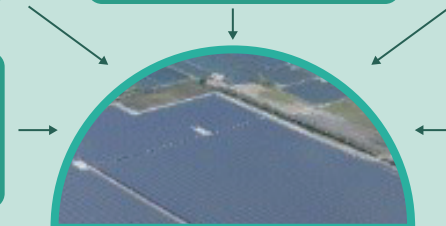
MCB Miniature Circuit Breaker



SPD Surge Protection Device



MCCB Molded Case Circuit Breakers







3.2 Green Energy Development

Green Energy Development Management Approach

Sustainability Criteria Response:

[GRI] 302 Energy [MSCI] Clean Technology Opportunities [SDG] 7.a Improve Clean Energy Research and Technology, 11.2 Provide a Safe and Sustainable Transportation system

Importance to SEEC	The climate crisis affects global government decision-making and the lifeblood of the supply chain. It is urgent to achieve net-zero emissions. Carbon reduction is no longer just a responsibility, but also a critical factor for the future competitiveness and viability of enterprises. SEEC has realized that the green energy products of each business group will play a very important role in connecting the green supply chain. How to stay ahead of the opportunities and risks brought by climate change to the company, actively respond to ESG issues and propose specific actions has become a company key business issue.
Negative Impact (Description) / Remedial Measures	There is no actual and significant negative impact, but if SEEC cannot meet customer or market demand in terms of clean energy, technology development and business layout, it may affect SEEC operating performance and lose important customer business opportunities in the long term.
Positive Impact (Benefit) Description	In recent years, SEEC has actively deployed the green energy industry and transformed into a green power supplier. Its scope covers fishery and electricity symbiosis and ground-based solar power plants, government public projects, and Taipower turnkey projects. It also has its own energy storage cabinets and is in the field of clean energy and technology development. above, making a positive contribution to the overall development of ESG.
Management Evaluation Mechanism	Report plans and progress tracking to the Sustainable Development Committee and Board of Directors every year.

 Policy	There are energy management policies and greenhouse gas management policies in place. Please refer to 4.2 Energy and Greenhouse Gas Management
 Commitment	<ul style="list-style-type: none"> Adhering to the concept of "Saving Energy, Reducing Carbon and Loving the Earth, SEEC works hand in hand with you", we are committed to promoting the company's green energy transformation and implementing social responsibilities with practical actions. Continue to develop more energy-saving products and expand the green supply chain, hoping to provide more energy transformation services with value chain partners and achieve a win-win situation of mutual integration, symbiosis, mutual prosperity and sharing with society.
 Responsibility	<ul style="list-style-type: none"> The management team, sustainable development office, and sustainable development committee are responsible for the coordination, planning, and execution of the green energy market layout. The factory affairs, R&D and other units of each factory area jointly implement product development, project construction, etc.
 Grievance/Communication Channels	The company's official website has a special column for investors, a mailbox for stakeholders, a contact hotline for stock agencies, and an internal anonymous reporting mechanism.

2023 Goals / Goal Achievement Status

- Strive for green energy/transportation and Taipower turnkey projects to set up factories **Ongoing**
- Construction of turnkey solar power projects and installations, energy storage projects, charging pile manufacturing and charging station construction, PCS and PV inverter introduction **Ongoing**

Short-term Goals (Within 3 Years)

- Corporate revenue and profits continued to grow positively.
- Increase the revenue share of green energy products and services by 30%.
- Annual average return on equity is at least 7%.

Medium to Long-term Goals (Over 3 Years)

- Consolidate existing market share and actively expand overseas markets.
- Cultivate and recruit green energy, digital and export talents.
- Continue to develop market opportunities such as green power/power storage/power saving.
- Increase the revenue share of green energy products and services by 50%.

2023 Specific Actions

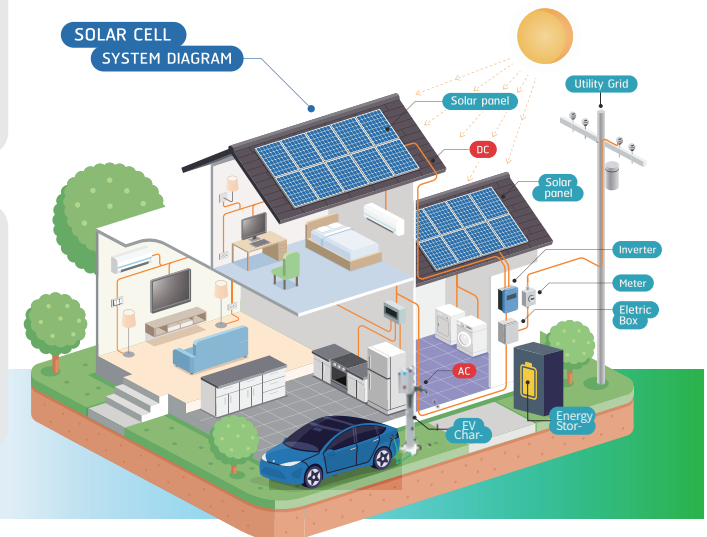
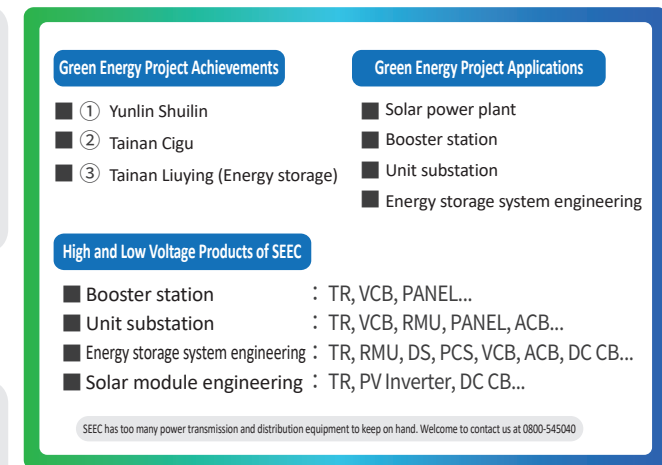
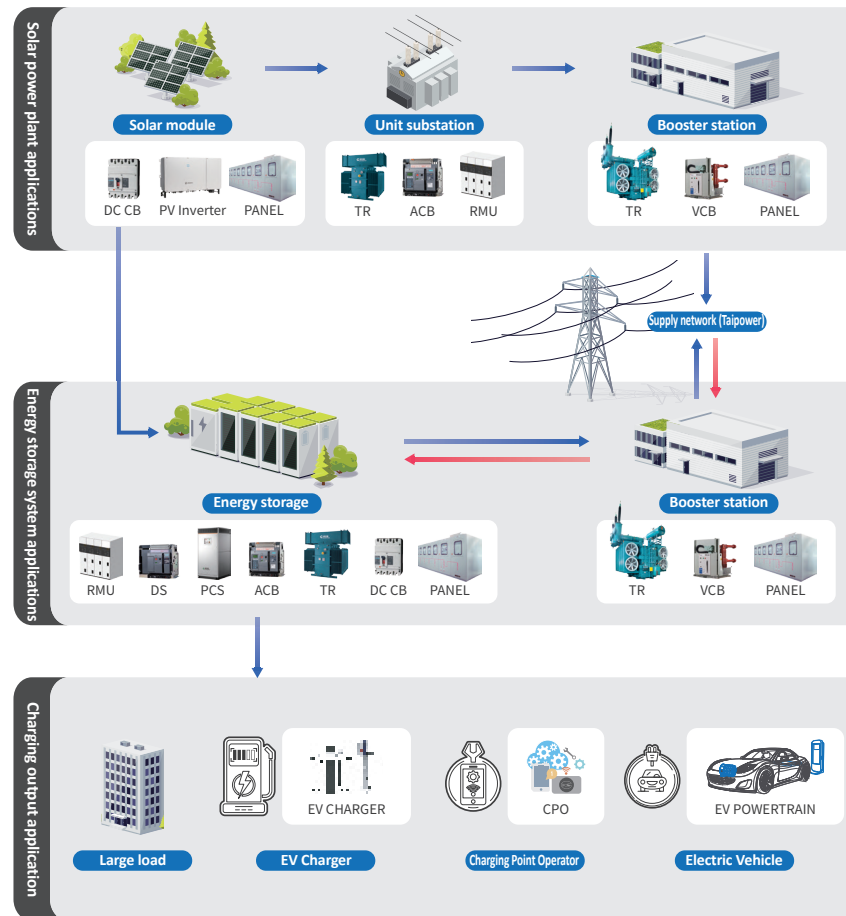
- Participating in Engineering, Procurement and Construction (EPC) of green energy projects. In 2023, more than 10 projects have been completed and connected to the grid, and 12 projects are under construction.
- Participated in large-scale government public projects and Taipower turnkey projects, receiving 6 major cases in 2023, all of which are in the construction stage.
- Actively promote "high-efficiency" transformers and other related products, and update the carbon footprint and carbon labels of 2 products.

Performance Results

- AUO Water Forest's turnkey solar power plant project has connected 178 MW to the grid by the end of June this year, setting a record for the largest primary power transmission in Taiwan.
- The two products "amorphous oil-immersed transformer" and "high-efficiency oil-immersed transformer" will complete the product carbon footprint and carbon label update in 2023.
- Four energy-saving products of the Automation Business Group won the 2024 Taiwan Excellence Award.

SEEC is a world-renowned power system equipment supplier. In recent years, it has actively deployed in the green energy industry and transformed into a green power supplier. Its scope covers fishery and electricity symbiosis and ground-based solar power plants, government public projects, and Taipower turnkey projects. Facing global competition and environmental protection issues, SEEC actively develops the green energy industry, expands participation in public projects, and continues to strengthen its core advantages.

In order to fully seize the green energy market, we specially established the brand of "Shihlin Electric Green Power" across business groups in 2022 to quickly build a complete new energy business layout and use green power suppliers (fishery and electricity symbiosis, power plant EPC turnkey), construction of booster stations (for own use/supply to others), energy storage projects (from planning to maintenance and operation), and green energy applications (charging stations & piles/DC switches/EV Powertrain) are the four main axes of green energy development.



Green Energy Engineering

In terms of green energy engineering, SEEC already has the planning, design, civil engineering, motor, and maintenance capabilities for solar boost stations, unit substations, monitoring systems, and energy storage sites, including the construction of turnkey solar power projects and sites, Energy storage engineering, charging pile manufacturing and charging station construction, PCS and PV inverter introduction, and the production, manufacturing and supply of various AC and DC related high and low voltage products establish the investment and development of comprehensive new energy and green energy.

With its first-class product quality, SEEC has successively managed energy projects from three places, building a solar fishery and electricity symbiosis field energy storage system in Qigu, Tainan, and Hongde Energy has built a 206 MW fishery and electricity symbiosis and energy storage field system in Liuying, Tainan. In addition, there is also the RMB 4 billion turnkey project of building a solar power plant in AUO's Water Forest. From the beginning of clearing 163 hectares of forest land, 178 MW was connected to the grid by the end of June 2023, setting a record for the largest primary power transmission in Taiwan. In 2023, more than 10 green energy engineering, procurement and construction (EPC) projects have been completed and connected to the grid, and another 12 are under construction. Up to now, the market share of solar boost 4 stations and energy storage boost stations has exceeded 60%. In the field of new energy, SEEC has an absolute competitive advantage. In addition, the company also participates in large-scale government public projects and Taipower turnkey projects. In 2023, it received 6 major project cases, all of which are in the construction stage. It plays a very important role in the construction of national public projects. The actual case results are spread all over Taiwan and outlying islands.

Achievements in important projects



1

START

2

Enter the EMU500 EMU
modification project

2017

3

Enter the solar
EPC project

2019

4

Enter the energy
storage EPC Project

2021

5

Enter the Taoyuan
Airport EPC Project

2023



Participated in
a total of **37** public projects
by 2023

Projects of the Ministry of Economic Affairs

- 2008 年~2013 年 Wanda power plant expansion and Songlin branch hydropower project Gold Medal
- 2014 年~2017 年 Connection transformer and ancillary equipment engineering for Tongxiao power plant renewal and expansion project
- 2014 年~2018 年 Mingtan power plant Jugong branch 161kV switchyard renovation project Gold Medal
- 2018 年~2021 年 Taichung power plant seawater pump room medium voltage power cable renewal project
- 2019 年~2022 年 Fuhe D/S 161kV 60MVA power transformer GIT new construction project
- 2023 年~2024 年 Taichung power plant new backup main transformer manufacturing and installation project for units 5 to 8 Under construction
- 2023 年~2026 年 Xingda power plant gas unit renewal and reconstruction plan including transformer and ancillary equipment project Under construction
- 2023 年~2026 年 Southern Taiwan Science Park E/S 161kV static synchronous compensator (STATCOM) new construction project Under construction
- 2023 年~2026 年 Concorde Power Plant Zhushan Branch expansion project of 4 diesel units Under construction

Projects of the Ministry of Transportation And Communications

- 2017 年~2022 年 Taitung-Chaozhou section electrification project of the Taiwan Railways Southern Railway Gold Medal Award for Facility Category
Taipei electric power section tunnel section conductor rail installation turnkey project Gold Medal Award for Excellence in Construction Gold Medal for Excellence in Design
- 2021 年~2026 年 Electrical and mechanical engineering of the main terminal building of the third terminal Area of the Taiwan Taoyuan International Airport Under construction
- 2023 年~2026 年 Taiwan Taoyuan International Airport Terminal 3 information and communication system project Under construction
- 2023 年~2026 年 Push-pull bus motor system update Under construction



Solar energy project site



Energy storage cabinet

Green Energy Products

Each business group of the company is committed to developing more energy-saving green products (low consumption, low carbon emissions, low environmental impact), and is fully committed to promoting the concept of SEEC green energy through "Shihlin Electric Green Power" participation in exhibitions, briefings, etc. so as to establish a strong and powerful image in the industry that is different from traditional mechanical and electrical plants in the past. Our green products include high-efficiency smart servo motors, special frequency converters for water pumps, special frequency converters for exhaust, hollow shaft servo motors, amorphous molded transformers, new generation transformers, smart monitoring, high-efficiency energy-saving rectifier transformers, ISG Starter generators, EV power systems, charging piles, carbon-reducing silicon steel sheets, vegetable oil transformers, etc. Continue to create carbon reduction and environmental protection benefits for customers.

Featured Key Energy-Saving Products

Type	Product Description
High-efficiency smart servo motor	<p>The SDC-E series is a servo motor driver that conforms to the EtherCAT communication protocol. It has the characteristics of miniaturization, low cost, and high response. It can be used in packaging industry, robotic arms, conveyors, bending machines, PCB and other industries.</p> <ul style="list-style-type: none"> ● It can reduce manufacturing working hours by more than 30% and effectively reduce production power consumption; the power consumption and energy consumption of the test process can be saved by more than 90%. ● One-click automatic tuning effectively saves tuning time and maximizes driver performance. ● Supports Safe Torque Off (STO) function to improve the integration of machinery and factory safety.
Special frequency converter for water pump	<p>With the global initiative of green industrialization, energy conservation and carbon reduction efforts in production in all walks of life are accelerating. Water pumps are frequently used and energy-consuming equipment used in water diversion in factories and buildings. The demand for high-performance and high-efficiency inverters has increased significantly. The SA3 series, a special inverter for water pumps used in many different industrial fields, can be connected in parallel with multiple machines, reducing the starting current and saving 10-50% of energy. It is highly safe and can extend the life of the motor.</p> <ul style="list-style-type: none"> ● Lightweight-the appearance volume is reduced by 20%. ● High efficiency - low-frequency torque increased by 30%. ● Good noise reduction - low-frequency noise is reduced by 20%.
Special frequency converter for exhaust air	<p>The exhaust-specific inverter SC3 series is suitable for energy-saving applications in various industries such as electric vehicles, fans, constant pressure water pumps, textile industry and conveying equipment. It can not only improve the operating efficiency and stability of fans, but also achieve remote monitoring and control at the same time, improving production, management efficiency and saving costs.</p> <ul style="list-style-type: none"> ● RFI filter-can effectively suppress electromagnetic interference, with switch design for easy switching. ● Expanded capacity - 440V three-phase model capacity ranges from 0.4K to 22K. ● Extremely easy to maintain - uses IP55 fan, easy to disassemble and maintain.
Hollow shaft servo motor	<p>Hollow shaft servo motors have been widely used in the semiconductor/optoelectronics industry processes. The hollow shaft can directly drive and vacuum, simplifying transmission equipment and reducing complex wire conduit wiring. The mechanism design is simpler and the machine space is saved.</p> <ul style="list-style-type: none"> ● The output shaft penetrates and can be used in air ducts (vacuum suction) or water pipes, saving space and not subject to rotation restrictions. ● The production working hours can be reduced by 20% compared with the previous generation product, while saving energy and power consumption. ● A new domestic patented design has been obtained, and it has been proven by customers that it can improve the effectiveness of use.

Type	Product Description
New pressure comparator	Advanced material technology uses injection molding technology to change the casting molding of the PT (pressure comparator) shell to injection molding. In addition to improving the yield rate during the production process, the carbon emissions during the production process are reduced by more than 80%, and the waste materials generated can also be recycled. Reuse plays a considerable role in environmental protection.
Vegetable oil transformer	Utilizing the low-carbon, safe, non-toxic, and environmentally friendly properties of vegetable oil, we developed vegetable oil transformers and successfully entered high-end industrial customers (RE100 members). It can be said to be a product with unlimited business opportunities in the future. It can not only bring benefits to the company, but also contribute to carbon reduction. Being environmentally friendly also helps quite a bit.
Carbon reduction silicon steel sheet	Compared with traditional silicon steel sheets, bluemint® can reduce carbon dioxide emissions by at least 50% per metric ton. Using bluemint® directional silicon steel sheets can reduce carbon dioxide emissions by 1.5 metric tons of CO ₂ eq for each transformer produced, which can reduce carbon dioxide emissions by approximately 10%.
High power electric vehicle	Starting from 2022, we invested in the research and development of electric vehicle and motorcycle power systems, and actively develop energy-saving vehicle products based on coaxial integrated power systems, high power, low iron loss, low copper loss, functional integration, and lightweight. .
Charging pile	In terms of charging piles, we have invested in the manufacturing of AC and DC charging piles, and a complete series of related products have been deployed. Compared with last year, the production quantity of charging piles is expected to increase several times. As the sales of SEEC brand charging piles gradually increase, the visibility in the market has also increased significantly.
Starter generator	ISG (Intergrated Starter Generator) is a product that combines a starter motor with a magnet generator to replace the function of the starter motor.
Silicon carbide metal oxide semiconductor field effect transistor	SEEC and the Industrial Technology Research Institute have launched a joint development project for the next generation of silicon carbide-based power platforms, upgrading the current silicon-based IGBTs to silicon carbide metal-oxide-semiconductor field-effect transistors (MOSFETs; Metal-Oxide-Semiconductor Field-Effect Transistor) components, based on the material properties of silicon carbide with low loss, high cutting frequency, high heat dissipation, and high temperature resistance, will achieve further improvements in system energy density and driving endurance.
Breaker	Taking energy saving, green power and safety as the starting point, we develop circuit breakers with high voltage and high starting and breaking capacity to respond to the needs of the new energy market.
Third generation motor	As for the innovative research and development, we use third-generation motor design, self-made magnetic encoder technology, and joint module electromechanical integrated motors. In addition to reducing size and improving efficiency, the third-generation motor design also uses self-developed encoders, which can greatly reduce costs and enhance market competition. force.
Smart manufacturing products	As for the smart manufacturing, we use automatic production label printing systems, inverter AGING systems to improve energy conservation, and smart product verification platforms to improve production quality and quality assurance and improve energy conservation and electricity consumption.

SEEC has many green energy-saving products. Take the four products in the table below as an example. Compared with general products, high-efficiency products can save more energy and reduce carbon when the load rate is 100%. High-efficiency oil-immersed transformers can reduce approximately 63 tons of carbon dioxide per year during use; each amorphous oil-immersed transformer can reduce approximately 60 tons of carbon dioxide per year during use. The Variable-frequency drive can provide customers with high stability and low energy consumption frequency conversion function. Compared with traditional inverters, it will save approximately 7,136MWh of energy in 2023, reduce carbon dioxide emissions by approximately 3,532 tons of CO₂e, and save NTD21.41 million in costs. The high-efficiency permanent magnet (PM) motor replaces the traditional induction motor, and is coupled with our inverter to drive the PM motor. According to actual measurements, it can comprehensively improve power consumption. At 550RPM, running for 12 hours can save about 5 kilowatt hours of electricity. It can reduce approximately 142 metric tons of carbon emissions per year (250 days), and the energy saving efficiency reaches 30%.

High Efficiency Product Energy Saving Performance

Product	Benefit	Unit	2021	2022	2023
High-efficiency oil-immersed transformers	Energy saving	MWh/Year	15,673	13,634	7,136
	Carbon reduction	Ton CO ₂ e/Year	7,978	6,749	3,532
	Cost saving	NTD Million/Year	4,702	4,090	2,141
Amorphous oil-immersed transformer	Energy saving	MWh/Year	1,806	1,565	2,046
	Carbon reduction	Ton CO ₂ e/Year	919	775	1,013
	Cost saving	NTD Million/Year	542	469	614
Variable-frequency drive	Energy saving	MWh/Year	131	171	133
	Carbon reduction	Ton CO ₂ e/Year	65	85	66
	Cost saving	NTD Million/Year	41	53	41
High-efficiency permanent magnet (PM) motor	Energy saving	MWh/Year	188	375	288
	Carbon reduction	Ton CO ₂ e/Year	93	186	142
	Cost saving	NTD Million/Year	56	113	86

Note:

1. Annual energy-saving degree of frequency converter: 365 calendar days * 24 hours of daily operation * annual total sales volume * calculation of energy-saving power; annual energy-saving degree of high-efficiency oil-immersed transformer and amorphous oil-immersed transformer: 365 calendar days * Calculation based on daily operation of 24 hours*annual total sales*energy-saving power. High-efficiency permanent magnet motor annual energy-saving degree: 250 working days * 12 hours of daily operation * annual total sales volume * energy-saving power
2. Cost-saving benefits in 2023: energy-saving kilowatt hour * electricity bill (NT\$3.0 per kilowatt hour).
3. Carbon reduction benefits in 2023: Energy saving degree * electricity emission coefficient (the electricity emission coefficient is calculated using the latest data announced by the Energy Administration of the Ministry of Economic Affairs: 0.494 kg CO₂e/degree).

Product Carbon Footprint

The company strives to improve the carbon footprint of its products and services, using more energy-saving and efficient processes to reduce the carbon footprint. In accordance with the industry category specifications set by the Ministry of Environment. Use product life cycle assessment (LCA) to examine the greenhouse gas emissions directly or indirectly generated by products during their life cycle. Conduct green procurement, creates low-carbon product and service processes, and actively obtains government certification labels for product carbon footprint and carbon reduction, demonstrating our determination to reduce carbon emissions.

SEEC actively promotes "high-efficiency" transformers and other related products, using more optimized designs and using high-quality raw materials to manufacture products with higher efficiency and lower losses than ordinary transformers. The two products "amorphous oil-immersed transformer" and "high-efficiency oil-immersed transformer" have completed ISO 14067 carbon footprint verification and carbon label application from the Electrical and Electronics Industry Association in 2017, and will complete the application for these two products in 2023. Carbon footprint and carbon label updates.

Emissions and Proportions of Amorphous Oil-Immersed Transformers at Each Stage

Stage	Emissions	Unit	Ratio(%)
Raw material stage	12,856.81	KG CO ₂ e/1 2000KVA transformer	86.99
Production stage	1,922.06	KG CO ₂ e/1 2000KVA transformer	13.01
Total	14,778.88	KG CO ₂ e/1 2000KVA transformer	100.00

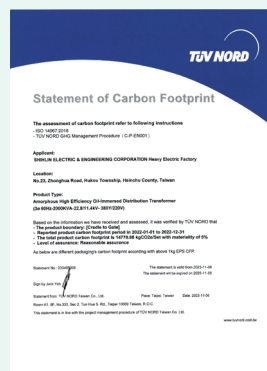


Emissions and Proportions at Each Stage of High-Efficiency Oil-Immersed Transformers

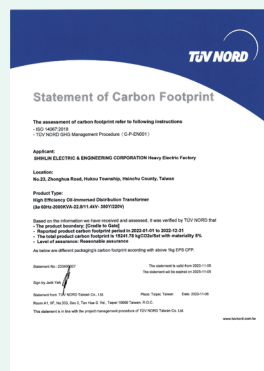
Stage	Emissions	Unit	Ratio(%)
Raw material stage	13,319.71	KG CO ₂ e/1 2000KVA transformer	87.39
Production stage	1,922.06	KG CO ₂ e/1 2000KVA transformer	12.61
Total	15,241.78	KG CO ₂ e/1 2000KVA transformer	100.00



Carbon Footprint Verification Statement



Amorphous oil-immersed transformer



High efficiency oil-immersed transformer

Carbon Footprint Label



Amorphous oil-immersed transformer



High efficiency oil-immersed transformer

3.3 Green Supply Chain

Supply Chain Due Diligence Management Management Approach

Sustainability Criteria Response:

[GRI] 204 Procurement Practices, 308 Supplier Environmental Assessment, 414 Supplier Social Assessment
[SASB] Material procurement

Importance to SEEC

SEEC has always regarded suppliers as important partners and is committed to guiding suppliers to long-term cooperation to jointly establish a stable and sustainable supply chain for motors and machinery. Supply chain due diligence management can help the company reduce risks, including supply interruptions, quality issues, compliance issues, etc., improve stakeholders' trust in SEEC, and maintain a good corporate image.

Negative Impact (Description) / Remedial Measures

In 2023, there were no actual negative impact events caused by poor management of SEEC supply chain. Due to the influence of the external environment, key materials in the supply chain may increase in price, be out of stock, or have poor quality. If we fail to respond and adjust immediately in the future, it may have an impact on the cost, delivery time and quality of our products, and thus affect the quality of our products and furthermore, the customer rights.

Analyze and summarize individual abnormal events, propose improvement plans, and further track results.

Positive Impact (Benefit) Description

Mastering and improving the management of the supply chain helps SEEC fully meet customer expectations in terms of cost, delivery time and quality in the long term, and helps expand business opportunities and enhance company image.

Management Evaluation Mechanism

Regularly review supplier management status based on annual supplier evaluations, education and training program participation results, performance rating, service platform scores and quality abnormality reports, etc.



Policy

- Develop clear supply chain goals, policies, and procedures, and continue to supervise and build consensus.
- Implement supply chain due diligence management and work together to achieve ESG goals.



Commitment

- Adhering to the spirit of "co-prosperity, symbiosis, and co-creation and growth", we work closely with key suppliers.
- Jointly abide by the ESG policy and practice the environmental protection mission of "energy saving, carbon reduction, and loving the earth".



Responsibility

All materials, production management and warehouse management colleagues are responsible for supply chain management



Grievance/Communication Channels

The company's official website has a special column for investors, a mailbox for stakeholders, a stock contact hotline, and an internal anonymous reporting mechanism.

2023 Goals / Goal Achievement Status

- The signing rate of new supplier commitment letters is 100%. **Achieved**
- The achievement rate of annual supplier evaluation is 100%. **Achieved**

Short-term Goals (Within 3 Years)

- SEEC "Supply Chain Alliance" conference is held once a year.
- Intensive education and training for suppliers 2 times/year.
- Annual supplier evaluation continues to be 100% up to standard.
- The supply chain resilience rating of the Breaker & Switchgear Business Group increased to 90 points.
- Enterprise observation/visit twice/year.
- Introducing the electronic BQC incoming material inspection system.
- Coach suppliers to formulate carbon reduction targets and carbon neutrality plans.

Medium to Long-term Goals (Over 3 Years)

- Promote and coach cooperative supply chains to comply with ESG policies.
- ESG evaluation is incorporated into the regular supplier evaluation system.

Supply chain due diligence management Management policy

Sustainability Criteria Response:

[GRI] 204 Procurement Practices, 308 Supplier Environmental Assessment, 414 Supplier Social Assessment
[SASB] Material procurement

2023 Specific Actions

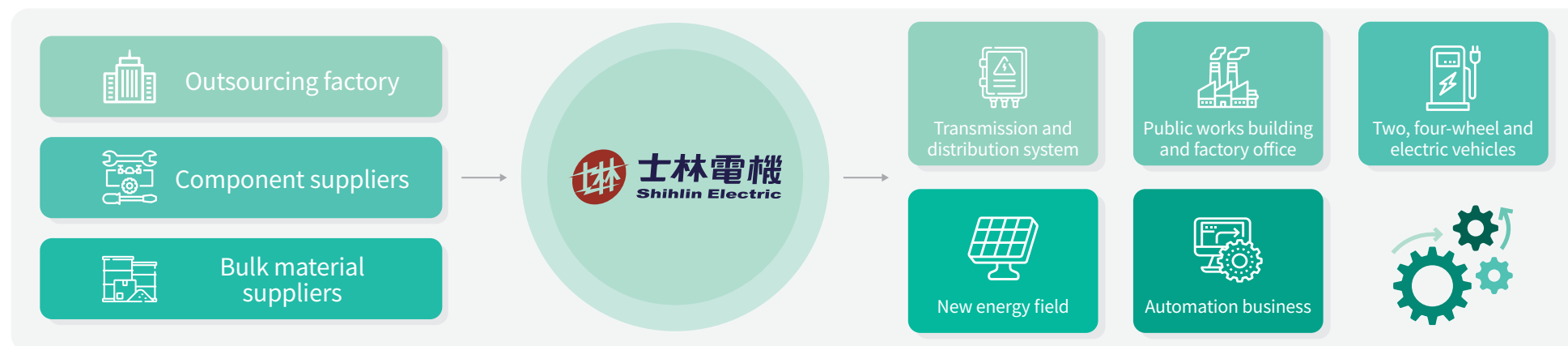
- As of 2023, a total of 323 key suppliers have signed the "Supplier Social Responsibility Commitment Letter" and the "Guarantee Letter for Not Using Environmentally Hazardous Substances".
- The annual supplier evaluation form of rules and regulations was revised by the Business Group Standardization Committee.
- Scheduled annual supplier assessment plans and completed annual supplier assessments for a total of 31 suppliers ; 62 suppliers were assessed irregularly, a total of 88 times.
- The "Supply Chain Alliance Conference" was held in July, with a total of 85 companies and 170 people participating.
- A total of 53 companies held the "Supply Chain ESG Education and Training" course in September, and a total of 72 people signed up.
- The Machinery Business Group participated in the "Doctor Supply Chain Resilience (DR.SCR)" platform survey.

Performance Results

- 20 new suppliers were added.
- 100% of key suppliers and new suppliers signed the "Partner Supplier Banned and Restricted Substances Control Guarantee" and "Supplier Social Responsibility Commitment Letter".
- 100% of key suppliers sign the Conflict Minerals-Free Declaration.
- Annual supplier assessment results are 100% qualified.
- Established a "Supply Chain Alliance" with all key suppliers participating.
- The "Supply Chain Alliance" KICK OFF conference will be held in July.
- The "Supply Chain ESG Education and Training" was held in September, with a participation rate of 90% among alliance members.
- 8 more suppliers have passed ISO 9001/14001.
- 33 suppliers participated in Shidian Carbon Inventory Manufacturer Education and Training.
- The supply chain resilience rating of the Breaker & Switchgear Business Group increased to 90 points.

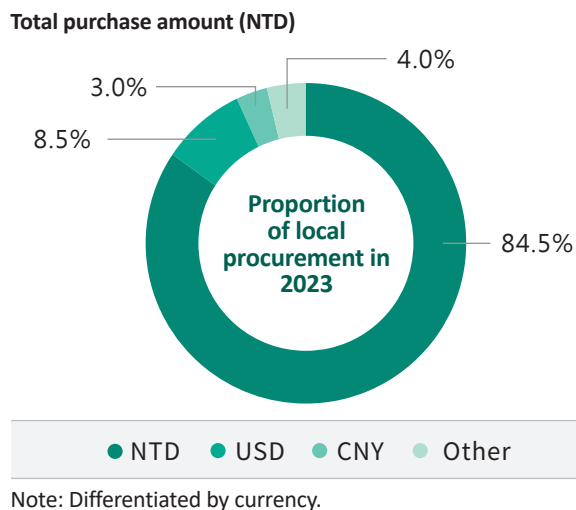
SEEC provides a complete product line. The supply chain is mainly distributed in Taiwan, the United States and mainland China. The upstream includes raw material or component suppliers, third parties, contractors, etc. The downstream products are widely used in steel, metallurgy, and chemical industries, electric power, electronics, construction and commerce, public works, industrial automation, automobile and motorcycle components, household and people's livelihood and many other industries and fields. We provide TOTAL SOLUTION to meet customer needs for products and services.

Supply Chain Diagram



Local Procurement

SEEC strives to implement local procurement. Most of its suppliers have factories in cities near our production bases, including Taiwan, Suzhou, Xiamen and Changzhou. Part of the procurement is allocated and designated by customers, and we also negotiate with customers to increase the proportion of local procurement, so as to save transportation energy and time consumption, and reduce environmental pollution. In 2023, the proportion of local purchases by factories in Taiwan was about 85%, followed by small proportion from the United States and mainland China.



Supply Chain Due Diligence Management

Based on the product characteristics of each business group, suppliers are classified into raw material suppliers, third-party factories/partners, and contractors. SEEC supply chain management strategy is to develop a sustainable supply chain from the traditional supply chain management (quality, delivery), from the most basic legal compliance to the establishment of a sustainable supply chain together. We first communicate with suppliers the concept of sustainability, and combine with sustainable procurement practice, further identify key suppliers, deepen management, set up corresponding management mechanisms, and keep pace with the most updated concepts, continuously improve the depth and implementation of the procurement management, and finally by the regular and irregular inspections to cooperate with suppliers and grow together.

When purchasing raw materials, production components and products, each business group purchases the raw materials needed for production and sales with the right quality, quantity, price, time and place, and is based on the concept of growing together with suppliers and complementing each other. On the basis of mutual trust and mutual assistance, we will allow excellent suppliers and agents to deliver on time and provide high-quality products at a competitive cost.

Sustainable Supply Chain Management Cycle

1

Set Target Sustainability Criteria

- ISO 9001/ IATF16949 Quality Management System, Supplier's Rights Clause, Procurement Work Ethics Code, and Proper Business Conduct Code.



2

Risk Assessment and Control

Risk Assessment

Visit the actual site to understand the operating status and the implementation status of the human rights clauses, as well as the vendor evaluation to understand the supplier's service quality, and conduct risk assessment based on the response status of the case.

Risk control

In order to ensure that the procurement window complies with the ethical standards of procurement work, a complaint reporting mechanism has been established, and the corporate ethics office is provided as a complaint reporting window for supervision and control.



3

Management Mechanism-Sustainable Performance Evaluation

ISO 9001/ IATF 16949

Regularly and irregularly auditing and coaching suppliers on quality, cost and delivery performance.

Supplier's Human Rights Clause

For suppliers who have concerns about violating labor practices and human rights clauses, we will conduct irregular audits and improvement counseling. If there is a major violation of human rights clauses, we will directly visit the site for spot checks.

Procurement Ethics Standards

Internal auditors conduct regular audit on procurement personnel.



4

Continuous Improvement or Termination of the Contract

Improvements within limited Period

If the supplier is identified as having concerns about violating labor practices or human rights clauses, it is required to improve within a limited time period, submit a written report, and accept irregular audits and counseling.

Contract Termination

If the supplier cannot be specifically improved within the time limit, the contract will be terminated.



5

Supervision, Evaluation, Accountability and Learning

- Through the feedback form after the supplier's on-site visit, provide suggestions to improve the direction.
- Through the supplier's corporate social responsibility self-assessment form, they can self-examine the degree of sustainable implementation and set improvement goals.



Supplier Social Responsibility Code

The company stipulates that raw material suppliers, third-party factories/partners, and contractors must abide by the "Supplier Social Responsibility Commitment Letter", "Third Party Manufacturer Prohibited and Restricted Substance Control Guarantee", "Environmental Safety and Health Policy", and "Third Party Vendor Management Procedure". Since 2016, each business group has successively added the "Supplier Social Responsibility Commitment Letter" and the "Supplier Prohibited and Restricted Substance Control Guarantee" to ensure that all suppliers can work together towards sustainable operations and environmental protection, and that all products they produce can comply with specifications. As end of 2023, approximately 323 key suppliers have signed the "Supplier Social Responsibility Commitment Letter" and the "Supplier Prohibited and Restricted Substance Control Guarantee".

In addition to requiring suppliers to comply with the "Supplier Social Responsibility Commitment", for the protection of labor rights and human rights, they must abide by current laws and regulations, provide employees with a safe and healthy workplace environment, refuse discrimination and inequality, and ensure fair trade in terms of ethics. Moreover, abide by intellectual property rights, perform obligations with integrity, prohibit employees from providing or accepting any form of benefits. As for environmental protection, comply with ISO14001 requirements, continue to improve environmental protection, reduce the impact on the environment. Waste management and disposal are implemented according to law. Industrial wastewater and noise control must be within the legally permitted range. We must make the enterprise comply with the spirit of sustainability and promote the improvement of the supply chain for sustainable operation.

Supplier Management and Audit Procedure

Supplier Selection Management

In order to implement supply chain due diligence management, the company conducts a new supplier assessment process in accordance with the "Third Party Vendor Management Measures" and conducts on-site assessments. When selecting new suppliers, in addition to having sufficient ability to meet quality standards as the most basic consideration, indicators such as whether they are local manufacturers and whether they can cooperate stably in the long term are also included to implement local procurement and maintain the stability of cooperation. At the same time, suppliers are also required to meet the needs of environmental protection, industrial safety and human rights, as well as the relevant industrial safety qualifications of national regulations. Suppliers are required to comply with and sign the "Supplier Social Responsibility Commitment", "Supplier Prohibited and Restricted Substance Control Guarantee", etc. and incorporate issues related to corporate social responsibility into supplier selection projects. In 2023, a total of 20 new suppliers were added, and all new suppliers were evaluated. At the same time, they all signed the "Supplier Social Responsibility Commitment Letter" and the "Supplier Prohibited and Restricted Substance Control Guarantee" to become qualified suppliers.

New Supplier Evaluation

In the initial stage of supplier introduction, the quality of their products must be confirmed by the quality control department of each business group, and on-site evaluation is required if necessary. Supplier can be included only after the appraisal is qualified and filed. The assessment is divided into two stages:

The First Stage: Paper Review

New suppliers are requested by the managers of the Procurement Department to fill in the "Vendor Questionnaire" so as to initially get the supplier's information, such as operation status, organization, scale, type, products, customers, production and testing equipment, quality status, environmental protection, and safety and health related certifications. In addition, the procurement department tracks the supplier's dynamics at any time. If there is any change, it will re-check the data in the "Vendor Survey Form" and follow the principle of tracking and revising once every three years.

The Second Stage: Field Assessment

The procurement department serves as the operation center and convenes personnel from relevant departments such as R&D and design, quality assurance (management) and production technology to form an evaluation team to conduct on-site evaluation operations and compile the on-site evaluation results into the "Supplier Evaluation" Report" is submitted to the relevant unit supervisor for review.

Annual Supplier Evaluation

In order to improve the business quality of suppliers, maximize management performance, and implement service spirit and cooperation, the company implements supplier coaching in accordance with the "Third Party Supplier Management Procedure", including monthly evaluations, project supervision, and annual on-site evaluations. Review the ISO 9001/IATF 16949 maintenance effectiveness and internal audit implementation status of the supply chain, and whether it has passed QC 080000 or other major manufacturer GP certification (or its equivalent certificate). The assessment areas are as follows:

- **Quality control capabilities:** RoHS analyzer, incoming materials, process and factory quality control, etc.
- **R&D capabilities:** product life cycle management, number of R&D personnel and turnover rate, etc.
- **Operation management and service system:** child labor, forced labor, freedom of association, collective bargaining rights and working hours, etc.
- **Production technology:** implementation status of safety, health and environmental protection measures, etc.

In response to supplier quality abnormalities and evaluation deficiencies, improvement actions and prevention measures are proposed in accordance with the requirements of the management procedure. Furthermore, an improvement implementation tracking table and quality management status evaluation table are also used for further tracking. We will terminate those non-qualified suppliers when necessary. The purpose of the assessment is to improve the capabilities of suppliers to achieve the goal of supplementing each other, coexisting and co-prosperous for the central satellite factory. According to the 2023 supplier assessment results, a total of 31 assessed manufacturers have completed the improvement matters initiated in response to the assessment deficiencies, and the suppliers have all proposed improvement and recurrence prevention countermeasures within one month, all of which are in compliance with the company's requirements, and the assessment results are all 100% qualified.

Occasional Counseling/ Evaluation of Suppliers

SEEC will also conduct occasional monitoring and evaluation of suppliers. When the materials or services provided by the suppliers cause major quality problems to the factory, or the monthly evaluation score is below grade C, the supplier will be coached by the supplier's coaching counterpart, usually quality control personnel. The QC personnel evaluates and proposes a list of suppliers to be coached. Those suppliers shall be coached for improvement. The suppliers will then propose improvements and we shall track improvement status of suppliers continuously so as to help suppliers improve their quality. The assessment is performed as follows:

- Led by the Quality Assurance Department**, if necessary, the procurement/R&D design/Quality Assurance Center will be invited to participate. Based on the above principles, a list of suppliers to be audited will be proposed. On-site audits will be carried out at the suppliers, and improvement reviews will be conducted based on actual problems at delivery, and recorded in the manufacturer guidance/quality review record form of each business group.
- Compile the current year's evaluation results**: The procurement department of each business group will summarize and submit the current year's evaluation results, and submit a copy to the quality assurance department to facilitate the supplier spot inspection mechanism.
- Screening of unqualified suppliers**: The company can eliminate suppliers with an assessment score of D. Suppliers with an assessment score of C must be improved within a time limit after the business group procurement department notifies the assessment level and given priority. Monitor the objects, increase the frequency of inspections, and re-evaluate according to the improvement plan. If the suppliers do not reach level B, the company may eliminate them depending on the situation. Eliminated suppliers must cease trading within a three-month period, and the procurement department of the business group may transfer the parts produced by them to other suppliers of Grade B (inclusive) or above, provided that they meet the verification requirements of the new regulations.

In 2023, each factory conducted occasional assessments on 62 suppliers, a total of 88 times



Contractor Environmental Safety and Health Management

For contractors who enter the company to provide services (such as construction, waste removal, plant repairs, etc.), the company will conduct investigations and evaluations on their basic information, safety and health management, engineering and technical capabilities. In order to maintain the safety and health of the personnel entering the factory, there is a "Contractor's Environmental and Safety and Health Management Commitment Letter", which does require the contractor and his employees to comply with it, so as to protect the rights and interests of both parties, and reduce accidents. In addition, the contractor must include the safety and health management fee as a necessary budgetary expense, so as to prevent the manufacturer from neglecting the safety and health management work due to low price bidding.

Conflict-Free Metal Management

SEEC also formulated a "Conflict-Free Metal Declaration" in response to conflict metal management issues, requiring suppliers to commit to detailed investigations of the supply chain to ensure that gold (Au), tantalum (Ta), tungsten (W), cobalt (Co) and tin (Sn) are not obtained through anarchy, illegal groups, mining in the conflict zone of the Democratic Republic of Congo, or illegal smuggling. In addition, the metals exported from the following countries are not found to be "conflict-free" by the United Nations Security Council. Norms": Democratic Republic of Congo (DRC), Rwanda, Uganda, Burundi, Tanzania, and Kenya. For steel products are mainly purchased from China Steel Corporation (Taiwan) and Nippon Steel & Sumitomo Metal Corporation. The source of its iron ore is Australia and Brazil. By 2023, 100% of key suppliers signed the "Conflict-Free Metal Declaration".





"SEEC Supply Chain Alliance Conference" was established

On July 28, 2023, the SEEC Supply Chain Alliance Conference was grandly held at the Hsinchu Ambassador Hotel. This grand event brought together all important supply chain manufacturers from Heavy Electric Plant, Automobile Equipment Plant, Xinfeng Plant, and Automation Plant. A total of nearly 200 supply chain partners, as well as senior executives of SEEC attended. It has been more than 15 years since the last supplier conference of this scale. Even though the two parties have frequent contact at work, it is a rare opportunity to bring everyone together outside of the workplace. This conference can be described as a great success.

The conference opened with a speech by Deputy CEO Hsieh, Han-Chang, who expressed his sincere gratitude to supply chain partners and encouraged everyone to work together to strengthen SEEC competitiveness. Deputy CEO Hsieh shared our green energy development and views on the economy at the conference, which provided valuable information and insights to supply chain partners and helped build consensus.

During the meeting, Mr. Yang, Tsun-Chin, Chief Sustainability Officer, also gave a report on ESG (environmental, social and governance) to the participants, which aroused great interest among supply chain members because ESG has become more and more important in today's business environment. At the same time, Mr. Kuo, Yueh-She, General Manager, particularly emphasized the importance of supply chain cooperation and raised expectations for the competitiveness of the supply chain.

In addition, in order to recognize the contribution of supplier partners to SEEC, an award ceremony was held at the conference to commend supplier partners with outstanding performance in supply chain cooperation. The conference also announced that in the future, it will organize educational training, observation visits, and strengthen study tours at home and abroad to further strengthen the relationship between the supply chain and the company so as to grow together with supplier partners. During the meeting, Mr. Cheng, Hsiang-Chih, Executive Senior Vice President, further provided an explanation of the development strategy for the products of Shihlin Electric Green Power, allowing supplier partners to have a deeper understanding of SEEC efforts to continuously expand its product line. Through these displays, they could see more clearly how SEEC continues to innovate and create new product cycles to meet the changing needs of customers. This not only demonstrates SEEC continuous innovation capabilities, but also allows supplier partners to feel the value and significance of cooperation with SEEC.



The holding of the SEEC Supply Chain Alliance Conference is an important milestone and provides strong support for the future cooperation and competitiveness of supply chain partners and SEEC. This organization will continue to strive for mutual success and provide customers with better products and services. With the establishment of this organization in the future, supply and demand will be closely integrated to grow together and create more efficient supply chain cooperation.

Anticipated results Win-Win and continued growth of both supply and demand sides

Establish a strong supply chain network and gather centripetal force to ensure supply stability and business growth.

Improve suppliers' management capabilities and quality levels to meet market competition needs.

Cultivate excellent supplier cadres to ensure the sustainable development of suppliers.

Delivery is on schedule and of high quality, improving the on-time delivery rate of products.

Encourage suppliers to put forward suggestions for improvement and innovation, and work with them to promote ESG implementation with the goal of sustainable enterprises.

Alliance purpose

Expand the vision of suppliers, strengthen the supply chain system and improve operational efficiency, and assist in cultivating supplier succession cadres to ensure supply chain stability and the advancement of ESG.

Alliance goals

Ensure the close connection between manufacturing system and supply chain.

Promote the supply chain to understand SEEC strategic development direction and move forward together towards the same goal.

Assist suppliers to cultivate outstanding cadres and talents to ensure sustainable operations.

Enhance supplier innovation and transformation, and accelerate ESG implementation.

Alliance member reviews

Evaluation and selection

Implement the supplier evaluation mechanism in the company's rules and regulations to ensure that suppliers' capabilities such as business communication, quality management, delivery, compliance, etc. meet standards and ESG-related specifications.

Cooperation and communication

Establish regular meetings and communication platforms to enhance communication, cooperation and information sharing between the two parties.

Training and development

Develop supplier cadre training plans, provide professional training and development opportunities, assist in acquiring necessary knowledge and skills, and strengthen business capabilities.

Supervision and evaluation

Establish supplier performance evaluation indicators, regularly monitor and evaluate the performance and performance of suppliers to ensure that they meet expected requirements.

Promote upgrades

Encourage suppliers to propose improvements and innovations, and work with them to promote ESG implementation with the goal of a sustainable enterprise.

Alliance operation model

Alliance conference and keynote speech

It is planned to hold an alliance conference regularly every year, inviting industry experts and successful entrepreneurs to share experiences and opinions, and discuss important issues of supply chain management and ESG promotion and improvement.

Education and training

It is planned to provide communication and learning opportunities between suppliers through courses and case studies once or twice a year to jointly discuss solutions and innovative ideas.

Experience sharing

Establish communication platforms and channels to enable suppliers to share their success stories, challenges and lessons learned to motivate and inspire other suppliers.

Special seminars

Special seminars are held from time to time, covering all aspects of supply chain management, including inventory management, logistics optimization, technology improvement, etc., to promote growth.

Exhibition and exchange

Provide opportunities for display and promotion to showcase new products, new technologies and new services.

Chapter

4

Environmental Sustainability

★ Annual Performance

258,420 kWh Approximately **127.9** tons of CO₂e

The total solar power generation capacity Reducing greenhouse gas emissions

Approximately **489** tons of CO₂e/year

In 2023, the energy-saving improvement measures in each factory are estimated to reduce greenhouse gas emissions

Decreased by **6%**

Greenhouse gas emissions intensity in 2023 compared to the baseline year (2022).

0.56%

Renewable energy usage as a percentage of total energy consumption

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

- Replace scraps with manufacturers to reduce procurement costs and waste disposal volume.
- Continue to promote improvement plans for waste liquid reduction.
- Expenditures on environmental pollution prevention and control totaled NTD 18,164,000.

13 CLIMATE ACTION



- Establish a sustainable development office to formulate carbon reduction plans and track carbon reduction results and report to the board of directors.
- The greenhouse gas inventory process and TCFD risk and opportunity assessment results are regularly reported to the board of directors.
- Actively increase the capacity of solar installations, with the goal of increasing the proportion of green electricity usage to 15% by 2030.
- Each factory establishes an energy management system to monitor the factory's green power generation, production equipment power consumption and other data, and conduct energy reduction control.

Key Stakeholders



Shareholders/
Investors



Customers



Business
Partners



Financial
Institutions



Government
Agencies



Community

4.1 Climate Change Management

Climate Change Management Approach

Sustainability Criteria Response:

[GRI] 302 Energy, 305 Emissions, 201-2 Climate Change Risk Opportunities Financial Impact
 [TCFD] Climate-related financial disclosures [SASB] Energy Management

Importance to SEEC	Energy conservation and carbon reduction are not just a matter of complying with customer requirements, but also a strategic issue related to corporate development and sustainable operations. By actively participating in carbon reduction actions and achieving net-zero carbon emissions in the supply chain, we can not only meet customer expectations, but also enhance our own competitiveness and achieve the goal of environmentally sustainable development.
Negative Impact (Description) / Remedial Measures	If greenhouse gas emissions are not reduced year by year, in addition to causing global warming to continue to worsen, it may also cause the company to lose important customer opportunities and increase energy or carbon costs. For relevant actions dedicated to energy conservation and carbon reduction, please refer to chapter 3.2 Green Energy Development and chapter 4 Environmental Sustainability.
Positive Impact (Benefit) Description	Continue to invest in the research and development and application of energy-saving and carbon-reducing technologies and build factory solar power generation devices to reduce the use of commercial power and reduce carbon emissions, in line with the requirements of customers and competent authorities.
Management Evaluation Mechanism	<ul style="list-style-type: none"> According to the annual carbon reduction plan set by the Sustainability Development Department, use the energy management platform to monitor and track the implementation progress every month. Annually report plans and progress tracking to the Sustainability Committee and Board of Directors.



Policy

There are energy management policies and greenhouse gas management policies in place.

Please refer to chapter 4.2 Energy and Greenhouse Gas Management



Responsibility

- The management team, the Sustainability Development Department, and the Sustainability Development Committee are responsible for promoting the coordination, planning, and execution of each department's planning of sustainability goals and tracking the implementation status.
- All units jointly implement energy-saving improvements in processes, supply chains, products, and office equipment.



Commitment

- Use 15% green electricity in 2030.
- All employees implement environment/energy/water/resource management and cherish energy and natural resources.



Grievance/Communication Channels

The company's official website features an ESG email: ESG@seec.com.tw, and a [stakeholder questionnaire](#), providing stakeholders with communication contacts.

2023 Goals / Goal Achievement Status

- Greenhouse gas emission intensity decreased by 4.8%. **Achieved**
- Phase 1 solar installation capacity (2022~2024): 1,896kW.

Ongoing (32% completed)

Short-term Goals (Within 3 Years)

- Reducing greenhouse gas emission intensity by 20%.
- Complete greenhouse gas inventory at each BU.
- Complete the greenhouse gas verification of the Taiwan Head Office.
- Promote internal carbon fee system.
- Initiate science-based carbon reduction targets.
- Conduct risk and opportunity assessments for TCFD every year.
- Second stage (2025~2027): Solar power generation capacity increases to 3.5MW.

Medium to Long-term Goals (Over 3 Years)

- Greenhouse gas emission intensity reduced by 36%.
- Reducing total greenhouse gas emissions by 15%.
- Complete SEEC greenhouse gas verification.
- The third stage (2028~2030): Solar power generation capacity increases to 5.1MW.
- In 2030, the proportion of self-supplied green electricity will reach 15%.

2023 Specific Actions

- The board of directors regularly tracks greenhouse gas inventory progress.
- TCFD risk and opportunity assessments are regularly reported to the Board of Directors.
- Introducing an energy management platform for digital real-time monitoring and management.
- Promote energy-saving improvements and updates to factory solar power generation installations, air compressors, air conditioners and ice water main units.
- The first phase of solar installations, SEEC Heavy Electric Plant and Automobile Equipment Plant will be completed in parallel power generation in June and October 2023 respectively.
- Expenditures on environmental pollution prevention and control totaled NTD 18,164,000.

Performance Results

- As of the end of December 2023, the total solar power generation capacity is 258,420kWh (approximately 930.3GJ), and renewable energy use accounts for 0.56% of total energy consumption.
- In 2023, the factory will add solar power generation equipment and complete parallel power generation in the second half of the year, reducing a total of 127.9 tons of CO₂e.
- In 2023, energy-saving measures account for 2.7% of total electricity consumption, with a total energy saving of 988MWh, a target achievement rate of 135%, and a total reduction of greenhouse gas emissions estimated to be approximately 489 tons of CO₂e/year.
- The greenhouse gas emission intensity in 2023 will be reduced by 6% compared with the previous year, and the target achievement rate will be 125%.
- The solar installation capacity in the first phase (2022~2024) is 1,896kW. In 2023, the installed capacity has been completed at 609kW, with a target achievement rate of 32%.
- Water consumption will be reduced by a total of 940 tons in 2023, with a target achievement rate of 154%.
- A total of 160 tons of waste will be reused in 2023, with a target achievement rate of 100%.

Domestic and foreign countries are increasingly paying attention to the impact of extreme weather caused by global climate change. The Company refers to the Task Force on Climate-Related Financial Disclosures, TCFD, issued by the International Financial Stability Board (FSB), to disclose climate change-related information and develop corresponding response measures based on disclosure frameworks such as "Governance", "Strategy", "Risk Management", "Indicators and Targets"

Governance

In May 2023, the board of directors officially approved the establishment of the "Sustainable Development Committee". The committee is composed of all independent directors. The Sustainability Development Department, which is under the Sustainability Development Committee, is supervised and managed by Chief Sustainability Officer. It focuses on environmental protection (E), The three major aspects of social participation (S) and business governance (G) are divided into six working groups to promote ESG tasks. For more information, please refer to [1.3 Sustainable Management and Practices](#).

The company held a board of directors and sustainable development committee meeting on November 8, 2023, to report on ESG key indicator tracking, carbon inventory results as of the third quarter of 2023, and carbon reduction plans from 2023 to 2030. At the same time, it is planned to introduce the company's internal carbon fee system and energy management system in 2024 to accelerate the promotion of carbon reduction actions such as green energy and energy conservation.

TCFD Risk and Opportunity Assessment Management

The company held a TCFD risk opportunity identification meeting on December 7, 2023. The ESG report preparation team, led by the Chief of Corporate Governance and Deputy General Manager Shih, Chin-Yi, focused on the transformation risks in TCFD (policies and regulations, technology, market, reputation), Discuss and evaluate the sources of physical risks (immediate, long-term) and opportunities (resource efficiency, energy sources, products/services, markets, resilience).

In 2023, the TCFD risk assessment included 15 risk issues such as the Carbon Border Adjustment Tax, 2050 Net-Zero Emission Requirements, Energy Major User Requirements, Water Usage Fees, Mandatory Reporting Requirements, and Carbon Tax Levies. TCFD opportunities included 9 items such as low-carbon product and service opportunities, use of low-carbon energy, and entry into new markets. SEEC conducted impact scenario and risk level assessments from various perspectives including future business development strategies, green energy layout, stakeholder interests, and regulatory requirements. The company discussed the likelihood of occurrence, the expected timing of impact, and the extent of financial impact on SEEC for each risk and opportunity, and assigned risk scores accordingly. SEEC prioritized discussions on response strategies for the top 5 risks and 5 opportunities based on their impact levels, using these discussions as references for adjustments to operational strategies.



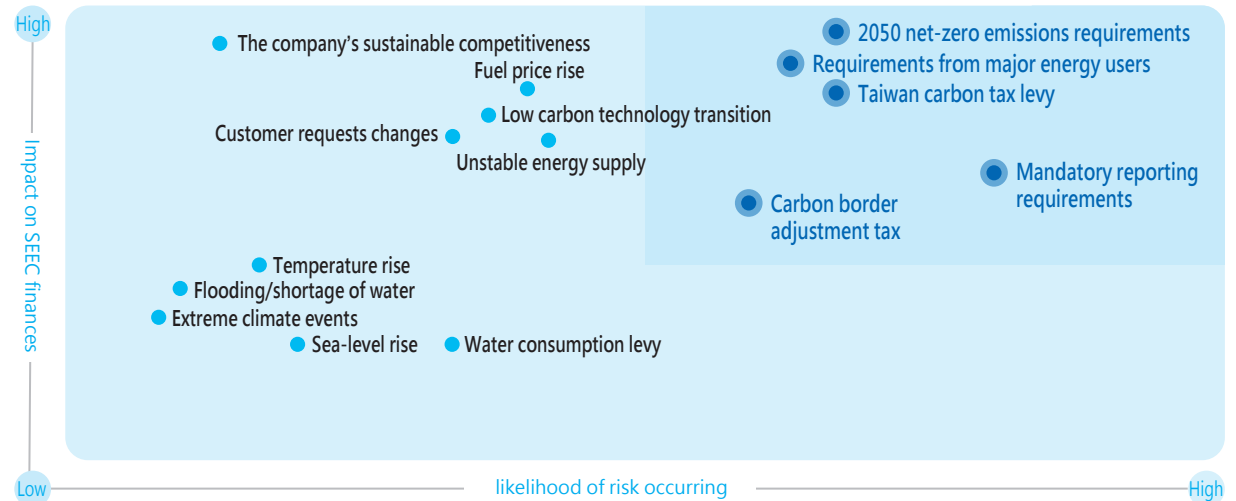
Risk and Opportunity Matrix

5	5	10	15	20	25
4	4	8	12	16	20
3	3	6	9	12	15
2	2	4	6	8	10
1	1	2	3	4	5
	1	2	3	4	5

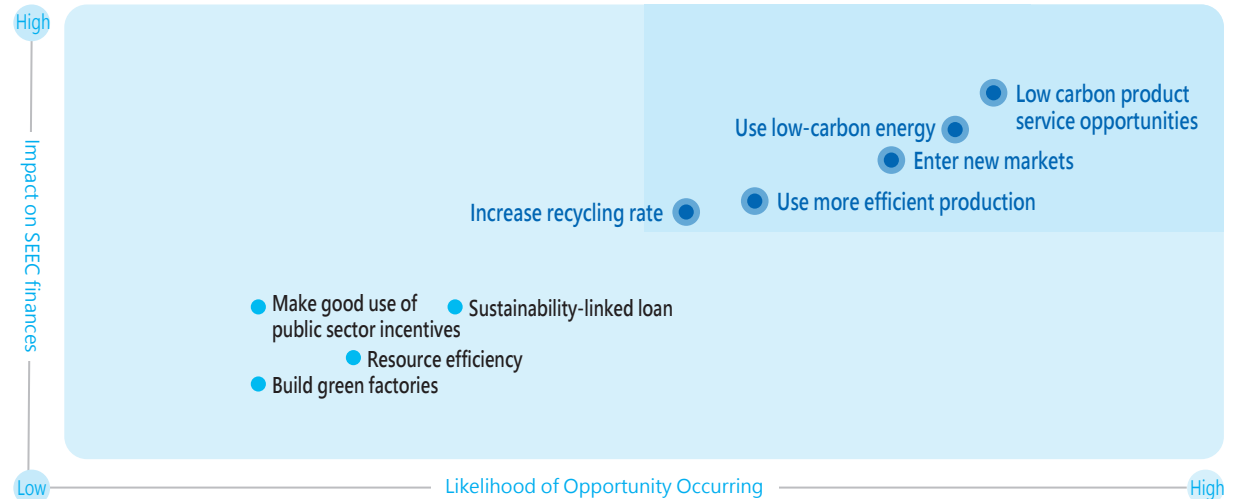
Risk Level

Level	Point	Degree	Decision
3	12~25	High	Should be dealt with
2	6~10	Medium	Depends on the situation
1	1~5	Low	Not processed for the time being

Climate Change Risks



Climate Change Opportunities



TCFD Risks and Opportunities Countermeasures and Responses

Key Climate Risk Issues and Response Strategies

Category	Issue	Description of risk impact scenarios	Possibility (1~5)	Possible time course (short/medium/long)	Impact (1~5)	Risk score	Risk level	Potential financial impact	SEEC Management Strategy	Management results in 2023
Policies/Regulations	2050 net-zero emissions requirements	In view of the global wave of net-zero emissions and the trend of European and American carbon border adjustment mechanisms, to maintain corporate competitiveness, how to reduce carbon emissions will be the key to corporate sustainability. Companies need to invest in operating models that incorporate net-zero emissions and other expenditures.	4	Long-term	3	12	High	Operating costs▲ Capital expenditure▲	<ul style="list-style-type: none"> ☆ Carry out greenhouse gas inventory and verification of SEEC and subsidiaries, and provide guidance on carbon inventory of suppliers. ☆ Implement carbon footprint verification. (products, production equipment, processes and supply chain) ☆ Develop internal carbon pricing to accelerate the reduction of greenhouse gas emissions. ☆ Each factory establishes an energy management system to monitor the factory's green power generation, production equipment power consumption and other data, and conduct reduction control. ☆ Establish a dedicated energy management unit to take inventory of business climate risks and prepare and invest in energy-saving and carbon-reduction related expenditures in the future (for example: replacing high energy consumption, building renewable energy equipment, etc.). ☆ Continue to pay attention to the content of carbon border taxes in European and American countries to reduce operational impacts. 	<ul style="list-style-type: none"> ★ Complete the individual greenhouse gas inventory. ★ Complete the carbon footprint and carbon label application for "oil-immersed amorphous transformer" and "high-efficiency transformer". ★ Initially formulating an internal carbon fee of NTD800/ ton CO₂e. ★ An energy management system has been established and a plan for energy conservation and carbon reduction in the factory has been drawn up. ★ The Sustainability Development Office has been established to formulate carbon reduction plans and track carbon reduction results and report to the board of directors. ★ Continue to pay attention to updates of international laws and regulations, and formulate and adjust strategies in a timely manner.
Policies/Regulations	Requirements from energy major users	Those with a contracted capacity of more than 5,000 kilowatts are large electricity consumers. The terms stipulate that they must install at least 10% of the contracted capacity of green energy within five years. Currently, the contracted capacity of each plant does not meet the regulatory standards, but the Chongqing Power Plant may expand its plant in the future. later fell into this norm.	4	Mid-term	3	12	High	Operating costs▲ Capital expenditure▲	<ul style="list-style-type: none"> ☆ Plan to build solar panels in each factory area so that each factory can be self-sufficient. ☆ Develop an internal carbon pricing combined with energy monitoring and management system, regularly export emission data, and perform regular monthly tracking and reviews. 	<ul style="list-style-type: none"> ★ The heavy electric plant completed rooftop solar panels in June, with an installation capacity of 392kW. The power generation capacity is 200,000 kWh in 2023 and is estimated to reach 430,000 kWh throughout the year. ★ The automobile equipment plant completed the rooftop solar panel in October, with an installation capacity of 217kW. The power generation capacity in 2023 is 55,000 kWh, and is estimated to reach 240,000 kWh throughout the year. ★ Initially formulating an internal carbon fee of NTD800/ton CO₂e.
Policies/Regulations	Taiwan imposes carbon fee	Those with a contracted capacity of more than 5,000 kilowatts are large electricity consumers. The terms stipulate that they must install at least 10% of the contracted capacity of green energy within five years. Currently, the contracted capacity of each plant does not meet the regulatory standards, but the Chongqing Power Plant may expand its plant in the future. later fell into this norm.	4	Mid-term	3	12	High	Operating costs▲		

Category	Issue	Description of risk impact scenarios	Possibility (1~5)	Possible time course (short/medium/long)	Impact (1~5)	Risk score	Risk level	Potential financial impact	SEEC Management Strategy	Management results in 2023
Policies/Regulations	Mandatory reporting requirements	The Financial Supervisory Commission's "Road Map for Sustainable Development of Listed Companies" and "Action Plan for Sustainable Development of Listed Companies" require companies with paid-in capital reaching a certain amount to complete inventory and confirmation of greenhouse gases of the parent and subsidiary companies within the prescribed time limit; and Disclose relevant information in annual reports, public information observatories and sustainability reports.	5	Short-term	2	10	Medium	Operating costs▲	<ul style="list-style-type: none"> ☆ Hire a greenhouse gas inventory and assurance team to assist to ensure the accuracy of disclosed information. ☆ Set up a dedicated unit to plan carbon reduction targets and report them to the board of directors on a regular basis. 	<ul style="list-style-type: none"> ★ An external organization has been appointed to assist in guiding the greenhouse gas inventory. ★ The Sustainability Development Office has been established to formulate carbon reduction plans and track carbon reduction results and report to the board of directors.
Policies/Regulations	Carbon border adjustment tax	Currently, the EU CBAM and the US CCA impose carbon border adjustment taxes on specific items from global importers, which will affect corporate operating costs.	4	Mid-term	2	8	Medium	Operating costs▲	<ul style="list-style-type: none"> ☆ Plan to build solar panels in each factory area so that each factory can be self-sufficient. ☆ Implement carbon footprint verification, including products, production equipment, and processes. ☆ Establish a supply chain alliance to encourage third parties to conduct carbon inventories to reduce operational impacts. ☆ Establish a dedicated energy management unit to take inventory of business climate risks and prepare and invest in energy-saving and carbon-reduction related expenditures in the future (for example: replacing high energy consumption, building renewable energy equipment, etc.). 	<ul style="list-style-type: none"> ★ The heavy electric plant completed rooftop solar panels in June, with an installation capacity of 392kW. The power generation capacity is 200,000 kWh in 2023 and is estimated to reach 430,000 kWh throughout the year. ★ The automobile equipment plant completed the rooftop solar panel in October, with an installation capacity of 217kW. The power generation capacity in 2023 is 55,000 kWh, and is estimated to reach 240,000 kWh throughout the year. ★ Complete the carbon footprint and carbon label application for "oil-immersed amorphous transformer" and "high-efficiency transformer". ★ Establish a supply chain alliance conference to jointly promote ESG with the supply chain. ★ The Sustainability Development Office has been established to formulate carbon reduction plans and track carbon reduction results and report to the board of directors.

Key Climate Risk Issues and Response Strategies

Category	Issue	Description of risk impact scenarios	Possibility (1~5)	Possible time course (short/medium/long)	Impact (1~5)	Risk score	Risk level	Potential financial impact	SEEC Management Strategy	Management results in 2023
Product and service	Low carbon product service opportunities	Under the global wave of net-zero carbon emissions, the market demand for energy-saving and carbon-reducing products and services has increased. New low-carbon products have been developed, and the proportion of recycled materials has been increased to meet customer demand for low-carbon products and bring revenue growth.	5	Short-term	5	25	High	Operating income ▲ Operating costs ▲ Capital expenditure ▲	☆ Establish a new green energy brand to provide green energy services and related products (such as solar energy projects, energy storage projects, green energy projects, energy-saving switches, charging piles, etc.) to provide customers with comprehensive solutions to achieve energy saving and reduction and sustainable operations. ☆ Plan to build solar panels in each factory area so that each factory can be self-sufficient.	★ Established the brand of Shihlin Electric Green Power, related green energy services: 13 solar projects cumulatively, 11 energy storage projects cumulatively. ★ The heavy electric plant completed the rooftop solar panels in June, with an installation capacity of 392kW, generating 200,000 kWh in 2023, with an estimated annual total of 430,000 kWh. ★ The electrical equipment plant completed the rooftop solar panels in October, with an installation capacity of 217kW, generating 55,000 kWh in 2023, with an estimated annual total of 240,000 kWh.
Market	Enter new markets		5	Short-term	5	25	High	Operating income ▲ Operating costs ▲ Capital expenditure ▲		
Energy source	Use low carbon energy		5	Short-term	4	20	High	Operating costs ▲ Capital expenditure ▲		
Resource efficiency	Use more efficient production	With policies, regulations and low-carbon trends, companies are moving towards carbon reduction and energy saving in operations and processes, optimizing process efficiency, recycling and reusing scraps, and strengthening competitiveness.	4	Short-term	3	12	High	Capital expenditure ▲ Operating costs ▼	☆ The lighting system is updated to an automatic sensor switch. ☆ Replacement of high energy-consuming equipment (air conditioning equipment, air compressors, heating furnaces, etc.). ☆ Optimized process: <ul style="list-style-type: none"> ● Use variable frequency motor or amorphous transformer to reduce power loss. ● Concentrate production and combine furnace production to improve production efficiency. ● Exchanging scraps with manufacturers can reduce procurement costs and waste disposal volume. 	★ In 2023, energy-saving improvements in each plant area are estimated to reduce a total of 489 tons of CO ₂ e/year (51 tons of electrical equipment plant, 91 metric tons of Xinfeng plant, and 347 tons of heavy power plant). Improvement measures include: <ul style="list-style-type: none"> ● Equipment updates: lighting equipment, variable frequency air compressors, air conditioners were replaced with new environmentally friendly refrigerants, air conditioning water towers were replaced with variable frequency controllers and high-efficiency motor transformers, high-efficiency amorphous transformers were updated, etc. ● Processing equipment modification: BMC injection molding machine, CNC milling machine, NF 50KVA spot welding/welding machine, frequency converter aging test machine, equipment steam pipeline heat dissipation improvement, etc. ● In 2023, the factory will add solar power generation devices to complete parallel power generation in the second half of the year (for self-use and apply for a green power certificate issued by the TRC Green Energy Certificate Center), reducing a total of 127.9 metric tons of CO₂e.
Resource usage efficiency	Increase recycling rates		4	Short-term	3	12	High			

Note: Short term: within 3 years, medium term: 3 to 5 years, long term: more than 5 years.

Assessment of the Financial Impact Of Climate Change

Category	Climate issue	Operating income	Cost/ expenditure	Net profit	Capital expenditures	Cash flow	Impact of topics on revenue ratio		
							Short-term	Medium and long term	
Risk	2050 Net Zero Emissions Requirement	—	Increased	Decreased	Increased	Decreased	Continuous tracking of regulations and assessments		
	Major Energy User Requirement	—	Increased	Decreased	Increased	Decreased	Still outside the norm, continue to evaluate		
	Taiwan Carbon Fee Levies	—	Increased	Decreased	—	Decreased	0.08% ^{Note2}	0.08% ^{Note2}	
	Mandatory Reporting Requirement	—	Increased	Decreased	—	—	Continuous tracking of regulations and assessments		
	Carbon Border Adjustment Tax	—	Increased	Decreased	—	Decreased	Continuous tracking of regulations and assessments		
	Opportunities for Low-Carbon Products and Services	Increased	Increased	Increased	Increased	Increased	Green energy products account for 30% of revenue	Green energy products account for 50% of revenue and remain above 10%	
Opportunities	Entering new markets	Increased	Increased	Increased	Increased	Increased			
	Using low-carbon energy	—	Decreased	Increased	Increased	Decreased	After calculation, the proportion is small ^{Note 3}		
	Utilizing more efficient production methods	—	Decreased	Increased	Increased	Decreased			
	Increasing recycling and reuse rates	—	Decreased	Increased	Increased	Decreased			

Note:

1. For more information about SEEC green business opportunities due to climate change and green energy development and layout, please refer to Chapter [3.2 Green Energy Development](#).

2. Set the internal carbon fee based on the total greenhouse gas emissions in 2023 * SEEC estimated NT\$800 per ton ÷ SEEC 2023 individual revenue.

3. The impact of increasing the recycling and reuse ratio on the revenue ratio is calculated by the number of self-generated solar energy * electricity cost per kilowatt hour ÷ SEEC individual revenue in 2023; the impact of increasing the recycling and reuse ratio on the revenue ratio is used to estimate emission reductions Total * SEEC expects to set an internal carbon fee of NT\$800 per metric ton ÷ SEEC individual revenue in 2023.

SEEC Introduces Internal Carbon Pricing Mechanism

In order to accelerate the achievement of energy conservation and carbon reduction goals and respond to the risks and threats brought by TCFD, SEEC introduced an internal carbon fee mechanism for the first time in 2023. This mechanism refers to factors such as the international carbon tax system (such as the practices of the European Union and the United States), the carbon pricing model of benchmark companies, prices in the carbon emissions trading market, and fines in relevant regulations. At the same time, taking into account the domestic and foreign sales of each business unit, the company has set an internal carbon price at NT\$800 per ton, which is expected to be included in the operating report for monthly tracking to supervise implementation.

Our internal carbon pricing mechanism encourages each business unit to conduct a monthly inventory of emissions, and include it in the financial management statements at an internal price of NT\$800 per ton as an outside expense of the business unit, further linking emissions with business performance of each business unit. This design encourages each business group to continue to actively develop energy-saving products and promote green energy projects and other measures. At the same time, the company is committed to the use of green energy, the introduction of energy-saving measures and the reduction of greenhouse gas emissions in each factory area, aiming to achieve SEEC carbon reduction goals and enhance corporate image.

KPIs and Goals

Renewable Energy

According to statistics, electricity consumption is the our main source of carbon emissions. Currently, the contracted capacity of each plant does not meet regulatory standards. However, Heavy Electric plants may fall within this standard after future expansion. In response to ESG (carbon reduction production) and government green energy policies, the company plans to build and use 10% green electricity, and actively increases the capacity of solar installations, with the goal of increasing the proportion of green electricity usage to 15% by 2030.

Obtain green power assessment

The large-area roofs of heavy power plants, electrical equipment plants, and Xinfeng factories are very suitable for installing solar power systems.

Installation locations

12 in total; installation is planned to be divided into three phases (2022~2030).

The first phase (2022~2024) installed capacity: 1,896kW

The second phase (2025~2027) installed capacity: 1,682kW

The third phase (2028~2030) installed capacity: 1,595kW

Total power generation capacity

5.173 kW (accounting for 15% of the factory's annual electricity consumption), with a total investment budget of NTD260 million.

Solar power generation benefit assessment (first phase)

1. **Solar panel installation capacity:** 1,896kW, annual power generation: 2.07 million kWh.

2. **Green energy income assessment:** 10.35 million yuan/year. (5 yuan*2.07 million degrees)

3. **Carbon reduction benefit:** 100 metric tons/year.

SEEC Heavy Electric Plant and Automobile Equipment Plant completed parallel power generation in June and October 2023 respectively, and Xinfeng Plant plans to be connected to the grid in 2024. As of the end of December 2023, 32% of the solar panel installation capacity has been completed, reaching 609kW, with a total solar power generation of 258,420kWh (approximately 930.3GJ), and renewable energy use accounting for 0.56% of total energy consumption.

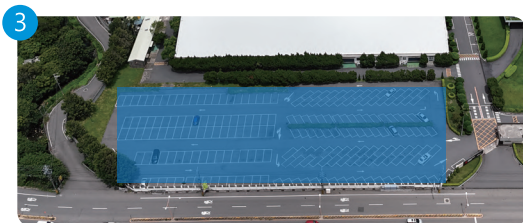
Current status of the first phase of solar power generation construction



Heavy electric plant/finished product warehouse roof
Solar panel installation capacity: 392kW

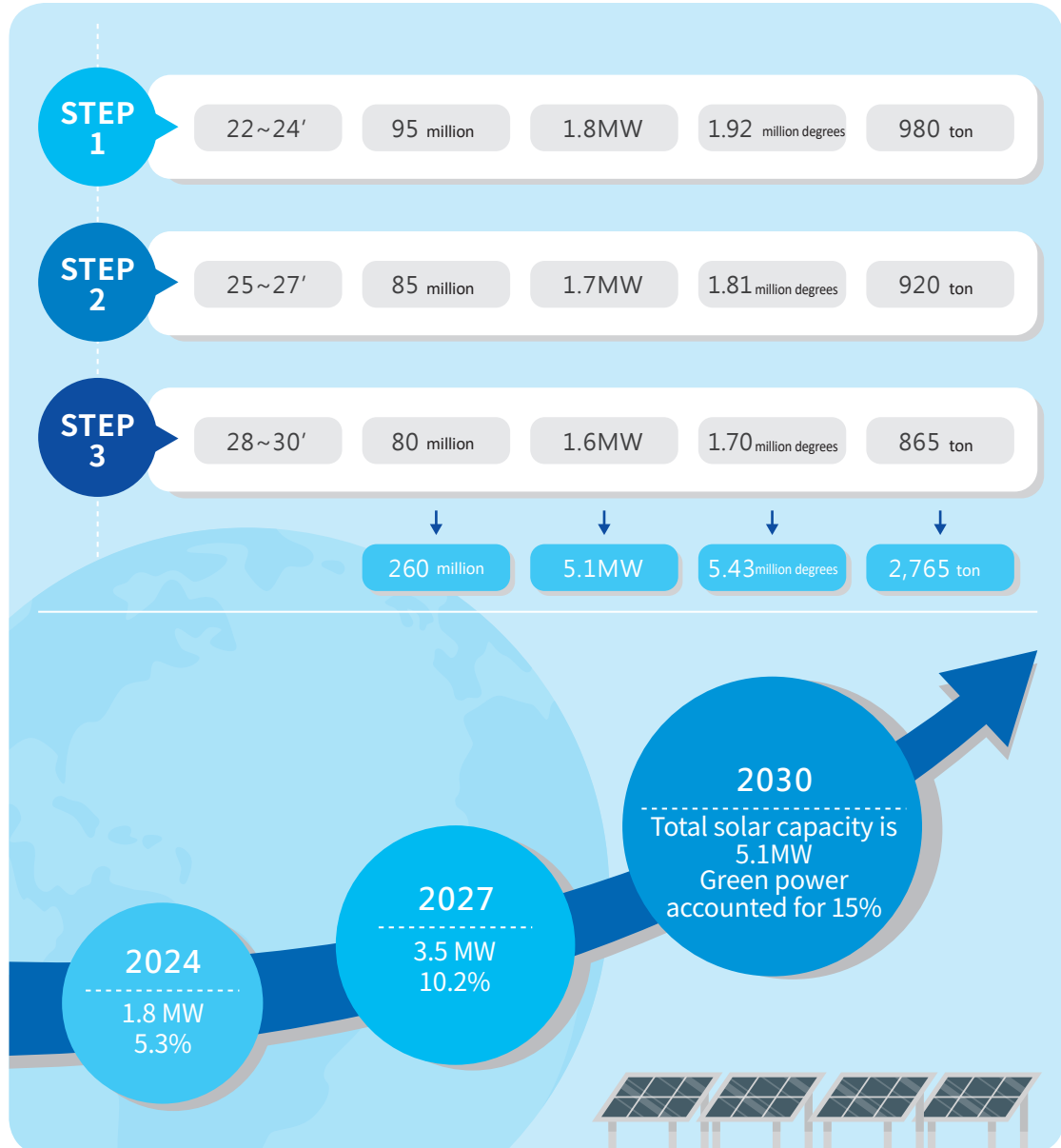


Automobile equipment plant/material warehouse roof
Solar panel installation capacity: 217kW



Under on-going planning, the first phase of solar power generation capacity is expected to reach 1,896kW

Under on-going planning, the first phase of solar power generation capacity is expected to reach 1,896kW



Greenhouse Gas Inventory Plan

SEEC is a listed company with a paid-in capital of more than NTD 5 billion but less than NTD 10 billion. According to the Financial Supervisory Commission's "Sustainable Development Roadmap for Listed Companies", it needs to comply with laws and regulations to complete greenhouse gas inventories and inspections within the standard timetable. And verification operations and implementation details are reported to the board of directors for control on a quarterly basis. The currently planned inventory and verification planning schedule for individual companies and consolidated reporting subsidiaries is detailed in the table below.

Object	Item	Timeline	Progress
Capital amount 5 billion~10 billion yuan listed company	Parent company	Inventory	2025/06
		Assurance	2027/06
	Consolidated reporting subsidiaries	Inventory	2026/06
		Assurance	2028/06

Greenhouse Gas Reduction

2023 Goals	2023 Goal achievement status	Short term goals (within 3 years)	Medium and long term goals (over 3 years)
<ul style="list-style-type: none"> Greenhouse gas emission intensity reduced by 4.8% 	<ul style="list-style-type: none"> Reduce greenhouse gas emission intensity by 6% 	<ul style="list-style-type: none"> Reduce greenhouse gas emission intensity by 20% 	<ul style="list-style-type: none"> Reduce greenhouse gas emission intensity by 36% Reduce total greenhouse gas emissions by 15%

Note:

Originally estimated at a reduction of 8%, in June 2024, following verification and correction by an external agency, the reduction in greenhouse gas emission intensity was revised to 6%.

4.2 Energy and Greenhouse Gas Management

Energy Management Policy

Develop green energy-saving products to meet customers' energy requirements
Establish energy management systems to reduce greenhouse gas emissions
Improve energy efficiency and reduce energy waste
Promote energy conservation activities and continuously improve energy use
Promote awareness of energy conservation and achieve corporate social responsibility



Greenhouse Gas Management Policy



Inventory of greenhouse gases and propose reduction plans
Promote energy conservation and carbon reduction and fulfill corporate responsibilities
Comply with environmental regulations and meet customer requirements
Install renewable energy to improve green power efficiency

Energy Use

The primary energy sources used by our company include diesel, gasoline, liquefied petroleum gas (LPG), and electricity. Purchased electricity comes from Taiwan Power Company. In 2023, solar power installations were set up to gradually increase the proportion of renewable energy used in our facilities. In 2023, SEEC's total energy consumption was 181,579.95 GJ, with renewable energy usage approximately 930.31 GJ. The intensity of non-renewable energy was 7.11 GJ per million NT dollars, a reduction of 0.42% compared to 2022.

Energy usage in the Past Three Years

Unit:GJ

Energy type	Item / Year	2021	2022	2023
Non-renewable energy	Diesel fuel	24,921.74	24,750.79	24,934.49
	Gasoline	—	6,094.11	15,643.79
	Liquefied Petroleum Gas (LPG)	3,345.88	4,383.61	4,506.98
	Electricity	135,889.92	134,838.11	136,494.69
Total		164,157.54	170,076.63	181,579.95
Non-renewable energy intensity (GJ/million dollar)		7.98	7.14	7.11
Renewable energy	Electricity - Solar	0	0	930.31
Total		0	0	930.31
Renewable energy intensity (GJ/million dollar)		0	0	0.03
Revenue (NT\$ million)		20,561	23,821	25,524

Note:

- 1.1 gigajoule (GJ) = 10⁶ kilojoules (KJ).
- 2.The energy usage calculation scope covers SEEC operating areas in Taiwan, including the Taipei headquarters, four major business groups (heavy electrical appliances business group, electrical equipment business group, machine business group and automation business group) and local branches.
- 3.Each energy unit and statistical source of data: Electricity (kWh) is based on the sum of the data listed in the monthly electricity bills of each operating base; diesel (L) and liquefied petroleum gas (kg) are based on actual consumption.
- 4.Calorific value conversion coefficients of various energy sources: 1kWh of electricity = 3,600KJ; 1kg of LPG = 50,474.25KJ; 1kg of diesel = 35,145.6KJ.
- 5.The turnover in the report is calculated based on individual revenue, and the revenue data and energy intensity of the previous two years are revised simultaneously.
- 6.The energy data for 2022 was corrected and the information was updated simultaneously in this report.

Emission of Greenhouse Gases

The company's greenhouse gas emission results are as follows. The total emissions in 2023 are 22,640 tons CO₂e, and the greenhouse gas emission intensity is 0.8870 tons CO₂e/million dollar. In order to strengthen the company's greenhouse gas management, the company will conduct a greenhouse gas inventory in 2023 in accordance with the ISO 14064-1 standard. Using 2022 as the base year, the company will further set the company's carbon reduction goals in the future.

Greenhouse Gas Emissions

Unit: metric tons of CO₂e

Item / Year	2022	2023
Scope 1	3,190.83	3,871.84
Scope2	19,064.61	18,768.02
Total emissions	22,555.44	22,639.86
Revenue (NT\$ million)	23,821	25,524
Greenhouse gas emission intensity (metric tons CO ₂ e/million dollar)	0.943	0.8870

Note:

1. The calculation scope of greenhouse gas emissions covers SEEC operating areas in Taiwan, including the Taipei headquarters, four major business groups (Heavy Electricity Business Group, Automobile Equipment Business Group, Breaker & Switchgear Business Group and Automation Business Group) and local branches.
2. Greenhouse gas inventory standards: Inventory based on ISO 14064-1:2018. The inventory gases include: carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), hydrofluorocarbons (HFCs), and perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), nitrogen trifluoride (NF₃).
3. Greenhouse Gas Assurance Standard: Obtain the accountant's limited assurance report in accordance with ISAE 3410.
4. The 2022 data are internal figures that have not been externally verified by a third party. Event data were corrected in the scope 1 of this report after verification. The 2023 data were externally verified by a third party in June 2024.
5. The Greenhouse Gas Inventory adopts the Operational Control Rights Act, with 2022 as the base year for greenhouse gas emissions.
6. The 2022 Global Warming Potential (GWP) refers to the IPCC 2013 Sixth Assessment Report.
7. Source of conversion coefficient: The latest greenhouse gas emission coefficient management table version 6.0.4 published by the Ministry of Environment of the Executive Yuan.
8. The purchased electricity is calculated based on the electricity carbon emission coefficient published by the Energy Administration of the Ministry of Economic Affairs. The electricity carbon emission coefficient in 2023 is 0.494 kg CO₂e/kWh.
9. The turnover in the report is calculated based on individual revenue, and the revenue data and greenhouse gas emission intensity for 2022 are revised simultaneously.

Energy Saving Measures and Performance

In 2023, energy-saving improvements in each plant area are estimated to reduce a total of 489 tons of CO₂e/year (51 tons of Automobile Equipment plant, 91 tons of Xinfeng plant, and 347 tons of Heavy Electric plant), which is approximately 3,556.4GJ. Improvement measures include:

Renovation of old equipment

lighting equipment, variable frequency air compressors, air conditioners are replaced with environmentally friendly new refrigerants, air conditioning water towers are replaced with variable frequency controllers and high-efficiency motor transformers, high-efficiency amorphous transformers are updated, etc

Processing equipment modification

BMC injection molding machine, CNC milling machine, NF 50KVA spot welding/welding machine, inverter aging test machine, equipment steam pipeline heat dissipation improvement, etc.

Note: Energy saving benefit estimate = energy consumption ratio difference between old and new equipment * equipment load rate * estimated operating hours

In addition, in 2023, the additional solar power generation equipment installed in the factory will complete parallel power generation in the second half of the year (spontaneous self-use and application for a green power certificate issued by the TRC Green Energy Certificate Center), reducing a total of 127.9 tons of CO₂e, approximately 930.3GJ.

The air-conditioning water tower was changed to a variable frequency controller and a high-efficiency motor variable speed controller



Energy saving benefits

- Electricity consumption: **50%** ▲
- Electricity bill: **33%**



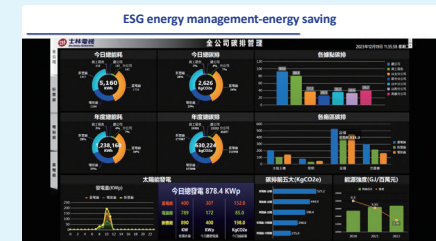
Information digitization: Improving real-time monitoring and data analysis performance

Green energy management platform

Real-time data on the carbon emissions of optical charging and storage devices introduced in each factory area is uploaded to the Dash-board system. In addition to understanding whether the current power consumption of each unit in the factory is abnormal and controlling the total power demand (contract capacity assessment), at the same time, it is also necessary to analyze and manages the real-time electricity consumption and historical data of solar power generation, including five-day power generation forecast, etc.

Energy saving management platform

In view of the power factor of factory electricity and the carbon emissions of high energy-consuming equipment (air conditioners, ice water machines, air conditioners, air compressors, injection molding machines, drying ovens, etc.), electricity consumption and usage of various elements (power, current, temperature, pressure, carbon maintenance hours and other data are uploaded to the Dash-board system in a timely manner, allowing equipment managers to manage historical data and conduct analysis and countermeasures, providing more objective data for evaluating the effectiveness of factory energy-saving improvements.



Raw Materials Usage

The sources of raw materials used by the company's four major business groups are not only purchased directly, but also outsourcing, and purchase & supply of parts. The main bulk raw materials are iron, copper, silver, aluminum, silicon steel, plastics, insulating oil, etc., all are non-renewable raw materials, and the usage in 2023 is as follows.

Main Raw Material Usage in 2023

Raw Material Category	Unit	Heavy Electric Business Group	Automobile Equipment Business Group	Breaker & Switchgear Business Group
Copper	Ton	3,800	664	645
Silver	Ton	0	0	7.9
Iron (including silicon steel)	Ton	9,991	5,018	1,330
Iron (excluding silicon steel)	Ton	33,178	0	0
Aluminum	Ton	0	567	0
Insulating oil	kiloliter	7,600	0	0
Plastic	Ton	0	16.2	320

Note: The Automation Business Group does not directly purchase bulk raw materials.

In order to respond to environmental protection and reduce carbon emissions at each stage of the product life cycle, the company continues to promote more friendly behaviors. In terms of the use of recycled materials, the Automobile Equipment Business Group mostly used technologies and materials such as bakelite, powder coating, and plastic injection in the early stage. The technical requirements for recycling, dismantling and reuse are high, so it is very difficult to reuse; Nowadays, we use recyclable plastics and carry out a modular design that can be directly disassembled between different materials, increasing the reuse of recycled materials, lowering the threshold of recycling technology, and greatly reducing environmental pollution. The Automobile Equipment Business Group will add 30~40% recycled materials according to the size of the work piece in the production of aluminum die castings, and add about 10% recycled materials in the production of plastic parts to reduce environmental pollution.

In order to increase the proportion of resource recycling, the Breaker & Switchgear Business Group sorts and collects the scraps of brass and red copper produced during the manufacturing process, and then delivers them to manufacturers for reuse to avoid mixing in other substances. In 2023, a total of 58.8 tons of copper scraps will be provided and sold to manufacturers for reprocessing, which is in line with the reuse in the circular economy and the 5R approach to sustainable material management (redesign, reuse, reduce, recycle and energy recovery).

In addition, in the product design process, recyclable environmentally friendly packaging materials are also considered for consumables and packaging, including wood, paper, iron boxes, etc., among which wood and paper are renewable raw materials and are shipped from suppliers when delivered. , also encourages the use of sustainable recycled plastic boxes for packaging, and the reuse of pallets during transportation and loading, in line with the company's mission of energy conservation and environmental protection.

4.3 Environmental Pollution Prevention and Control

The company has established industrial safety and health centers in each business group to be responsible for promoting environmental management and industrial safety-related matters, and in the subsidiaries, it is also managed by the general affairs unit. Strengthen the supervision of pollution prevention and control management operations, and focus on the maintenance and repair of environmental protection equipment to improve equipment processing efficiency to comply with environmental protection regulations and standards. We also promote and pass the environmental management system (ISO 14001) certification.

Water Usage

Water Resources Management Policy

Use water-saving labeling equipment to improve water efficiency
 Recycling of water resources to ensure water resources goals
 Continuously improve water supply pipelines to prevent water leakage
 All employees participate in water conservation and promote water resources management
 Comply with government management regulations and include them in management review



The company's main water use includes process water, domestic water, plant watering, etc. The water source is Taiwan Water Corporation, and the water source is Touqian Creek. According to the "Water Risk Atlas" of the World Resources Institute, this shows the water resources pressure in the area where the company is located is "Low - Medium Risk (1-2)", and water abstraction has not had a significant impact on local water sources. Water usage in the past three years is shown in the table below.

Water Use in Recent Years

Item	2021	2022	2023
Total water withdrawal (million liters) - tap water	208.60	222.10	204.00
Total water withdrawal (million liters) - groundwater	9.71	0.92	0.79
Total water displacement (million liters)	99.32	92.01	83.78
Total water consumption (million liters)	118.99	131.01	121.01
Revenue (NT\$ million)	20,561	23,821	25,524
Water intake intensity (million liters/million yuan)	0.0106	0.0094	0.0080

Note:

- 1.The disclosure scope is mainly based on the four major business groups (three factories), excluding the Taipei headquarters and local branches.
- 2.Water consumption = water intake-discharge.
- 3.The drainage volume is the actual statistical value of the flow meter in the factory.
- 4.Revenue of this year is calculated based on individual revenue, and the revenue data and water intake intensity of the previous two years are revised simultaneously.

Water Pollution Prevention and Control

The wastewater containing heavy metals and wastewater from various operating activities generated by the company's manufacturing process is collected to the industrial park wastewater treatment plant for further treatment after the wastewater pre-treatment process. The treated wastewater is finally discharged into Qielong Creek. In order to achieve the goal of recycling sewage, improve water efficiency and reduce sewage discharge, the company actively improves the process to increase the ratio of waste water recycling and reuse, improves water leakage prevention for air-conditioning, installs water-saving equipment in sanitary facilities, controls the frequency of cleaning the exterior walls of the workshop, and saves water for irrigation and greening of landscapes. For water recycling and water pollutant treatment through high-efficiency equipment, the quality of the discharged water must be better than or meet government regulations. The Heavy Electric Plant and Automobile Equipment Plant commissioned the Wastewater Treatment Plant of the Industrial Park Management Center to send personnel to the factory every month to sample and test the water quality; Xinfeng Factory entrusts the Ministry of Environment to approve the environmental testing agency to send personnel to the factory every month to sample and test the water quality. The test results from 2021 to 2023 are all in compliance with and far lower than the emission standards.



SEEC's Recent Wastewater Discharge Control

Water pollution testing item	Plant	Emission standards	Testing results at the end of 2023
Hydrogen ion concentration (pH)	Automobile Equipment	5.0~9.0	7.2
	Heavy Electric	5.0~9.0	7.6
	Xinfeng	6.0~9.0	7.2
Chemical Oxygen Demand (COD)	Automobile Equipment	<600(mg/L)	86.9
	Heavy Electric	<600(mg/L)	35.5
	Xinfeng	<100(mg/L)	55.9
Biochemical Oxygen Demand (BOD)	Automobile Equipment	<500(mg/L)	26.9
	Heavy Electric	N/A	—
	Xinfeng	<100(mg/L)	9
Suspended Solids (SS)	Automobile Equipment	<500(mg/L)	65.5
	Heavy Electric	<500(mg/L)	12.2
	Xinfeng	<30(mg/L)	16.6
Copper(Cu)	Automobile Equipment	N/A	—
	Heavy Electric	<3(mg/L)	0.02
	Xinfeng	N/A	—
Nickel (Ni)	Automobile Equipment	N/A	—
	Heavy Electric	<1(mg/L)	ND
	Xinfeng	N/A	—
Soluble iron (Fe)	Automobile Equipment	N/A	—
	Heavy Electric	<10(mg/L)	0.62
	Xinfeng	N/A	—
Zinc(Zn)	Automobile Equipment	N/A	—
	Heavy Electric	<5(mg/L)	0.09
	Xinfeng	N/A	—
Hexavalent chromium (Cr)	Automobile Equipment	N/A	—
	Heavy Electric	<0.5(mg/L)	ND
	Xinfeng	N/A	—
Lead (Pb)	Automobile Equipment	N/A	—
	Heavy Electric	<1(mg/L)	ND
	Xinfeng	N/A	—

Note:

1.The disclosure scope is mainly based on the four major business groups (three factory areas), excluding the Taipei headquarters and local branches.

2. ND stands for Not Detector, which means the concentration is too low to be measured.

Waste Management

The company leverages total waste reduction and waste recycling as waste management strategies, and takes zero waste as the ultimate goal. Through management measures such as process technology improvement, raw material reduction, and recycled materials reuse, waste output is reduced so as to achieve strategic objectives of waste reduction and resource recycling.

Our waste is mainly classified into three categories: general business waste, resource waste and hazardous waste. Among them, resource wastes include metal wastes, waste plastics and waste paper boxes, etc., which are sorted and collected and handed over to qualified recyclers for recycling and reuse. Hazardous wastes include electronic wastes, waste solvents, etc., which are sorted and collected and handed over to qualified processors for further treatment; while domestic waste and general business waste are cleared and transported to the incineration plant. The sequence of waste treatment is classification, reuse, and resource recycle. If the waste cannot be treated by the above-mentioned treatment methods at this stage, it will be disposed of by landfill or incineration. All wastes are recycled and treated in accordance with the regulations, and reported online in accordance with the regulations of the Ministry of Environment.

The critical step of business waste reduction is waste generation control, that is, waste reduction and recycling during the manufacturing process, to continuously reduce the generation of waste, and prioritize the recycling and reuse of resources after the material loses its original purpose of use, and the then is other appropriate disposal methods to achieve resource recycling. In order to effectively manage business waste, we use the waste proper disposal checklist and GPS global satellite positioning to grasp and verify the flow of waste removal and treatment, and arrange visits and audits of waste treatment plants from time to time to ensure that all waste is properly disposed.

The total weight of waste generated in 2023 is approximately 891 tons, including 881 tons of general industrial waste and 10 tons of hazardous industrial waste, all of which are treated off-site and without on-site disposal. A total of 160 tons of waste was recycled and reused, and a total of 731 tons of waste was directly disposed of, including 721 tons of general industrial waste and 10 tons of hazardous industrial waste.

For more information, please visit the official website under [Sustainability Management / Environmental Protection / Pollution Control Management](#). [↗](#)

Waste Generation and Disposal

Hazardous waste		
Waste composition	Out of field	
Item	Waste generation (tons)	Processing method
Waste liquid (flash point less than 60°C)	10.3	Incineration (including energy recovery)

General industrial (non-hazardous) waste		
Waste composition	Out of field	
Item	Waste generation (tons)	Processing method
Waste oil mixture	27.32	Recycle
Sludge	51.9	Recycle
Scrap wire	0.15	Recycle
Scrap hardware	24.81	Recycle
Scrap wood	55.00	Recycle
Waste electronic components, scrap and defective products	0.3	Recycle
Metal-containing printed circuit board waste and its powder	0.3	Recycle
Waste tin	0.67	Recycle
Waste paper	26.12	Incineration (including energy recovery)
Waste plastic	36.41	Incineration (including energy recovery)
Household garbage	496.65	Incineration (including energy recovery)
Waste wood mixture	0.4	Incineration (including energy recovery)
Waste rubber mixture	31.58	Incineration (including energy recovery)
Waste wood pallets	35.33	Incineration (including energy recovery)
Waste solvent	82.78	Incineration (including energy recovery)
Waste resin	2.06	Incineration (including energy recovery)
Waste oil mixture	9.13	Incineration (including energy recovery)

Chapter

5

Inclusive Workplace

★ Annual Performance

Labor Harmony 3.8%

No violations of human rights or discrimination occurred.

The average annual salary increase rate

45 colleagues

Participated in CPR and AED training courses in 2023.

12%

The turnover rate of all age groups has decreased compared with the previous year.

97%

The annual training budget implementation rate An increase of 19% compared with the previous year

None

Special Health Examinations Level 3 or level 4 management number

3 GOOD HEALTH AND WELL-BEING



- Promote first aid knowledge such as CPR and AED operation exercises among employees.
- Conduct company-wide health examinations and hold health and medical lectures every year.

4 QUALITY EDUCATION



- Provide industry-university training and internship opportunities, and promote cooperation between industry and master's programs.
- Conduct performance review meetings of the Education and Training Development Committee every quarter, with a total of 4 meetings held in 2023.

8 DECENT WORK AND ECONOMIC GROWTH



- Continuously conduct safety and health education and training, and complete ISO 45001 occupational safety management system re-verification.
- Convened 16 Occupational Safety and Health Committee meetings to discuss matters related to occupational safety.
- Cooperate with the Hsinchu County Fire Department to expand firefighting self-defense group drills and poison disaster prevention and rescue drills.

10 REDUCED INEQUALITIES



- Protect job opportunities for disadvantaged groups such as indigenous people and people with disabilities.
- Continue to provide human rights-related education and training, with a total of 1,549 participants in 2023.



Employees



Business Partners



Communities



Government Agencies

Key Stakeholders

5.1 Human Rights Management

Employee Relationship Management Approach

Sustainability Criteria Response:

[GRI]] 201 Economic Performance (201-3), 401 Labor Relations, 402 Industrial Relations, 407 Freedom of Association and Group Negotiation, 408 Child Labor, 409 Forced and Compulsory Labor [MSCI] Labor Management

Importance to SEEC	Employee rights and benefits are not only related to employees' personal quality of life, but also directly affect the organization's operations, competitiveness and long-term development. SEEC is committed to maintaining good labor relations and actively providing the best welfare conditions, which will enhance employees' sense of belonging and loyalty to the company and create a more stable and sustainable operating environment for the company.	
Negative Impact (Description) / Remedial Measures	The labor-management relationship is harmonious, with no infringement of employee rights and no labor disputes occurring. However, every enterprise and industry is currently facing the problem of labor shortage. If it cannot attract or retain talents, it will trigger a vicious cycle of talent shortage and inability to effectively inherit technology. Regularly review the compensation structure and welfare measures, and make adjustments at any time in response to amendments to labor laws and regulations.	
Positive Impact (Benefit) Description	We have good employee relations, provide employee benefits that are superior to laws and regulations, and protect their due rights.	
Management Evaluation Mechanism	<ul style="list-style-type: none">● Conduct labor-management meetings, occupational safety committee meetings, welfare committee meetings and enterprise unions regularly.● Implement performance appraisal mechanism.	

2023 Goals / Goal Achievement Status	Short-term Goals (Within 3 Years)	Medium to Long-term Goals (Over 3 Years)
<ul style="list-style-type: none">● Provide generous and market-competitive overall remuneration. Achieved● Conduct Occupational Safety and Health Committee meetings every quarter. Achieved● There are no major labor and employment incidents. Achieved● No human rights violations or discrimination occurred. Achieved	<ul style="list-style-type: none">● No major employment incidents.● No human rights violations or discrimination occurred.● Market-competitive overall remuneration.	<ul style="list-style-type: none">● Encourage employees to participate in diverse activities, clubs and sports activities, allowing employees to freely gather and participate in groups, communicate with each other, and establish friendship to promote the efficiency of cross-department communication.

2023 Specific Actions	Performance Results
<ul style="list-style-type: none">● Participate in the salary market survey of well-known management companies.● Continue to hold model labor representative selection meetings to encourage and praise outstanding employees.● The Automobile Equipment factory has introduced FamilyMart smart vending machines to make shopping convenient for factory employees.● Continue to introduce various employee benefits, and the consolidated employee benefit expenses of the company in 2023 is NT\$3,944,157,000.● Continued to provide human rights-related education and training, with a total of 1,549 participants and 5,866.5 hours.● Execute annual performance appraisal plan.	<ul style="list-style-type: none">● The company regularly consults survey reports on market salary and welfare levels by professional organizations. The initial salary of junior employees is above the market level of P75 (that is, it is better than 75% of peers in the market).● The average salary of non-supervisory employees is 1.29 times that of peers.● The annual average salary increase is 3.8%.● The annual employee recruitment rate is 15%, and the turnover rate is 12%. The turnover rate of all age segments has decreased compared with the previous year.● This year, 74 model labor representatives were selected and publicly commended in the factory and featured in monthly magazines.● No human rights violations or discrimination occurred.● The company has a harmonious labor-management relationship, maintaining a good interactive relationship between labor and management, and no labor disputes have occurred.● Employees who meet the assessment qualifications will 100% complete the performance assessment.

Human Rights Policy

SEEC is committed to protecting the basic human rights of all employees, customers and stakeholders, and recognizes and supports the spirit of human rights protection proclaimed in various international human rights conventions such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Convention and basic principles. In order to implement the above-mentioned statement and fulfill corporate social responsibilities, so that everyone in the company and external stakeholders can be treated with fairness and dignity, a human rights policy is specially formulated and announced on the company website after approval by the chairman.

In addition, we regularly investigate our own operations, value chain, and other related activities by paying attention to key social issues and conducting questionnaire surveys every year to identify and assess groups at risk and potential human rights risks, and formulate human rights issues management procedures based on identified potential risks, and continuously monitor and improve the implementation results.



Employee Code of Conduct and Ethics

The company has a "ethical code of conduct", and stipulated in its work rules and corporate ethics statement that employees shall not take advantage of their positions, engage in fraudulent practices or accept gifts from others, nor shall they disclose the company's various technologies and business content to the outside world, and has established relevant control measures. For example, through the establishment of an internal control system, the Audit Committee and the Internal Control Committee conduct regular and irregular internal audits. As for the procurement process, it's clearly specified in the contract that requires suppliers must not bribe or provide improper benefits to employees of the company. For corruption cases, the administrative punishment as well as legal liability will be pursued to prevent corruption or leaks. As a result, there was no employee corruption in 2023.



Anti-discrimination Measures

SEEC has set up "Sexual Harassment Prevention Measures and Employee Complaints and Disciplinary Rules" and announced on internal website. Any sexual harassment in the workplace is strictly prohibited in order to maintain a safe and healthy working environment. New employees are required to sign the "Sexual Harassment Prevention Public Disclosure Statement" when they are on board. At the same time, we use the internal website to promote the implementation methods of the employee complaint system to ensure that employee discrimination does not occur.

The company supports and abides by various international human rights conventions. In 2023, there is no discrimination, violation of freedom of assembly and association, use of child labor, violation of indigenous rights and forced labor, etc. The company is committed to observing and protecting the rights and interests of all workers.

Specific Management Plan

1

Internal communication structure of the company

In the orientation training program for new recruits, relevant laws and regulations are highlighted, including prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, working hour management, and protection of humane treatment.



2

Provide online courses on sexual harassment prevention

Understand the concept of sexual harassment, sexual harassment prevention, and how the company handles sexual harassment incidents.



3

Internal communication structure of the company

Help employees understand workplace bullying, know how to avoid bullying, and jointly create a friendly working environment that is open to communication and management.



4

Provide a complete series of occupational safety training

According to the situations that different types of employees will encounter in the workplace, different safety trainings are provided, such as fire training, emergency response training, emergency personnel training, general safety and health education and training, factory safety training, environmental safety and health supervisor safety training, etc.



In order to improve awareness of human rights protection and reduce the possibility of related risks, SEEC continues to conduct human rights-related education and training. In 2023, related courses including labor safety and health, health care knowledge, prevention and promotion of illegal violations in the workplace, prevention and treatment of sexual harassment and workplace bullying, ethics and legal compliance, and human rights protection were conducted, with a total of 1,549 participants, totaling 5,866.5 hours.

Participant	Training course	Main content	Total number of people	Total man-hour
Occupational Safety Supervisor	On-the-job training for occupational safety and health supervisors	Occupational safety series training	122	714
Safety personnel	Occupational safety and health personnel on-the-job training	Occupational safety series training	60	792.5
General colleagues	Ethics and compliance courses	Sexual harassment and workplace bullying prevention, human rights protection and other ethics and compliance training	228	168.5
General colleagues	Labor safety and health education	Labor safety and health	466	1,802
General colleagues	Fire safety training	Fire safety	284	1,158
General colleagues	First aid training	Emergency care	107	514
General colleagues	Civil defense training	Civil defense training	59	472
General colleagues	Health lecture	Health care knowledge	181	203.5
New colleagues	New employee orientation training	Publicity on the prevention of illegal violations in the workplace	42	42
Total			1,549	5,866.5

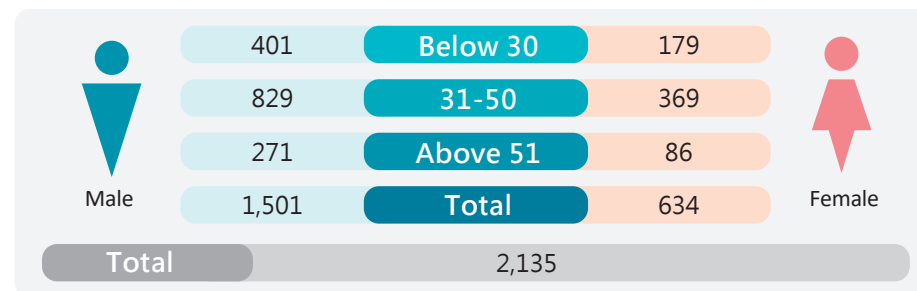
5.2 Labor Relations and Harmony

Manpower Structure

SEEC's recruitment policy is based on human rights equality, and there is no discrimination based on gender, race, age, politics, marital or family status, etc., so that the composition of colleagues is more diverse. In 2023, the total number of employees is 2,135, of which 1,501 males (70.3%) and 634 females (29.7%) are full-time employees. There are no temporary or part-time employees. There are a total of 509 supervisory staff (54 senior executives, 195 mid-level managers, and 260 junior supervisors), and a total of 1,626 non-management staff (ordinary colleagues). Due to the characteristics of the manufacturing industry, most of the early employees are male, so the proportion of male employees is relatively high. The company continues to strive to promote a diverse workplace. In recent years, not only has the proportion of female employees increased year by year, but the proportion of female executives has also continued to grow.

In addition to employees, the company has a small number of job assignments performed by non-employee workers. In 2023, there is a total of 210 non-employee workers, including 47 labor contractors (21 males and 26 females), engaged in security, cleaning and group catering operations. 163 temp works (57 males and 106 females) were dispatched to work on the production line.

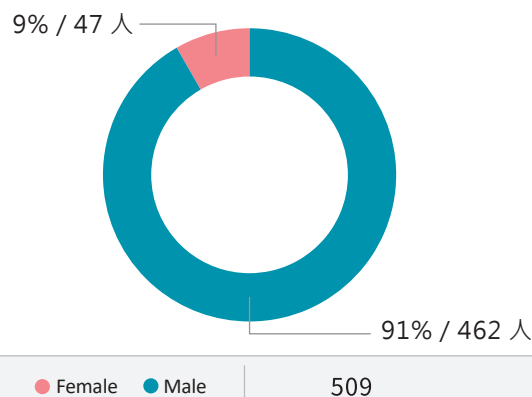
Waste Generation and Disposal



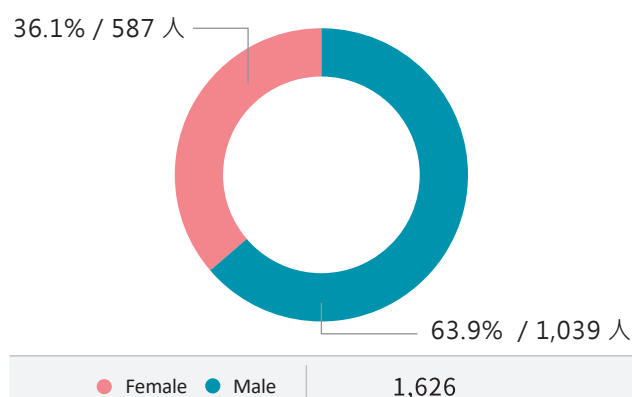
Note:

1. The above information is based on the employees in service on December 31, 2023.
2. The company has no part-time, temporary or unlimited hours guaranteed employees.
3. The headcount statistics in the above table do not include directors who serve in the company.
4. 98% of senior managers above director level are employees of local nationality.

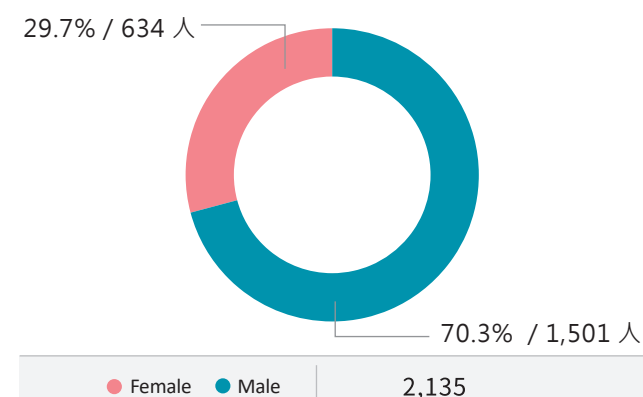
Gender Distribution of Management Employees



Gender Distribution of Non-managerial Employees



Gender Distribution of All Employees



Recruitment and Retention

Diversified employment of talents is the most cherished and important asset of SEEC and the lifeblood of sustainable operation. Providing opportunities for the development of "high-quality talents with potential to be cultivated" is our only principle of recruitment and talent management. As for our recruitment, people of different races, religions, skin colors, nationalities, ages, genders, sexual orientations, marital status, political affiliations, ages, and disabilities are treated equally and fairly, and talents are selected based on their capabilities and performance.

SEEC formulates the long-term development strategy for the talents, designs a reasonable organizational structure and deploys the most suitable talents of all levels in accordance with the development policy of the business strategy. The annual manpower plan and budget are drawn up every year, and each department will issue the manpower request to the Human Resources Department based on their manpower plan and budget. The Human Resources Department will publish job vacancy information through various recruitment channels and trigger the recruitment process. The recruitment procedure complies with the provisions of the Labor Standards Act, and treats them equally and fairly. All of them are based on their abilities, and adopt a fair and just operation mode to recruit suitable talents. In accordance with the Personal Data Protection Act, the personal information of job seekers is protected and will not be used for purposes other than recruitment and selection without the consent of job seekers.



Furthermore, in order to effectively recruit outstanding talents, we leverage multiple recruitment channels, and carry out various industry-university cooperation programs with key schools, such as: industry-university cooperation scholarships, semester internships, research and development substitute services, industry-master special classes, technical consultant cooperation, forums and lectures, etc., combine learning with practice, and systematically cultivate professional talents.

Diversity and tolerance

In protecting job opportunities for indigenous people and disadvantaged groups such as those with disabilities, the company complies with legal requirements, provides equal employment opportunities for disadvantaged groups, recruits indigenous people and people with disabilities in accordance with the law, and implements the statutory leave regulations for indigenous workers. In 2023, 23 Aboriginal employees were hired (accounting for 1.08% of the overall employee ratio), 23 people who meet the requirements of the Government Procurement Law; 20 people with disabilities were hired (accounting for 0.94% of the overall employee ratio). As for the shortfall, the company will subsidy regularly to the "Employment Fund for the Disabled" of the local labor authority in accordance with the "Law on the Protection of the Disabled".

New hire and resigned profiles

In 2023, the new recruitment rate of all employees of SEEC is 15%, and the turnover rate is 12%. The turnover rate of all age segments is decreased compared with the previous year. In order to reduce the turnover rate, conducts periodic review to the new hires, and the resigned colleagues are interviewed by the supervisor to understand the reasons behind and make statistics to evaluate the improvement plan.

	New hire rate						Turnover rate					
	Below 30		31~50		Above 51		Below 30		31~50		Above 51	
	Count	Ratio	Count	Ratio	Count	Ratio	Count	Ratio	Count	Ratio	Count	Ratio
 Male	112	42.7%	79	10.0%	11	4.1%	44	16.8%	57	7.2%	67	24.7%
 Female	33	31.4%	40	12.3%	1	1.2%	15	14.3%	27	8.3%	9	10.5%
Total	145	39.5%	119	10.7%	12	3.4%	59	16.1%	84	7.5%	76	21.3%

Note:

1. New hire rate (%) = number of new hires in this category (gender, age) in the current year / total number of employees in this category (gender, age) at the end of the year.
2. Turnover rate (%) = the number of employees in this category (gender, age) who resigned in the current year / the total number of employees in this category (gender, age) at the end of the year.
3. The number of new employees does not include those who leave midway; the number of employees who leave the company includes voluntary or dismissed and retired employees.
4. The 297 foreign employees are not included in the calculation of the above-mentioned employee recruitment rate and turnover rate.

Rights Protection and Labor-Management Communication

Trade Union and Group Agreements

To pursue the improvement of work efficiency and working conditions, and to promote the smooth communication and coordination of opinions between labor and management, the "Industrial Labor Union" was established in February 1971 by SEEC. The union conducts an annual member representative meeting every year, and those representatives are elected by members voting. Representatives then elect 15 union directors and 5 supervisors. The union directors and supervisors meeting is held every two months to discuss various issues related to employees. The company will send representatives to attend the meeting for communication purpose. The proportion of employees who join the union in 2023 is 99.77% (employees who also serve as directors will not participate), and the group agreement covers all employees who join the union. There is a labor union office in the Xinfeng factory, so that employees can communicate and exchange opinions with labor union representatives. In addition, a model worker selection is held every year, with 1 model for every 25 people selected. In 2023, a total of 74 model worker representatives were selected, and they were publicly praised in the factory and published in company monthly magazines.

Grievance Mechanism and Communication Channels

In order to promote labor-management harmony, safeguard labor rights, assist employees in solving personal rights or unfair treatment issues at work, and provide employees and job applicants with a work and service environment that is free from sexual harassment and gender discrimination, and take appropriate prevention, correction, and disciplinary and handling measures to protect the rights and privacy of the parties, the company appoints the CHRO as the person in charge of employee rights and benefits, and has established a grievance mechanism for "sexual harassment prevention measures, employee complaints and disciplinary rules", so as to enable the factory area and investment company employees to resolve disputes caused by their work quickly and satisfactorily.

The company follows various labor laws and regulations to establish internal procedures, and completes the signing of group agreements with labor unions. Regarding the shortest notice period for operational changes, the relevant norms are stipulated in the group agreement and procedures according to law. All operating activities are in compliance with the Labor Standards Act. For key changes in employee operations, relevant employees will be notified in advance in accordance with relevant regulations to ensure the rights and interests of employees. The company maintains a harmonious and good interactive relationship between labor and management. No labor disputes have occurred.

Collective bargaining agreement

Expression of different opinions and communication channels between labor and management

Actions

- Sexual harassment prevention measures, employee complaints and disciplinary rules
- Symposium for new hires and all colleagues
- Proposal for small group quality control activities
- Regular or irregular labor-management meetings



Labor Retirement Reserve Fund Provision System

The company sets aside labor retirement reserves in accordance with the law, and employees can apply for retirement if they meet the statutory retirement conditions. A stable retirement provision system will protect employees' rights to receive pensions in the future.

Retirement system	Appropriation status	Implementation status in 2023
Old system Appropriation under the Labor Standards Act	Calculated on the basis of the employee's years of service and the average salary of the six months prior to retirement. The monthly retirement reserve allocation is based on 3% of the employee's total salary, and is deposited into the labor retirement reserve account of the Bank of Taiwan.	In January of each year, after the settlement of the previous year, professional actuaries conduct actuarial calculations of retirement reserves to confirm that vested benefits are fully withdrawn. As of the end of 2023, the balance of the company's Bank of Taiwan Labor Retirement Reserve Special Account amounted to NT\$993,512,000; the total withdrawal in 2023 was NT\$37,505,000.
New system Appropriate according to Labor Pension Act	6% the employee's monthly salary is allocated as the pension and deposited into the labor pension individual account of the Labor Insurance Bureau. Employees can also contribute 1% to 6% voluntarily.	The new pension expense set aside in 2023 is NT\$61,364,000.

5.3 Employee Compensation and Benefits

Fair Compensation Structure

In order to attract and retain outstanding talents, SEEC participates in the salary market survey of well-known management consulting firms every year to provide excellent and market-competitive overall compensation package, and strictly abides by the requirements of government labor-related laws and regulations, and provides employees with sick leave that is better than the requirements of the laws and regulations. Men and women share equal rights in terms of compensation package. Men and women are paid the same starting salary for same job, regardless of gender or age. Moreover, we establish facilities and systems that comply with labor safety and health laws and regulations.

Our employee compensation structure consists of basic salary and allowances. The payment of employee salaries and the standard of salary for extended working hours are handled in accordance with the "Labor Standards Act" and other relevant laws and regulations. To recruit new employees, the minimum wage is higher than the minimum wage stipulated by the Labor Standards Act. The minimum wage of regular employees is 106% of the minimum wage of the Labor Standards Act. New hires will be promoted to full-time employees if they passed probation and their basic salary will be increased by NTS2,000. Promote outstanding employees and adjust salaries based on merit, maintain industry standards in salary, and retain good talents. A competitive overall compensation structure is used to attract outstanding talents to join the company to ensure SEEC's competitiveness. The employment, appointment and management of personnel all abide by the Labor Standards Act, the Act of Gender Equality in Employment and related labor laws and regulations. The ratio of starting salaries for new employees to men and women under the same conditions is 1:1, and there is no difference between genders. In addition, for non-employee workers, third-party suppliers are strictly required to abide by the Labor Standards Act and other relevant laws and regulations, and regularly review the contracts signed by both parties to ensure the rights and interests of workers. The annual total salary ratio is 15.3, and the annual total salary and compensation change ratio is 0%/-1.4%.

Female / Male Salary Ratio

Rank	2021				2022				2023			
	Total Compensation		Monthly Salary		Total Compensation		Monthly Salary		Total Compensation		Monthly Salary	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Senior executive	0.90	1	0.84	1	0.77	1	0.79	1	0.71	1	0.78	1
Middle and junior managers	0.87	1	0.87	1	0.85	1	0.87	1	0.90	1	0.90	1
Employee	0.83	1	0.83	1	0.82	1	0.83	1	0.84	1	0.86	1

Note:

1.Senior executives are directors above the director level, and middle/junior managers are supervisors above the section chief level.

2.The gap in total compensation and monthly salary ratio between female and male senior executives in 2023 is larger than that in the previous year. This is due to the gap caused by the retirement of female senior executives and the reflection of the number of newly promoted female senior executives; in recent years, we have actively cultivated middle-level female managers and colleagues, so the ratio of their salary and monthly salary was smaller than that of the previous year.

Performance Appraisal

SEEC improves organizational and individual performance through performance appraisal. Conducts regular appraisal process with clear performance indicators in accordance with the "Work Rules" and "Performance Appraisal Measures" formulated by the company. Then, through the evaluation results, we will implement the differentiation of rewards and the reference basis for promotion, so as to motivate employees to effectively achieve the company's strategic objectives.

In 2023, excluding employees who remain on leave without pay and employees on probation (who will also be assessed for new hires) in that year, the remaining employees 100% participated in the performance appraisal.

The Number and Ratio of Employees Who Receive Regular Performance Appraisal







Personnel category/gender		Number of employees who should be evaluated	Number of employees receiving regular performance and career development reviews	Ratio
Manager	Male	462	462	100%
	Female	47	47	100%
Employee	Male	1,010	1,010	100%
	Female	583	583	100%
Total		2,102	2,102	100%

Note:

1.Management position: head supervisor level (inclusive) and above.

Well-Established Employee Welfare

Since its establishment, SEEC has been adhering to the business philosophy of sustainable operation and fulfilling social responsibilities, with the aim of seeking the happiness of colleagues and the development of the company, improving the welfare system for employees' stable life and establishing a good relationship of mutual trust. Considering the rights and interests of employees, the specific measures of employee welfare are as follows:

Type	Benefit Description
 Basic benefit	<ul style="list-style-type: none"> Statutory items such as labor health insurance, maternity leave, paternity leave, parental leave, breastfeeding room, special leave and retirement, etc., are in accordance with relevant government regulations.
 Employee stock ownership trust	<ul style="list-style-type: none"> A certain amount is withdrawn from salary every month, and the company will give a certain proportion of rewards according to the amount withdrawn.
 Employee rewards	<ul style="list-style-type: none"> The salary level is better than 75% of the companies in the same industry. Year-end bonus, three-festival bonus, performance bonus, employee dividend, etc. A variety of incentive programs recognize outstanding teams and individuals to affirm employees' efforts and contributions, including team awards for outstanding performance, individual awards, senior employee recognition, travel subsidies, and exemplary worker awards.
 Welfare activities	<ul style="list-style-type: none"> The Welfare Committee organizes employee tours from time to time and provides various welfare-related subsidy measures such as weddings, funerals, weddings, celebrations, and scholarships for employees' children to cater for the needs of employees at all levels. Spring feast/Year-End dinner, one-day tour, various ball games and family day. Birthday gifts, Labor Day gifts, three-festivals bonus/gifts, etc. Company-wide athletic competition. Employee travel grants. Staff fitness center (Hsinchu): gymnasium, basketball court, badminton court, billiard room, pool room, aerobic exercise classroom. Club activities: basketball club, badminton club, aerobic courses, movie club...etc.
 Employee Training	<ul style="list-style-type: none"> Through four categories of courses, including newcomer training, on-the-job training, off-the-job training, and self-inspiration, the company spends 10 million of education and training expenses every year to provide employees with learning and development. Cultivation of newcomers: 90-day training plan, company-wide tour and orientation forum for newcomers. Professional project training: full subsidies for the company's internal courses and external training, and assistance in obtaining professional licenses. English and Japanese courses: invite famous teachers in the industry and provide course fee subsidies. Internal lecturer system: cultivate internal lecturers and provide internal lecturer incentives. Management Associate Program: Select outstanding potential talents to participate in professional training courses and arrange visits to overseas companies so as to accelerate talent cultivation
 Insurance/Medical care	<ul style="list-style-type: none"> Group insurance: accident insurance, riders for accident & hospitalization medical treatment, overseas emergency assistance services Regular company-wide health checks Occasional health and medical lectures

Automobile Equipment factory introduces FamilyMart smart vending machines

As modern consumption patterns change, vending machines have also evolved in line with modern trends; they adopt non-cash payment methods, such as Fami PAY, ALL WIN + PAY, electronic tickets (Easy Card, All-in-One Card), LINE PAY and many other electronic payment methods; At the same time, the invoices are stored in the cloud, eliminating the need to use heat-sensitive paper to issue electronic invoices that may cause pollution, bisphenol A toxins and other problems. You can also be more environmentally friendly and care for the earth while consuming with your fingers.

Smart vending machines are used to simultaneously sell FamilyMart's best-selling products (beverages, sandwiches, rice balls, snacks, biscuits and other foods), allowing employees to enjoy snack during the short morning and afternoon breaks, and the vending machine consumption is 9% off discounts which allows factory employees to get shopping rewards at the same time, which is really a great deal!



Report on the renovation of the creative thinking room of the Automobile Equipment factory

In order to meet the open and flexible space appearance and softly decorated flexible space pursued by employees of new generation, the creative thinking room was renovated on the second floor of the R&D office of SEEC Automobile Equipment Factory. The space design of the creative thinking room is divided into three major areas, the hand-brewed coffee bar planting area, the video projection conference area, and the group brainstorming work area. Creating the most comfortable office environment can not only improve work efficiency, but also relieve busy work.

Cross-department meetings require more space for discussion, and the frequency of video conferences at home and abroad is increasing year by year. The plans generated by the new working style are more in line with the needs of current trends. The design concept is to not be constrained by the decoration pattern, strengthen creativity, generate work enthusiasm and high-level work performance, and achieve growth and create value for the company.



2023 Team leader level MA training plan

SEEC MA training program adopts a novel training model, cleverly combining online and physical courses to create a flexible and independent learning environment for students. Through a carefully designed learning experience journey, students can continue to reflect and grow during the learning process. The course pays special attention to four major management themes, aiming to develop students' management capabilities and promote communication and cooperation among partners through cross-department group learning. The teaching site was full of students' vitality and interaction, showing Shidian's unique corporate culture. Students are expected to show their learning results in the mid-term report, put forward constructive suggestions, apply what they have learned in practical work, and contribute to the development of the organization. It is expected that trainees can apply the knowledge and skills they have learned in practical work, and jointly promote enterprises to take more steady steps in sustainable development.



Company-wide day trip



With caring for employees as its core value, a grand employee one-day trip was held to provide employees with a variety of leisure and entertainment options. The activities are divided into three routes, allowing employees to choose freely according to their personal preferences, including going to Leofoo Village Theme Park, exploring Shei-Pa National Park, or visiting the newly opened Xpark Aquarium. This activity not only allowed employees to relax physically and mentally, but also demonstrated our care and attention to the physical and mental health of employees, and reflected the company's practice of sustainable governance concepts. We look forward to the company continuing to hold more such activities in the future to bring more happiness and laughter to employees.



Parental Leave System

SEEC pays attention to the family life of employees and the care of the next generation. In addition to providing employees with maternity cash gifts to encourage childbirth, and in accordance with the "Gender Equality in Employment Act", female employees are entitled to maternity leave during pregnancy and before and after childbirth, while male employees are entitled to paternity leave when the spouse gives birth. According to the "Gender Equality in Employment Act" and the "Regulations for Implementing Unpaid Parental Leave for Raising Children", employees with childcare needs are given the right to child care leave without pay, and the labor contract shall not be terminated during the maternity leave. After the expiration of the leave, employees shall return to the original unit and position.

Statistics on Parental Leave Without Pay in the Past Three Years

 Male	115	Number of people eligible for parental leave (A)	64	 Female	179
	4	The actual number of applications for parental leave in the current year (B)	19		23
	1	Number of people who should be reinstated from parental leave in the current year (C)	14		15
	0	The actual number of people who have been reinstated from parental leave in the current year (D)	13		13
	4	The actual number of people reinstated from parental leave in the previous year (E)	13		17
	3	Number of people who continued to work for one year after parental leave in the previous year (F)	12		15
	0%	Parental leave reinstatement ratio in the current year % (D/C)	93%		87%
	75%	Parental leave retention ratio in the current year % (F/E)	93%		88%
Total					

Note:

1. Qualifications for child care leave (A) are defined as employees who have taken maternity leave or paternity leave in the past three years. For example, those who are eligible for application in 2023 are from January 1, 2021 to December 31, 2023. Employees who have taken maternity leave or paternity leave within three years.

5.4 Talent Training and Development

Talent Training and Development Management Approach

Sustainability Criteria Response:

[GRI] 404 Training and Education MSCI] Labor Management
[SDGs] 4.5 Eliminate gender inequality in education

Importance to SEEC	Employee development strategies that emphasize continuous learning have always been a key element of corporate success, and are even more important in the current challenging economic environment. The company provides colleagues with a wide range of learning opportunities and resources, and tailors a personal development plan for each employee based on personal career development needs and company needs, so that each talent can exert their talents in the right place, and the company can ensure that it has talented people with the necessary skills and knowledge to achieve long-term development goals.	<div><div>Policy</div><div>Starting from the corporate mission, we cultivate the most suitable talents for the sustainable development of SEEC.</div></div> <div><div>Commitment</div><div>Provide a talent development blueprint and training system, as well as a friendly and diverse learning experience environment to help colleagues succeed in work and career development.</div></div> <div><div>Responsibility</div><div>Human Resources Department, Education and Training Development Committee</div></div> <div><div>Grievance/Communication Channels</div><div>There is a human resources service mailbox and complaint system to provide colleagues with communication and feedback.</div></div>
Negative Impact (Description) / Remedial Measures	<p>No actual negative impact has occurred, but if talents do not have the professional capabilities required for the position, it may cause low work efficiency and quality issues, thereby affecting the company's productivity and long-term competitiveness.</p> <p>Continue to strengthen talent development and cultivation. If the training plan does not meet the expected implementation rate, we will conduct an in-depth analysis of the reasons behind and formulate corresponding countermeasures.</p>	
Positive Impact (Benefit) Description	The average number of training hours for employees increased by 13% compared with last year, and we continued to cultivate and enhance the professional capabilities of our colleagues.	
Management Evaluation Mechanism	<ul style="list-style-type: none">● The company has established an "Education and Training Development Committee" to review the annual training plan courses and hours implementation rate every quarter, and dynamically adjust strategies accordingly.● A questionnaire survey on learning outcomes will be distributed after class, and there will be meetings of course organizers, education and training development committees, department communication meetings, etc., and regular meetings to review implementation results and directions.	

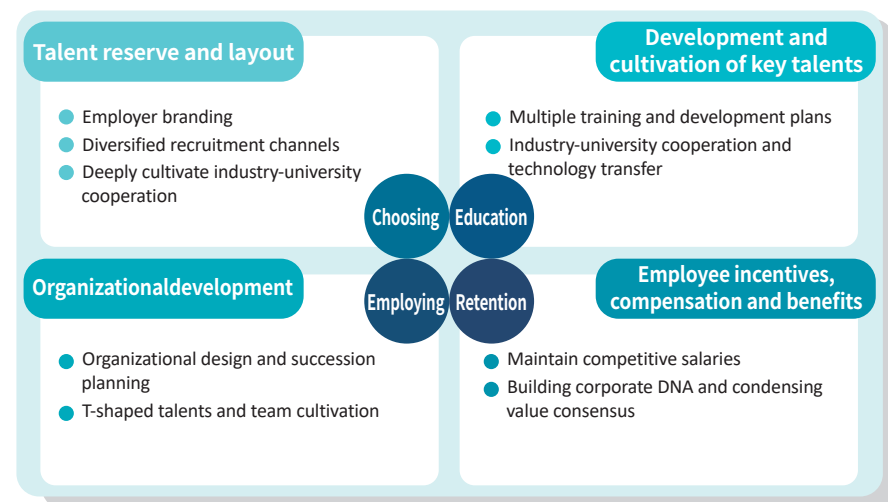
2023 Goals / Goal Achievement Status	Short-term Goals (Within 3 Years)	Medium to Long-term Goals (Over 3 Years)
<ul style="list-style-type: none">● Complete training hours according to the annual training plan with a 100% implementation rate. Achieved● Conduct performance review meetings of the Education and Training Development Committee every quarter. Achieved● Introducing online learning courses. Achieved	<ul style="list-style-type: none">● Annual courses are planned by professional groups.● The training plan (MA) is introduced in to the management function series.● Promote and encourage internal sharing plans (KM).	<ul style="list-style-type: none">● Continue to promote the implementation of a learning organization.● A learning organization that encourages independent learning and open sharing.● Develop and implement a potential talent development system (MA training plan).● Continue to create a diverse and friendly learning environment.

2023 Specific Actions	Performance Results
<ul style="list-style-type: none">● Design and implement training courses for each professional group.● Training and development results reporting management.● Introduction and maintenance of training related software and hardware.● Conduct performance review meetings of the Education and Training Development Committee every quarter, with a total of 4 meetings held in 2023.● Carry out the "Team Leader Level Reserve Training Plan" and introduce a hybrid learning system of online micro-courses and physical courses for the first time to improve learning efficiency and effectiveness. .● The annual investment in education and training totals 11.25 million yuan.	<ul style="list-style-type: none">● The average training hours per person per year is 21.63 hours per person, an increase of 13% compared with the previous year.● The average number of training times per person per year is 3.49 times per person, an increase of 4% compared with the previous year.● The annual training budget implementation rate is 97%, an increase of 19% compared with the previous year.● The annual training hours implementation rate is 119%, an increase of 4% compared with the previous year.

SEEC sets up a long-term strategy for talent development, established a dual-track recruitment system to recruit high-quality newcomers and experienced talents, supplemented by external and internal lecturers On-Job-Training, and planned to exchange core technology and management know-how with the technical partner factory. The knowledge management (KM) platform gathers the wisdom of employees to create an elite team. We also promote the exclusive MA supervisor training program to actively cultivate young and potential cadres for rapid growth and further promotion. The "Team Leader Level Reserve Training Plan" was carried out in 2023 and introduced a hybrid learning system of online micro-courses + physical courses for the first time to improve learning efficiency and effectiveness, and also cultivate students' learning habits of "learning at any time and learning anywhere", creating independent learning culture.

At the same time, the "Cost & Performance" assessment is carried out regularly every year to eliminate the weak and retain the strong and improve the efficiency of employment. Meanwhile, we focus on the heads of key positions in each function of the organization. Through the Rotation system, accumulate experience and inheritance, and cultivate successors at all levels of the organizational pyramid; Establish the internal talent pool and exchange of talents in related enterprises, and expand the group's talent integration and layout.

Talents are the foundation of enterprise development as well as the company's sustainable operation. Facing the increasingly severe challenges of globalization and the uncertain global political and economic situation, the company has adopted "Strengthening Capabilities", "Sustainable Health", "Innovation and Growth" as the focus of the management policy, and the company will continue to strengthen the development and cultivation of talents.



Training Program and Career Development

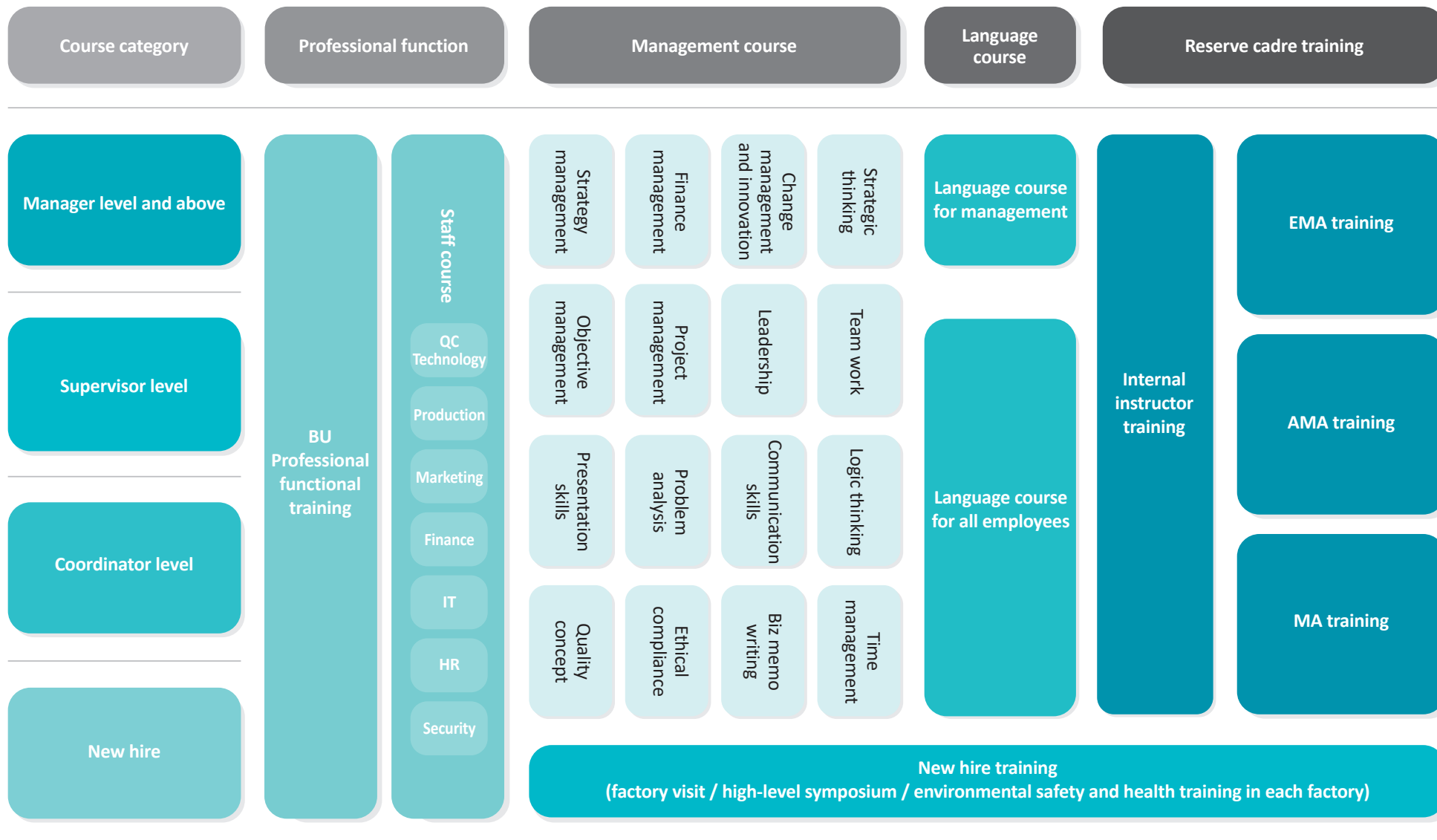
The employee development strategy that emphasizes continuous learning has always been a key success factor of the SEEC, and it is even more important in the current challenging economic environment. The company provides employees with a wide range of learning opportunities and resources, and tailors a personal development plan for each employee based on personal career development needs and company needs as well. Our training system combines organizational strategy, vision and content needed by various job ranks to develop an all-round training system, so that every talent can perform at the right level in the company.

The company attaches great importance to the cultivation of talents and regularly promotes employees and supervisors at all levels, so as to have a sound organization of talents, and has a transparent promotion system and opportunities. As for the year-end bonus and position promotion, the result of the employee performance appraisal is used as the basis for evaluation.

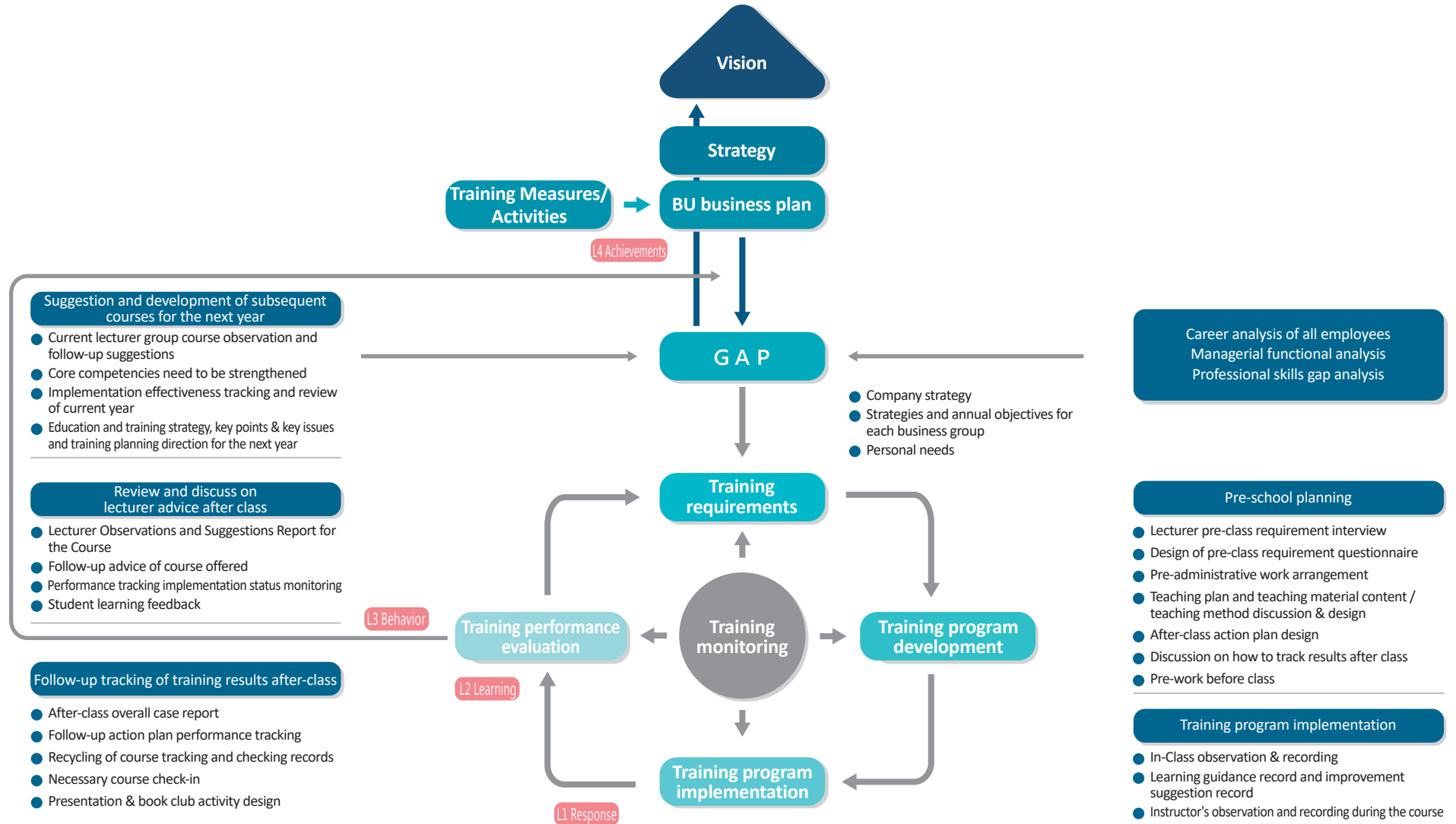
Education and Training Course Content

Category	Content
On-the-job training	Professional and experience learning, work conferences, technology research and development studies, on-site teaching and other professional skills related training
Off-the-job training	Class-specific courses to enhance management functions, as well as various professional functions, such as training courses in finance, information, business, and professional technology.
Common training	Lectures, book clubs, and inviting celebrity speeches, etc., provide real-time research and exchange opportunities on culture, life, health, information, language learning, etc.
Self-learning	Rich e-learning course, negotiation skills, language, management, professional technology sharing, etc.
Core professional skills	Six colleges are planned, which contain many internal teaching resources and related knowledge, and according to the development needs of each college, courses are regularly updated to facilitate colleagues to learn and grow anytime, anywhere.
Reserve cadres in management positions	Plan to participate in basic supervisor training courses design in order to help trainees with the relevant knowledge and abilities to serve as supervisors; reserve technical talents for specialized positions, and regularly arrange new product and new technology seminars, as well as more research and development technology work assignments.
Online micro course learning	Cultivate colleagues' learning habits of "learning at any time and anywhere" and create a culture of independent learning.

Training Plan and Learning Development Structure



Learning and Development Planning Process



New employee training program, factory visit and senior management seminar

New employees are an important cornerstone of corporate development. SEEC recruits new employees steadily every year, which is the driving force for the continuous growth of the business. In order to accelerate new employees' understanding of the company, each unit plans a three-month professional training plan after the new employees arrive, supplemented by product awareness and functional training courses to deepen professional knowledge. Through the deployment of training courses, each new employee can get into the environment faster.

HR will arrange company-wide newcomer training every six months. The course is mainly divided into two days. The first day is a factory visit to observe the production line and understand the products of each business group; On the second day, senior executives will be arranged workshop with new colleagues to help them understand career development and the core value of the company. In addition, professional courses such as legal knowledge, occupational safety and health, and quality awareness are conducted by internal instructors. Legal knowledge includes workplace ethics and law-abiding concepts, company law, securities trading law, commercial accounting law, political donation law, criminal law, corruption and crime regulations, etc.; occupational safety and health courses teach colleagues the concept of workplace safety, first aid CPR training and AED operation practice etc. Through systematic training programs, new employees can quickly and effectively fit in the workplace environment.



Group photo before factory visit



On-site supervisor introduces the production line



New employees Team Building



New employees introduce themselves



Factory tour



Interviews with senior executives

Functional Hierarchy Curriculum

To cater for the business strategy and future business development direction, concentrate resources to promote talent development and build a growing organization. Focus on the development of management capabilities and key core professional courses, and strengthen the integration of cross-BU resources and the joint learning mechanism. By systematically cultivating the talents needed by the unit and deepening the personal strength of employees, we can effectively retain talents and make long-term contributions to the enterprise.



Layer Level Course-Agile and Project Management



Layer Level Course-Communication Skills

Talent echelon development

To cope with the global deployment, formulate a long-term strategy for talent development, established a dual-track recruitment system to recruit high-quality newcomers and experienced talents, supplemented by external and internal lecturers On-Job-Training, establish a knowledge management (KM) platform to gather the wisdom of employees to create an elite team. In addition, since 2015, we have promoted the exclusive MA (Management Associate) supervisor training program to actively cultivates young and potential cadres for rapid growth and further promotion, which focused on strengthening the practical experience of MA trainees, strategic planning, leadership, communication and other skills, so as to establish an internal talent pool and build an elite team in the company. The "Management Associate, MA" training program is launched in 2023. The goal is to train trainees to become outstanding grassroots cadres, support the company's long-term business strategy, and establish a complete talent cultivation system.



2023 Team Leader Level MA Training



Language course

Every year, the company-wide English and Japanese language courses are conducted regularly, and are divided into classes according to the level of colleagues and their willingness to learn. In addition, according to the needs of various business groups and senior executives, special short-term intensive language classes are set up to strengthen the business language ability of colleagues through external professional instructors.

Self-enlightenment lecture

In addition to professional training at work, SEEC also attaches great importance to the self-enlightenment of colleagues in life, and conducts various lectures on health issues, IT trend, financial knowledge, etc., to expand the different learning horizons of colleagues.

Education and Training Achievements

SEEC established the "Education Training Development Committee", which conducted regular meetings every quarter to review the implementation status, work plans and strategic directions. The total investment in education and training in 2023 is NT\$11.25 million, with a total of 2,135 employees. The average training hours are 21.63 hours per person, and the average number of training times is 3.49 times per person, totaling 7,457 person-times and 46,185 person-times. Among them, the average training hours of employees increased by 13% compared with last year, mainly due to the rich and diversified internal and external training courses planned for the year, and through the quarterly performance tracking, active training distribution and active participation of colleagues by the "Education and Training Development Committee". Therefore, there has been a significant increase in the annual training budget and the annual training hours achieved. The implementation rate of the annual budget and annual training hours reached 97% and 119% respectively. In addition, the average training hours for management positions were 29.4 hours for men and 34.6 hours for women; the average training hours for general employees (direct personnel) were 10.3 hours for men and 4.1 hours for women; the average training hours for general employees (indirect personnel) were 34.4 hours for men and 22.3 hours for women.

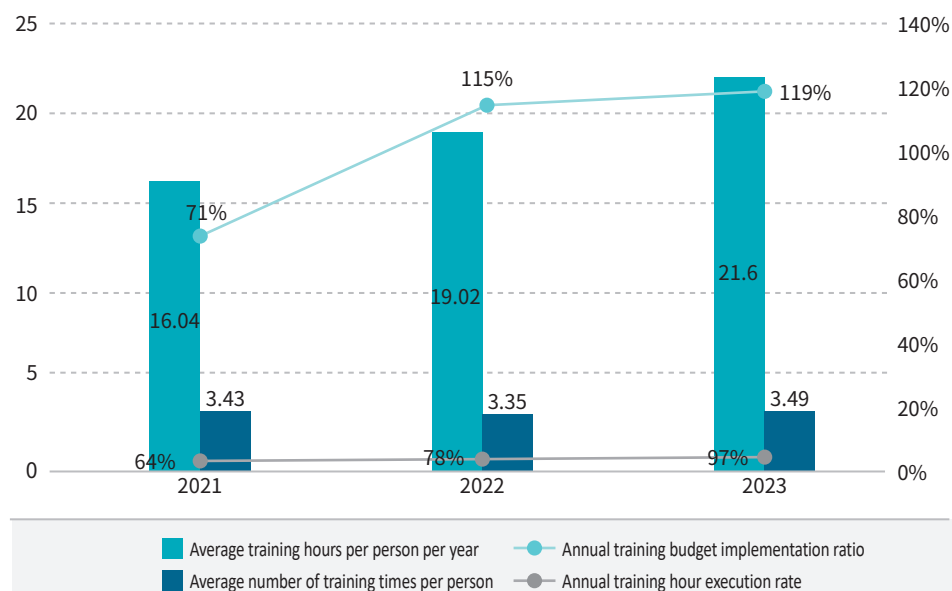
Learning and Development Planning Process

Item/Gender		Total people	Total training hours	Average training hours
Management	Male	462	13,601	29.4
	Female	47	1,629	34.6
Employee (direct)	Male	463	4,764	10.3
	Female	369	1,504	4.1
Employee (Indirect)	Male	576	19,821	34.4
	Female	218	4,866	22.3
Total		2,135	46,185	21.6

Note:

1. Management position: supervisor level (inclusive) and above
2. Calculation formula: Average training hours of indirect personnel of each gender in the current year = total training hours of indirect personnel of each gender in the current year / total number of indirect personnel of each gender in the current year
3. Since the training content for direct personnel focuses on operational procedures, the number of training hours required is relatively low.

Education and Training Development Indicators



Rehiring procedure

SEEC creates a vibrant corporate structure to provide a good environment for senior retired employees who have plenty of experienced and are willing to continue working in the company. We have also formulated the "Re-employment Measures for Retired Colleagues", which provides a mechanism for re-employment or transfer of affiliated company for retired colleagues who are willing to return, so that colleagues can continue to contribute their professional knowledge and skills after retirement, and assist the company in long term development. We promote retired colleagues to re-enter the workplace.

Note:

1. Average training hours per person per year = annual training hours / total number of person
2. Average number of training times per person per year = annual training number / total number of person
3. Annual training budget implementation ratio = annual implementation amount/annual training budget
4. Annual training hour execution rate = annual execution hours / annual training hours

5.5 Workplace Health and Safety

Workplace health and safety Management Approach

Sustainability Criteria Response:

[GRI] 403 Occupational Safety and Health
[SDGs] 8.8 Promote a safe working environment

Importance to SEEC

A safe and healthy working environment can increase employee morale and motivation. If an occupational injury occurs, it will not only have a negative impact on the safety of employees' lives and property, but also affect the company's productivity, regulatory compliance, or corporate image.

Negative Impact (Description) / Remedial Measures

An occupational incident occurred in 2023, and the company has completed improvement measures to avoid the recurrence of the same incident.

In response to this incident, the company has formulated improvement countermeasures and provided the injured employees with proper medical care, insurance claims, wage compensation, etc.

Positive Impact (Benefit) Description

The company has introduced ISO 45001, arranges employee health examinations every year, and arranges a number of health promotion activities to provide employees with a healthy and safe workplace.

Management Evaluation Mechanism

Occupational safety and health committee meetings are held every quarter to discuss the handling of safety and health incidents, etc.

Policy

The company has an occupational safety and health policy in place.

Commitment

We strictly abide by occupational safety and health policies and strive to improve the working environment and production equipment to ensure the safety and health of workers.

Responsibility

Occupational Safety and Health Committee and all employees

Grievance/Communication Channels

There is a human resources service mailbox, grievance system, occupational safety and health committee, etc., so that employees can fully express their opinions.

2023 Goals / Goal Achievement Status

- The management plan achievement rate is 100%. **Achievement rate 99%**
- The education and training plan achievement rate is 100%. **Achieved**

Short-term Goals (Within 3 Years)

- The average comprehensive disability injury index is lower than the average of the past three years.
- Complete more than 10 safety and health management plans.
- Promote colleagues to actively participate in sports clubs.
- Continue to offer weight loss program classes.

Medium to Long-term Goals (Over 3 Years)

- Zero disaster.
- Completed more than 15 safety and health management plans.
- Conduct health lectures to build up health management knowledge among colleagues.

2023 Specific Actions

- Completed 15 safety and health management plans.
- Completed 48 items in the safety and health education and training initial and refresher courses.
- Complete ISO 45001 occupational safety management system revalidation.
- Convened 16 Occupational Safety and Health Committee meetings to discuss matters related to occupational safety.
- Cooperate with the Hsinchu County Fire Department to expand firefighting self-defense group drills and toxic and chemical disaster prevention and rescue drills.
- Add visually impaired masseurs to the factory to provide employee massage services.
- Invite Dr. Teng, Chung-Hua from Ton-Yen General Hospital to the company to give a lecture on "Cardiovascular Disease Prevention and Promotion".
- Health examinations are held every year, and the total cost of health examinations is about 10.3 million.
- Held a blood donation event Yangder Group, with a total of 25 people participating.

Performance Results

- Passed and obtained ISO 45001 occupational safety management system certificate.
- There is no level 3 or level 4 management member for special health examinations.
- No worker was diagnosed with an occupational disease.

SEEC is committed to creating a comfortable, safe and healthy working environment, continuously reducing the rate of occupational hazards, and formulating the "Occupational Safety and Health Policy" as the highest guiding principle of occupational safety and health management, and actively improving the workplace, manufacturing equipment and operating methods, to protect the rights and interests of workers and the safety and health of stakeholders.

Occupational Safety and Health Management System

Occupational Safety and Health Policy

Comply with government occupational safety and health related regulations and other requirements.

Improve the working environment and production equipment, provide safe and healthy working conditions, and ensure the safety and health of workers.

Implement the occupational safety and health management system, instill employees' responsibilities and awareness, strengthen self-management capabilities, achieve the goal of full participation, and enhance the occupational safety and health culture.

Properly manage safety and health risks and opportunities, and continue to strengthen safety and health.

Continuously improve occupational safety and health management performance through regular audits and management reviews.

Maintain smooth communication and consultation channels with employees, customers, suppliers, contractors and other stakeholders, and work together for safety and health.

The occupational safety and health management, worker participation, consultation and communication of each production and operation base, as well as the prevention and mitigation of occupational safety and health impacts directly related to the business, are all handled in accordance with the provisions of the chapters of the occupational safety and health management procedure. And every year, it has passed the audit and verification of a third-party verification agency to ensure that the certificate is continuously valid. The occupational safety and health management system includes all employees and all non-employees in the factory (about 210 people, the main job is security, cleaning and production line related operations, etc.).

In order to comply with relevant domestic environmental, safety and health regulations and integrate with international management systems, SEEC has invested various resources in safety management, and has obtained ISO 45001:2018 and CNS 45001:2018 occupational safety and health management system verification certificates since 2020. It was re-verified in 2023 to continue to implement and maintain the effectiveness of ISO 45001 (Occupational Safety and Health Management System) and TOSHMS (Taiwan Occupational Safety and Health Management System), combined with laws and regulations, management system construction, policy goal formulation, and countermeasure plans. Develop a "safety management cycle" mechanism formed by factors such as incentives, rewards and punishments, and implementation effectiveness reviews to implement the zero-disaster goal.

Occupational Safety and Health Management System Verification

Heavy Electric Plant

Certificate Validity: 2026/7/3

Automobile Equipment Plant

Certificate Validity: 2026/5/11

Xinfeng Plant

Certificate Validity: 2026/4/23

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Occupational Safety and Health Management

01

SEEC establishes an occupational safety and health management department, in accordance with the Labor Safety and Health Act, to be responsible for the safety and health business, formulates safety and health policies and report to the Occupational Safety Authority.

Occupational safety and health management plan formulation: The company regularly revise and release for implementation the following procedures every year, such as safety and health management plan, safety and health automatic inspection plan, hazardous and hazardous substance management plan, work environment inspection plan, etc.

02

03

For the prevention of chemical disasters or environmental pollution, regularly conduct training programs, emergency response drills, environment audits, and monitoring so as to enhance employees' awareness of chemical hazards and emergency response capabilities, and jointly achieve the goal of preventing occupational disasters and environmental pollution.

Carry out inspections from time to time and conduct safety and health training as well as promotion of laws and regulations to enhance employees' awareness of safety and health.

04

05

Following the zero-disaster policy in the occupational safety and health management system, actively establish a systematic management procedure (Plan-Do-Check-Action), and all employees participate in reducing hazards and risks, creating a safe and comfortable working environment, continuously improving safety and health performance.

Occupational Safety and Health Committee

In order to improve workplace safety, provide employees and contractors with a safe working environment, and aim for sustainable development, SEEC has established an occupational safety and health committee according to law. The chairman of the committee is the factory director who is the top manager of the factory, and the member in charge of the safety and health department is the secretary. The secretary cooperates with the labor representatives and other members to review the company's safety and health matters, and is responsible for promoting coordination. Among the committee members, employee representatives account for more than one-third of the total committee members.

The committee conducts a management meeting every three months, and may hold an ad hoc meeting when necessary. The agenda items of the meeting include the handling of safety and health incidents, concerns of stakeholders, safety and health assessment results, safety and health goals & targets, improvement plan tracking, legal requirements, employee health protection and health promotion...etc. In 2023, a total of 16 meetings of the Occupational Safety and Health Committee (the head office, the Automobile Equipment Plant, the Xinfeng Plant, and the Heavy Electric Factory) were conducted to discuss matters related to in-plant occupational safety and health plans and proposals, and business safety and health management.

Hazard Identification, Risk Assessment and Accident Investigation

In accordance with the occupational safety and health management measures, the hazard and risk identification and evaluation process is formulated, and the scope includes the routine and non-routine work activities of the workers in the factory, and the derived safety and health risk identification, evaluation and risk control are all included. Occupational safety and health risks and opportunities identification and information update are carried out every year for various operation activities in the factory; the identification personnel in each unit should receive a training course on risk assessment execution methods every year to understand the relevant risk assessment methods and the cognitive ability of hazard control.

For the identified major occupational safety and health risks, analyze the impact of the risks, take actions and propose corresponding control methods and improvement measures, and consider and incorporate into the occupational safety and health goals, targets and management plans. The applicability and effectiveness of risk control measures are reviewed through regular management review meetings every year, and safety and health policies, objectives and safety and health management plans are established/revised accordingly, and the hazard risk in the factory is continuously improved and reduced.

The company has established "Accident Handling and Investigation Management Measures", "Emergency Response Management Measures", "Environmental Safety and Health Nonconformity Corrective and Preventive Measures" and other operating procedures for accident reporting, handling and follow-up investigation procedures to facilitate the occurrence of accidents. It can quickly contact relevant units and personnel to rush to the scene of the accident to assist in the handling, and confirm the cause of the accident and propose accident prevention countermeasures to prevent the accident from happening again. This standard applies to safety and security incidents of all workers and other stakeholders in the company's workplace, including fires, chemical disasters, personal injuries, false alarms and other accidents, and protects the work of reporting incidents, hazards, risks and opportunities to avoid retaliation. In addition, according to the Occupational Safety and Health Act, when a person is found to be in immediate danger while performing his duties, such as explosions, fires, earthquakes, and other disasters, and the risk of spreading harmful and dangerous factors, the person should immediately use a safe method and find a safe path to voluntarily retreat to a safe place. The company will not conduct any punishment later.

The company's investigation and handling procedures for occupational accidents, false alarms, and events affecting physical and mental health are as follows:

01

The person who discovered the incident or the supervisor of the unit where the incident occurred should notify the department supervisor and the safety and health center as soon as possible.

02

In the event of a casualty accident or a fire, explosion, leakage, or pollution incident, the supervisor of the unit where the incident occurred should immediately take necessary first aid and rescue measures to avoid the expansion of the disaster and the injury.

03

Except for necessary rescue measures, do not move or clear the accident scene arbitrarily. The incident unit should fill in the "Accident Notification Form" within 24 hours and send it to the safety and health management unit after it is signed by the department supervisor.

04

Immediately after the occurrence of the incident, the "preliminary investigation" will be carried out according to the "incident investigation level", and an incident investigation team will be formed to carry out the "formal investigation" within one week.

05

False alarm events: The discoverer of the event or his supervisor fills in an "Accident Notification Form" and sends it to the Safety and Health Center.

06

Improvement measures and execution tracking: The improvement measures are carried out according to the "Accident Investigation Report Form".

07

Events affecting physical and mental health: Occupational disaster events of each unit are compiled monthly and filled in the "Occupational Disaster Statistical Report".

Contractor Site Safety Management

Contractors are an important issue for the promotion of occupational safety and health in the factory area. If there is a slight carelessness, it may cause loss of personnel, equipment and property. Therefore, in order to ensure that the various environmental and safety management measures of the contractors can comply with the relevant environmental safety and health regulations required by each factory, the company has established a "contractor management procedure". Contractors, when enters the site, must fill out the "Commitment Letter on Labor Safety and Discipline", the "Contractor's Environmental and Safety and Hygiene Management Commitment", and the "Contractor's Environmental and Hazard Factor Notification Sheet" for their compliance and implementation to prevent disasters and ensure that the contractor and the company personnel safety. Furthermore, implement occupational safety education and training for contractors, so that all contracted projects can comply with relevant regulations, control and prevent possible occupational safety risks.

Occupational Safety and Health Education and Training

In order to improve employees' awareness of work safety, relevant education and training courses are implemented for employees and non-employees in the factory every year in accordance with legal requirements, including general safety education and training, on-the-job safety and health education and training, supervisor-level personnel safety and health education and training, organic solvents operation supervisor, anoxic operation supervisor, specific chemical substance operation supervisor, dust operation supervisor, stationary crane, stacker, boiler operator training, contractor safety and health education training, first aid personnel training, etc.

All personnel who operate specific types of mechanical equipment have obtained operating licenses in line with the regulation requirement. Conduct regular on-the-job training every 2 to 3 years after the license is obtained. Considering the number of persons and the convenience of employees participating in the training, for the larger number of people, the training organization will implement the training at the factory (the competent authority will send personnel to the factory for assessment), and the rest will get dispatched training to obtain relevant qualifications.



Employee safety and health education and training



Crane operation training (foreign employees)



Internal auditor education and training



Civil defense corps training

Regularly conduct two fire drills every year to improve the emergency response ability of employees and reduce the loss of life or property through regular group training in the event of a disaster. In 2023, we cooperated with the Hsinchu County Fire Department to expand the number of fire self-defense group drills and toxic and chemical disaster prevention and rescue drills.



The fire department guides and assesses our drills



Fire drill



Evacuation assembly drill



Toxic chemical leaking rescue drill

Factory disaster relief and fire drill

In recent years, factory fires and other major public security incidents have occurred frequently, which are arousing social concern. In order to enhance staff's awareness of fire prevention and evacuation, as well as improve self-rescue capabilities, SEEC and the Hsinchu County Fire Department organized factory disaster relief and rescue drills in 2024, demonstrating our care for employee safety and demonstrating our commitment to disaster response capabilities.

The exercise was held at Automobile Equipment Plant and Heavy Electric Plant. Participants included a total of 40 people from the factory's self-defense firefighting group, the Third Brigade of the Hsinchu County Fire Department, and the Hsinchu Industrial Park Fire Brigade. The drill scenario was that a fire in the factory was caused by an electrical failure, causing thick smoke to fill the air. The factory's self-defense firefighting team immediately launched fire-fighting and evacuation operations, but the fire was still uncontrollable, so the fire brigade also launched fire-fighting and rescue operations. It is worth mentioning that Hsinchu County Mayor Yang Wen-Ke also personally visited the scene to observe, and addressed that through the fire department's actual promotion work, the factory can enhance the understanding and preparation of fire prevention and disaster prevention concepts, and strengthen safety management and disaster prevention measures. Improve employees' disaster prevention awareness and self-rescue capabilities to effectively ensure the safety of life and property. SEEC will continue to actively promote the importance of fire and disaster relief to ensure the safety and well-being of employees.



Occupational Accident Statistics

SEEC is committed to providing employees with a comfortable, safe and healthy working environment, continuously reducing the rate of occupational accidents, and protecting the rights and interests of employees and the safety and health of stakeholders. According to statistics on the frequency of disability injuries among factory employees from 2021 to 2023, only one occupational accident occurred in October 2023. This was due to a belt being accidentally caught in the equipment during equipment testing operations and causing a cut on the employee's right hand and injured his index finger. In response to this incident, the company has formulated improvement measures to prevent related incidents from happening again. [For more information, please refer to 2.2 Integrity Operation.](#)

Occupational Safety Performance Statistics of Employees in the Past Three Years

Item		2021	2022	2023
Total working hours	Male total worked hours	2,502,195	2,652,317	2,911,282
	Female total worked hours	1,062,476	1,147,990	1,296,253
	Total worked hours	3,564,671	3,800,307	4,207,535
Occupational injury mortality rate	Male mortality rate due to occupational injury	0	0	0
	Female mortality rate due to occupational injury	0	0	0
	Total mortality rate due to occupational injury	0	0	0
Serious occupational injury rate (excluding fatalities)	Male serious occupational injury rate	0	0	0.34
	Female serious occupational injury rate	0	0	0
	Total serious occupational injury rate	0	0	0.23
Recordable occupational injury rate (including fatalities and serious occupational injuries)	Male occupational injury rate	0	0	0.34
	Female occupational injury rate	0	0	0
	Total occupational injury rate	0	0	0.23

Note:

- 1.The occupational safety data does not include commuting traffic accidents of employee.
- 2.Mortality rate due to occupational injury = (number of fatalities due to occupational injury / working hours) * 1,000,000.
- 3.Serious occupational injury ratio = (number of serious occupational injuries (excluding fatalities)/working hours) * 1,000,000. Serious occupational injury means that more than one person suffers from an occupational disaster and requires hospitalization.
- 4.Recordable occupational injury rate = (recordable occupational injury rate (including fatalities and serious occupational injuries) / working hours) * 1,000,000.
- 5.The total working hours are actual working hours, but the total working hours for men and women are estimated based on the gender ratio.
- 6.From 2021 to 2023, there will be no occupational injury incidents for non-employees.

Workplace Health Promotion and Services

Health promotion and management

SEEC provide employees with a safe working environment, and implement procurement management of various contract operations and process equipment to provide much safer facilities. The company comply with laws and regulations to promote the prevention of human hazards, the health protection of maternal labor, and the prevention of overload-induced diseases. Through comprehensive planning and preventive investigations, we can collect in-depth understanding of the employee needs and their physical and mental conditions from all aspects. By promoting the concept of healthy workplace, we enhance the satisfaction level of internal employees and obtain the support and approval of external stakeholders.

The company conducts free health checkups for all employees every year. For employees working in special hazards, the results of health checks are implemented in different levels of management, regular follow-up of medical visits and improvement, and health education information and medical assistance are provided. In addition, doctors regularly come to the factory for individual consultation every month. From time to time, conduct health related education lectures and improvement courses, such as high blood pressure management, weight loss courses, balanced diet, stress adjustment, bone density test explanation, health lectures, maternal health workplace and other health promotion courses.

01

02

SEEC is committed to providing a safe and comfortable working environment to protect the physical and mental health of employees, including basic lighting, catering management, continuous improvement of the quality of the working environment, setting up a complete infirmary and blood pressure measurement station for colleagues to use, designing a secret and warm breastfeeding room to increase a friendly working environment for female employee.

- Referring to the guidelines of the Occupational Safety and Health Administration of the Ministry of Labor, formulate a plan including
- illegal infringement in the performance of duties
 - disease prevention caused by abnormal workload
 - maternal health protection technology in the workplace
 - human-induced hazard prevention plan, and implement accordingly

03

04

In order to sympathize with the hard work of employees, we invite visually impaired masseurs to the factory to provide employee massage services during specific periods.



Visually impaired massage service



Blood pressure measurement service



Physician health lecture

Healthy workplace LOHAS work

Health check-up

- Regularly conduct employee health check-ups and special work environment health inspections, and implement health promotion measures to track the results of employees' health check-ups, and urge them to take regular inspections if there are abnormalities.
- Conduct free medical examinations for employees every year since 2021, which divided into three categories: manager level and above, overseas cadres and colleagues below the supervisor level.

Vaccination

- Supervisor above the division level, overseas employees and colleagues stationed overseas, will get free flu vaccines.

CPR training for employees

- Promote CPR and first aid knowledge to employees / Expand the CPR promotion of emergency rescue technology / Implement the disaster prevention system / Regularly conduct CPR and first aid training every year. The course content includes the explanation, demonstration, and operation of CPR and the Heimlich maneuver (foreign body choking removal). Every trainee will actually perform the operation and evaluation, expecting them to use what they have learned to save lives in an emergency.

Health check for dispatched overseas personnel

- Focus on cardiovascular disease, tumor disease and gastrointestinal disease, and follow the inspection results by the factory nurses of each factory to track and manage.

Health seminar

- Together with the Hsinchu County Government Health Bureau, the Veterans General Hospital, the MacKay Memorial Hospital, and the Shin Kong Hospital, regularly conduct health promotion seminars, such as weight management, preventive health care and primary medical care for employees and continue to strengthen the promotion of healthy diet management and physical fitness promotion as well as other health awareness and mental health concepts.
- Lecture topics include: Prevention of the "three highs" (hypertension, hyperlipidemia, and hyperglycemia), Healthy Metabolism - Say Goodbye to Lower Body Obesity, 5-Minutes Good Exercise - Simple Office Stress Relief Exercise Tutorial, Pleasurable Life Begins After Work, Tobacco Control Activities, Balanced Diet & Breakfast Choices for Diners, etc. In 2023, a special invitation was extended to Dr. Teng, Chung-Hua from Ton-Yen General Hospital to hold a lecture on "Cardiovascular Disease Prevention" at the Company. This allowed colleagues to enhance their understanding of diseases and achieve the effect of prevention being better than cure.

Manager-level and above supervisor's health check

- (1) Painless gastroscopy and colonoscopy (2) Evaluation of coronary artery calcification of the heart (3) Computerized tomography of lung tumor (4) Blood test of cardiac function (5) Urology related examination (prostate) is the main planning direction, and import the test results into 12 major health risk systems for management (1. Metabolism 2. Cardiology 3. Thoracic respiration 4. Gastrointestinal liver and gallbladder 5. Kidney and urinary 6. Women's organ system 7. Hemolymph 8. Ophthalmology 9. Otorhinolaryngology 10. Oral dentistry 11. Skeletal muscle 12. Nervous system).

Colleagues' health examinations below the section chief level

- The planning direction is mainly based on government laws and regulations, and chronic diseases (metabolic syndrome and cardiovascular disease) are supplemented as the planning direction, and the inspection results are tracked and managed by the factory nurses in each plant.
- In order to allow colleagues to understand and improve their physical fitness in a short time, each factory has cultivated a group of health fitness measurement instructors, who can conduct health fitness measurement activities according to the needs of groups or individuals in the factory, and can immediately track the progress, physical fitness progress status, and develop improvement countermeasures to show the effectiveness of health promotion activities.

Hypertension prevention activities

- Every year, we cooperate with health checkups, lectures, and set up blood pressure machines in each factory. The factory nurses track employees with abnormal status of physical examinations, encourage and invite employees to participate in lectures and take regular blood pressure tests, and post hypertension prevention and attention posters in the activity areas of all factory employees. Encourage employees to pay attention to and carry out independent health management.

Other

- Measures for women to work at night, breastfeeding rooms, health checks, etc., to create a comfortable and safe working environment and improve work efficiency. The staff dormitory (provided free of charge) provides comprehensive leisure and recreational facilities.

Health check-up

Occupational disease prevention and consultation are carried out by occupational medicine specialists for employees, and a management system is established to carry out hierarchical management of human-induced hazards, maternal protection, overload, and abnormal health checks to screen risk groups. Nurses, occupational safety, human resources and other personnel intervene in care, arrange doctor consultation and complete follow-up improvement when necessary. In 2023, the abnormal personnel with human hazards, maternal protection and overload management have all been intervened and improved and tracked by occupational doctors.

Starting from 2021, SEEC organizes health examinations every year that are better than those required by the industry standard and regulations, to help employees maintain a healthy body. When there are abnormalities in employees' health examinations, occupational doctors and nurses will conduct hierarchical management and improvement tracking, implement medical referrals and promote multiple health promotion activities to achieve sustainable management of a healthy workplace. In 2023, a total of 1,945 employees completed general health examinations, and 118 employees completed special health examinations. No employees in need of Level 3 or Level 4 management were found during the special operations health inspection this year. In addition to employees, we also conducted general health examinations for 144 non-employee workers in the factory. In 2023, no worker was diagnosed with an occupational disease.

2023 Health Checkup Information

	General Health Checkup		Special Health Checkup	
Checkup items	General physical examination, physician consultation, routine urine examination, routine blood examination, liver function, kidney function, cardiovascular examination, diabetes, cardiovascular disease risk assessment, inflammatory response screening, X-ray examination, intraocular pressure measurement, thyroid ultrasound		Noise, ionizing radiation, lead work, dust work, n-Hexane	
Number of people	Employee	Non-employee worker	Employee	Non-employee worker
	1,945	144	118	0
Amount(NT\$)	10,220,600		59,600	

Note: The health examination in 2023 is applicable to all employees of the company.



Chapter

6

Social Participation

★ Annual Performance

NT\$ **14.49** million

SEEC social welfare investment amount in 2023

NT\$ **21.33** million

The donation amount from the Memorial Foundation of Mr. Ching-Teh, Hsu in 2023

NT\$ **49.19** million

The donation amount from SEEC in the past three years

NT\$ **682.36** million

The donation amount from the Memorial Foundation of Mr. Ching-Teh, Hsu in the past three years

4 QUALITY EDUCATION



- SEEC sponsored the 31st National College and University Environmental Protection and Energy-Saving Vehicle Competition.
- Over the years, we have been deeply engaged in golf sports promotion and have been training amateur and professional players for many years.

17 PARTNERSHIPS FOR THE GOALS



- SEEC invests public welfare resources in foundations, industrial unions and social groups every year.
- Through the YEANDER TPC Championship international events and cross-border cooperation, cooperation and exchanges between different countries can be promoted.



NGOs



Non-profit organizations



Disadvantaged groups





Key Stakeholders

SEEC has always been adhering to the corporate mission of "Taken from the Community, Giving Back to Society", aiming to fulfill its corporate social responsibility. The company has long been focusing on and investing resources in public welfare care, industry-university cooperation, sports promotion, community participation and giving back to society. We hope that through the cycle of kindness we can drive the entire society towards a sustainable development future.

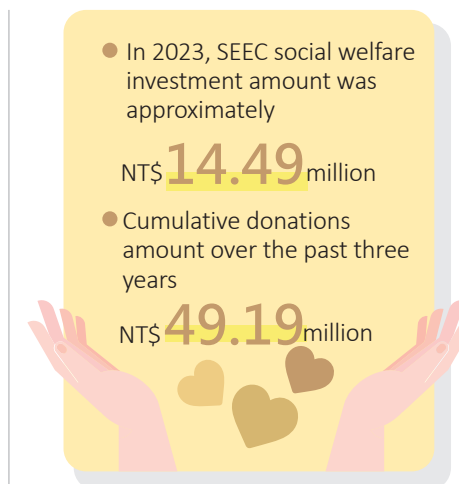
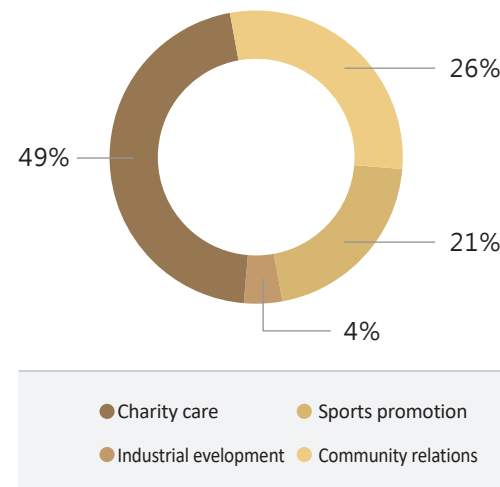
In order to give back to the society, donate to public welfare, and fulfill corporate social responsibilities, SEEC has implemented public welfare activities through the "Ching-Teh, Hsu Memorial Foundation" for a long time. The "Ching-Teh, Hsu Memorial Foundation" was established in 1984 and has been participated in or sponsored local ecological conservation activities and cultural activities, supported local cultural education and rooting, and spared no effort in caring for vulnerable groups and emergency relief. By making regular donations to charity and leveraging the group's strength, we effectively utilize resources in various charity donations, community promotions, and cultural and artistic activities from point to line to realize the common goal of being friendly to society.

SEEC not only pays attention to the economic interests of the enterprise, but also actively undertakes social responsibilities, takes giving back to the society as its own responsibility, and creates more positive influences for the society. In 2023, the company's public welfare care and social participation expenses are about NT\$14.49 million. In the future, it will continue to feedback to the society, promote public welfare activities, and commit to mission of "Taken from the Community, Giving Back to Society".

Public Welfare Care and Social Participation of SEEC

Category	Content	Amount
 Charity care	Through regular donations, we cooperate with charitable organizations to promote various social welfare activities and effectively provide resources to disadvantaged groups to enhance social welfare.	NT\$7,100,000
 Community relations	By giving back to local social groups, we promote positive development of the community and establish a harmonious and mutually supportive relationship between the company and the community.	NT\$3,800,000
 Sports promotion	We continue to invest resources in private sports units, strive to promote various sports, and actively sponsor sports events to support the development of Taiwan's sports industry.	NT\$3,000,000
 Industrial development	Integrate peer resources, maintain good communication and interaction, and jointly promote the vigorous development of the overall industry.	NT\$591,000

Proportion of SEEC's Public Welfare Care and Social Participation in 2023



Key projects of the foundation in 2023 include: donations to the medical system, support to civil society, sports competition sponsorship, scholarships, bursaries and book donations, police and firefighting donations, etc. The cost of public welfare care and social participation is approximately NT\$21,334,000. Through the transmission of the foundation, a cycle of kindness will be initiated.

Details of 2023 Foundation Donation

Donation object type	Donation content	Amount (NT\$ Thousand)
Medical research system	Medical research, medical supports, etc.	16,000
Religion and culture system	Medical research, medical resources, etc.	3,214
Private foundation	Community charity support, etc.	540
Educational group	Sponsor disadvantaged groups; subsidize underprivileged students with scholarships	680
Police and firefighting	Sponsor the police alumni association, donate firefighting clothing and shoes	900
Total		21,334

There is love in Taipei Veterans General Hospital, sing for love



In March 2023, the "Sing for Love" concert sponsored by Chairman Hsu of Yangder Group was held at Taipei Veterans General Hospital. Chairman Hsu has been caring about and supporting public welfare undertakings for many years. This sponsorship of the "Sing for Love" concert is also to convey his cherishment and love for life and let patients feel the care of the public. On the day of the event, the hospital president and other guests came to support us, which injected a lot of positive energy into the concert. The people listening at the scene held their mobile phones, swayed slightly, or clapped their hands and sang along with the singers on the stage. With smiles on their face, they couldn't help but feel joy in hearts. The concert, which is full of warm and joyful atmosphere, not only brings a pleasant time to the patients and their families, but also allows them to feel the most beautiful touch in the world. The successful holding of the "Sing for Love" concert is not only a music feast, but also a demonstration full of care and love. Hopefully in the future, we can continue to use heart-warming charity activities to let music convey love and hope, and bring more warmth and strength to patients.

2023 Asian Tour - YEANGDER TPC Championship

Yangder Group has been deeply engaged in golf sports promotion for many years, not only cultivating amateur and professional players for many years, but also has hosted the YEANGDER TOURNAMENT PLAYERS CHAMPIONSHIP since 2010, which has now become a high-profile Asian golf tour event. The 2023 YEANGDER TPC Championship is hosted by Yangder Group, TPGA, and Asian Tour. It was held at the Linkou Golf Course from September 21st to 24th in a four-round, 72-hole competition. The total prize of this event is increased to US\$750,000, approximately NT\$23.25 million. By raising the level of the competition, attract top players from all over the world to participate, thereby motivate players to go all out to strive for the best ranking and high bonuses. Over the past 10 years, the Yangder Group has persisted in holding international competitions continuously, which has made the YEANGDER TPC Championship attract great attention from asian and international golf groups. In the future, we will continue to use the YEANGDER TPC Championship to provide Taiwanese players with more training experience in international competitions, push Taiwanese players to the international stage, and strive for world glory.



Yangde Group Badminton and Basketball Tournament



In order to promote friendship and interactions among employees and promote healthy lifestyles, SEEC often holds internal sports events. This year's events include basketball and badminton matches. This is not only to allow employees to enjoy sports, but also to promote healthy lifestyles. And it's an important part of sustainable governance. In the basketball competition, five teams from each business group showed excellent skills and tacit cooperation. In the end, the Breaker & Switchgear Business Group won the championship with outstanding strength, demonstrating their team cohesion and competitive strength. In the badminton competition, employees from the five subsidiaries in East China actively participated in the competition, showing their professional skills and outstanding performance, while also strengthening exchanges and cooperation between the companies. This competition is not only a competition, but also a platform to strengthen the relationship between employees and enhance the company's cohesion and centripetal force.

SEEC hopes to strengthen the cohesion among employees through different club activities and amateur sports events. We believe that such activities will bring a more positive working atmosphere to the company and promote the company's sustainable and healthy development.

SEEC sponsors the 31st National College and University Environmental Protection and Energy-Saving Vehicle Competition

In 2023, in order to promote the development of electric vehicles and cultivate future outstanding talents, SEEC specially sponsored the 31st "National Colleges and Universities Environmentally Friendly and Energy-Saving Vehicle Competition" organized by the Society of Automation Engineering of the Republic of China (SAE Taipei Section), with a total of 11 schools. 17 teams participated in the competition. The purpose of this event is to encourage young students to use their creativity to design and build vehicles with energy-saving and carbon-reducing thinking, and to promote the connection and integration of relevant resources in the domestic vehicle industry. Through mutual cooperation between industry and academia, in addition to improving young students' professional practical skills and innovative research capabilities, and promoting energy conservation and carbon reduction education, it also allows companies to recruit outstanding talents through this activity and create a win-win situation.



Yangder Group donated the Taipei Veterans General Hospital renovation project to create a friendly medical environment

SEEC, Hsinchu Logistics and Ambassador Hotel, which are affiliated to the Yangder Group, adhere to local sentiments and jointly donated the renovation project of the Taipei Veterans General Hospital Hsiaowei Pavilion and main lobby, the kitchen equipment and utensils upgrade of the Zhongzheng Building Banquet Hall, And the renovation of stage project in the lobby on the first floor of Zhongzheng Building (including TV, audio equipment, green walls, stage enhancement, etc.). It not only greatly improves the environmental quality of medical institutions, but also provides a comfortable and relaxing space to share with medical staff and the public. Taipei Veterans General Hospital conducted a year-end gratitude party in January 2023, and invited Chairman Hsu of Yangder Group, directors and colleagues of SEEC, Hsinchu Logistics and Ambassador Hotel to attend the party. Through the mutual integration of resources between enterprises, the power of friendship is gathered, and specific actions are taken to jointly give back to local medical units, so as to promote the establishment of a mutual trust and reciprocal partnership between enterprises and civil society.



Yangder Group and SOGO Tianmu Store held a Father's Day event: "Parent-Child Fun Putting Competition"

In August 2023, SEEC was invited by SOGO Tianmu Store to co-organize the Father's Day event "Parent-Child Fun Putting Competition". This event encourages the general public to mobilize the whole family, allowing children and fathers to work together to put together and create unique parent-child memories. Yangder Group, to which SEEC belongs, also fully supports this event. Under the leadership of Vice President Bryant, Hsu, Taiwan PGA players Cai Weimin and Lin Haoyuan, both are sponsored by the Yangder Group, participated in this fun parent-child putting competition. The event was very lively on the day. A total of 30 groups of parents and children signed up. Parents and children experienced the fun of golf, which further enhanced the tacit understanding between parents and children. It is a truly rare and precious opportunity to have the personal guidance from two PGA players. The first "Family-Child Fun Putting Competition" event was a smooth success, allowing everyone to spend an unforgettable Father's Day together.



Appendix I : GRI Content Index

Statement of Use	The report period is from January 1, 2023 to December 31 2023, SEEC has been complied with GRI guidelines
GRI 1 Used	GRI 1: Base 2021
Applicable GRI Industry Code	No GRI Industry Code applicable

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
2021 General Disclosures 2021				
Organization and Reporting Practices				
2-1	Organizational details	1.1 About SEEC	08	
2-2	Entities included in the organization's sustainability reporting	About this Report	02	
2-3	Reporting period, frequency and contact point	About this Report	02	
2-4	Information reorganization	About this Report	02	
2-5	External verification / Assurance	About this Report Appendix 4	02 139	
Activities and Workers				
2-6	Activities, value chains and other business relationships	1.1 About SEEC 3.3 Green Supply Chain	08 72	
2-7	Employee (Hireling)	5.2 Labor Relations and Harmony	101	
2-8	Non-employee worker (Non-Employee)	5.2 Labor Relations and Harmony	101	
Governance				
2-9	Governance structure and composition	2.1 Corporate Governance	38	
2-10	Nominating and selecting of the highest governance Unit	2.1 Corporate Governance	38	
2-11	Chair of the highest governance Unit	2.1 Corporate Governance	38	
2-12	The role of the highest governance body in overseeing impact management	1.3 Sustainable Management	20	
2-13	Head of shock management	1.3 Sustainable Management	20	
2-14	Highest governance body's role in sustainability report	About this Report 1.3 Sustainable Management	02 20	

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
2021 General Disclosures 2021				
2-15	Conflicts of interest	2.1 Corporate Governance	38	
2-16	Communicating critical concerns	1.3 Sustainable Management	20	
2-17	Collective knowledge of Highest governance Unit	2.1 Corporate Governance	38	
2-18	Evaluating the highest governance Unit's performance	2.1 Corporate Governance	38	
2-19	Remuneration policies	2.1 Corporate Governance	38	
2-20	Process for determining remuneration	2.1 Corporate Governance	38	
2-21	Annual total compensation ratio	5.3 Employee Compensation and Benefits	104	
Strategy, Policy and Practice				
2-22	Statement of sustainability strategy	Chairman's Expectation	06	
2-23	Policy commitment	1.3 Sustainable Management and Practice 5.1 Human Rights Management	20 98	
2-24	Incorporate policy commitments	2.2 Integrity Operation 3.3 Green Supply Chain 5.1 Human Rights Management	43 72 98	
2-25	Procedures for remediating Negative shocks	2.2 Integrity Operation Management Approach for each chapter	43 31	
2-26	Mechanisms for seeking advice and raising concerns	2.2 Integrity Operation	43	
2-27	Legal compliance	2.2 Integrity Operation	43	
2-28	Membership of public associations	1.1 About SEEC	08	
Stakeholder Negotiation				
2-29	Stakeholder negotiation policy	1.4 Stakeholder Negotiation	25	
2-30	Collective bargaining agreements	5.2 Labor Relations and Harmony	101	
Material Topics				
GRI 3: Material Topics 2021				
3-1	Process for determining material topics	1.5 Identification and Management of Material Issues	28	
3-2	List of material topics	1.5 Identification and Management of Material Issues	28	

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
Material Topics				
Material Topic : Energy and Emissions				
3-3	Management of material topics	Climate Change Management Approach	81	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.2 Energy and Greenhouse Gas Management	90	
	302-3 Energy intensity	4.2 Energy and Greenhouse Gas Management	90	
	302-4 Reduction of energy consumption	4.2 Energy and Greenhouse Gas Management	90	
GRI 305 : Emissions 2016	305-1 Direct (scope 1) GHG emissions	4.2 Energy and Greenhouse Gas Management	90	
	305-2 Energy indirect (scope 2) GHG emissions	4.2 Energy and Greenhouse Gas Management	90	
	305-4 GHG emissions intensity	4.2 Energy and Greenhouse Gas Management	90	
	305-5 Reduction of GHG emissions	4.2 Energy and Greenhouse Gas Management	90	
Material Topic : Information Security and Management				
3-3	Management of material topics	Information Security Protection Management Approach	51	
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.4 Information Security Protection	51	
Material Topic : Business Performance				
3-3	Management of material topics	Business Performance Management Approach	15	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	1.2 Business Performance	15	
	201-4 Financial assistance from the government	1.2 Business Performance	15	
Material Topic : Product Quality and Safety				
3-3	Management of material topics	Product Responsibility Management Approach	57	
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1 Product Responsibility	57	
	416-2 Incidents of violation of health and safety regulations concerning products and services	3.1 Product Responsibility	57	No related situation

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
Material Topics				
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.1 Product Responsibility	57	
	417-2 Incidents of non-compliance with product and service information and labeling regulations	3.1 Product Responsibility	57	No related situation
	417-3 Incidents of non-compliance with marketing communications regulations	3.1 Product Responsibility	57	No related situation
Material Topic : Occupational Health and Safety				
3-3	Management of material topics	Workplace Health and Safety Management Approach	116	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.5 Workplace Health and Safety	116	
	403-2 Hazard identification, risk assessment, and incident investigation	5.5 Workplace Health and Safety	116	
	403-3 Occupational health services	5.5 Workplace Health and Safety	116	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.5 Workplace Health and Safety	116	
	403-5 Worker training on occupational health and safety	5.5 Workplace Health and Safety	116	
	403-6 Promotion of worker health	5.5 Workplace Health and Safety	116	
	403-7 Prevention and mitigation of health and safety impacts directly linked by business relationships	5.5 Workplace Health and Safety	116	
	403-8 Workers covered by an occupational health and safety management system	5.5 Workplace Health and Safety	116	
	403-9 Work-related injuries	5.5 Workplace Health and Safety	116	
	403-10 Work-related Ill health	5.5 Workplace Health and Safety	116	
Material Topic : Integrity Management				
3-3	Management of material topics	1.2 Materiality Analysis	43	
GRI 205:Anti-corruption 2016	205-2 Communication and training on anti-corruption policies and procedures	2.1 Corporate Governance 2.2 Integrity Operation	38 43	
	205-3 Confirmed incidents of corruption and actions taken	2.2 Integrity Operation	43	No related situation
GRI 206 :Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practice	2.2 Integrity Operation	43	No related situation

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
Material Topics				
Material Topic : Employee Rights and Benefits				
3-3	Management of material topics	Employee Relationship Management Approach	98	
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	5.2 Labor Relations and Harmony	101	
GRI 401: Employment Relations 2016	401-1 New employees and resigned employees	5.2 Labor Relations and Harmony	101	
	401-2 Benefits provided to full-time employees (excluding temporary or part-time employees)	5.3 Employee Compensation and Benefits	104	
	401-3 Parental leave	5.3 Employee Compensation and Benefits	104	
GRI 402: Labor Relations 2016	402-1 Minimum notice period for operational changes	5.2 Labor Relations and Harmony	101	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	5.1 Human Rights Management	98	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	5.1 Human Rights Management	98	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.1 Human Rights Management	98	
GRI 409 : Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	5.1 Human Rights Management	98	
Material Topic : Supply Chain Sustainability Management				
3-3	Management of material topics	Supply Chain Due Diligence Management Approach	72	
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	3.3 Green Supply Chain	72	
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	3.3 Green Supply Chain	72	
	308-2 Negative environmental impacts in the supply chain and actions taken	3.3 Green Supply Chain	72	

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
Material Topics				
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	3.3 Green Supply Chain	72	
	414-2 Negative social impacts in the supply chain and actions taken	3.3 Green Supply Chain	72	
Material Topic : Talent Development and Retention				
3-3	Management of material topics	Talent Training and Development Management Approach	109	
GRI 404 : Training and Education 2016	404-1 Average hours of training per year per employee	5.4 Talent Training and Development	109	
	404-3 Percentage of employees receiving regular performance and career development reviews	5.3 Employee Compensation and Benefits	104	
Material Topic : Climate Change Risk Response				
3-3	Management of material topics	Climate Change Management Approach	81	
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	3.2 Green Energy Development	65	
		4.1 Climate Change Management	81	
Material Topic : Innovative R&D and Patents				
3-3	Management of material topics	Product Responsibility Management Approach	57	
		Green Energy Development Management Approach	65	
Material Topic : Clean Technology Opportunities				
3-3	Management of material topics	Green Energy Development Management Approach	65	
GRI 302: Energy 2016	302-5 Reduce energy demand for products and services	3.2 Green Energy Development	65	

Voluntary Disclosure Indicators

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
GRI 202: Market status 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wag	5.3 Employee Compensation and Benefits	104	
	202-2 Proportion of local residents employed as senior management	5.2 Labor Relations and Harmony	101	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6 Social Participation	125	
GRI 301 : Materials 2016	301-1 Weight or volume of material used	4.2 Energy and Greenhouse Gas Management	90	
GRI 303 :Water and Effluents 2018	303-2 Management of water discharge-related impacts	4.3 Environmental Pollution Prevention and Control	94	
	303-3 Water withdrawal	4.3 Environmental Pollution Prevention and Control	94	
	303-4 Water discharge	4.3 Environmental Pollution Prevention and Control	94	
	303-5 Water consumption	4.3 Environmental Pollution Prevention and Control	94	
GRI 306 : Waste 2020	306-2 Management of significant waste-related impacts	4.3 Environmental Pollution Prevention and Control	94	
	306-3 Waste generated	4.3 Environmental Pollution Prevention and Control	94	
	306-4 Waste diverted from disposal	4.3 Environmental Pollution Prevention and Control	94	
	306-5 Waste directed to disposa	4.3 Environmental Pollution Prevention and Control	94	
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.1 Corporate Governance 5.2 Labor Relations and Harmony	38 101	
	405-2 Ratio of basic salary and remuneration of women to men	5.3 Employee Compensation and Benefits	104	
GRI 415 : Public Policy 2016	415-1 Political contribution	2.1 Corporate Governance	38	No related situation

Appendix II SASB Index

Industry: Electrical & Electronic Equipment Release version: June 2023

Topic	Code	Accounting Metric	Category	Units of Measurement	Response
Energy Management	RT-EE-130a.1	(1)Total energy consumed (2)Percentage of grid electricity (3)Percentage of renewable	Quantitative	Gigajoulee (GJ), Percentage (%)	(1) 181,579.95 (2) 74.79% (3) 0.51%
Hazardous Waste Management	RT-EE-150a.1	Hazardous waste generation and recycling percentage	Quantitative	Metric ton (t) Percentage (%)	10.3t 0%
	RT-EE-150a.2	The number of leakage incidents, the total amount of remediation and recovery during the reporting period	Quantitative	Quantity Kilogram (Kg)	No waste leakage incident occurred 0 (Kg)
Product Safety	RT-EE-250a.1	Number of recalls issued vs. total number of recalls	Quantitative	Quantity	None Please refer to 3.1 Product Responsibility
	RT-EE-250a.2	Total monetary damages due to legal action regarding product safety	Quantitative	Financial Report	None
Product Lifecycle Management	RT-EE-410a.1	Proportion of revenue for products containing substances scheduled in IEC 62474 as a percentage of total revenue	Quantitative	Percentage by revenue (%)	SEEC products are not included in the IEC 62474 regulatory framework. The percentage of products containing IEC 62474 scheduled substances (lead, mercury, cadmium, hexavalent chromium, etc.) is 100%, but they all comply with the restriction standards. Products sold by SEEC contain The percentage of declarable substances in IEC 62474 is 0%.
	RT-EE-410a.2	Percentage of eligible products, by revenue, that meet Energy Star® criteria.	Quantitative	Percentage by revenue (%)	Not applicable
	RT-EE-410a.3	Total revenue of renewable energy-related products and high-efficiency energy products	Quantitative	Financial Report	No statistics yet
Procurement	RT-EE-440a.1	Describe risk management for the use of critical materials	Discussion and Analysis	None	Please refer to 2.3 Risk Management, 3.3 Green Supply Chain
Business Ethics	RT-EE-510a.1	Describe policies and preventive practices regarding (1) corruption and bribery and (2) anti-competitive conduct	Discussion and Analysis	None	Please refer to 2.2 Integrity Operation
	RT-EE-510a.2	Total financial losses resulting from legal proceedings related to corruption and bribery	Quantitative	Financial Report	None
	RT-EE-510a.3	Total financial losses resulting from legal actions related to anti-competitive conduct	Quantitative	Financial Report	None

Appendix III Climate-Related Information of TWSE/TPEX Listed Company

Item	Implementation Status
1. Describe the board of directors' and management's oversight and governance of climate-related risks and opportunities.	4.1 Climate Change Management
2. Describe how the identified climate risks and opportunities affect the business, strategy, and finances of the business (short, medium, and long term).	4.1 Climate Change Management
3. Describe the financial impact of extreme weather events and transformative actions.	4.1 Climate Change Management
4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	4.1 Climate Change Management
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.	N/A
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.	4.1 Climate Change Management
7. If internal carbon pricing is used as a planning tool, the basis for setting the price should be stated.	4.1 Climate Change Management
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.	N/A
9. Greenhouse gas inventory and assurance status and reduction targets, strategy, and concrete action plan.	SEEC is a listed company with a paid-in capital of more than NTD 5 billion but less than NTD 10 billion. It will complete the individual company assurance in 2027 and the consolidated subsidiary company assurance in 2028. At present, the greenhouse gas inventory of the individual parent company of SEEC has been completed in 2023, and the external verification is expected to be completed by the end of 2024. In the future, relevant assurance information will be disclosed in accordance with regulations. At present, SEEC has gradually carried out greenhouse gas inventory work and set reduction targets. Please refer to "4.1 Climate Change Management" and "Corporate Governance Operations" of SEEC 2023 Annual Report.

Appendix IV : Independent Third Party Assurance Statement



INDEPENDENT ASSURANCE OPINION STATEMENT

Shihlin Electric 2023 ESG Report

The British Standards Institution is independent to Shihlin Electric & Engineering Corporation (hereafter referred to as SEEC in this statement) and has no financial interest in the operation of SEEC other than for the assessment and verification of the sustainability statements contained in this report.

This independent assurance opinion statement has been prepared for the stakeholders of SEEC only for the purpose of assuring its statements relating to its sustainability report, more particularly described in the Scope below. It was not prepared for any other purpose. The British Standards Institution will not, in providing this independent assurance opinion statement, accept or assume responsibility (legal or otherwise) or accept liability for or in connection with any other purpose for which it may be used, or to any person by whom the independent assurance opinion statement may be read.

This independent assurance opinion statement is prepared on the basis of review by the British Standards Institution of information presented to it by SEEC. The review does not extend beyond such information and is solely based on it. In performing such review, the British Standards Institution has assumed that all such information is complete and accurate.

Any queries that may arise by virtue of this independent assurance opinion statement or matters relating to it should be addressed to SEEC only.

Scope

The scope of engagement agreed upon with SEEC includes the following:

1. The assurance scope is consistent with the description of Shihlin Electric 2023 ESG Report.
2. The evaluation of the nature and extent of the SEEC's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

This statement was prepared in English and translated into Chinese for reference only.

Opinion Statement

We conclude that the Shihlin Electric 2023 ESG Report provides a fair view of the SEEC sustainability programmes and performances during 2023. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the SEEC and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate SEEC's efforts recognized by its stakeholders.

Our work was carried out by a team of sustainability report assurers in accordance with the AA1000AS v3. We planned and performed this part of our work to obtain the necessary information and explanations we considered to provide sufficient evidence that SEEC's description of their approach to AA1000AS v3 and their self-declaration in accordance with GRI Standards were fairly stated.

Methodology

Our work was designed to gather evidence on which to base our conclusion. We undertook the following activities:

- a review of issues raised by external parties that could be relevant to SEEC's policies to provide a check on the appropriateness of statements made in the report.
- discussion with managers on approach to stakeholder engagement. However, we had no direct contact with external stakeholders.
- 8 interviews with staffs involved in sustainability management, report preparation and provision of report information were carried out.
- review of key organizational developments.
- review of the findings of internal audits.
- review of supporting evidence for claims made in the reports.
- an assessment of the organization's reporting and management processes concerning this reporting against the principles of Inclusivity, Materiality, Responsiveness, and Impact as described in the AA1000AP (2018).

Conclusions

A detailed review against the Inclusivity, Materiality, Responsiveness, and Impact of AA1000AP (2018) and GRI Standards is set out below:

Inclusivity

This report has reflected a fact that SEEC has continually sought the engagement of its stakeholders and established material sustainability topics, as the participation of stakeholders has been conducted in developing and achieving an accountable and strategic response to sustainability. There are fair reporting and disclosures for the information of Environment, Social and Governance (ESG) in this report, so that appropriate planning and target-setting can be supported. In our professional opinion the report covers the SEEC's inclusivity issues.

Materiality

SEEC publishes material topics that will substantively influence and impact the assessments, decisions, actions and performance of SEEC and its stakeholders. The sustainability information disclosed enables its stakeholders to make informed judgements about the SEEC's management and performance. In our professional opinion the report covers the SEEC's material issues.

Responsiveness

SEEC has implemented the practice to respond to the expectations and perceptions of its stakeholders. An Ethical Policy for SEEC is developed and continually provides the opportunity to further enhance SEEC's responsiveness to stakeholder concerns. Topics that stakeholder concern about have been responded timely. In our professional opinion the report covers the SEEC's responsiveness issues.

Impact

SEEC has identified and fairly represented impacts that were measured and disclosed in probably balanced and effective way. SEEC has established processes to monitor, measure, evaluate, and manage impacts that lead to more effective decision-making and results-based management within the organization. In our professional opinion the report covers the SEEC's impact issues.

GRI Sustainability Reporting Standards (GRI Standards)

SEEC provided us with their self-declaration of in accordance with GRI Standards 2021 (For each material topic covered in the applicable GRI Sector Standard and relevant GRI Topic Standard, comply with all reporting requirements for disclosures). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported, or omitted. In our professional opinion the self-declaration covers the SEEC's sustainability topics.

Assurance level

The moderate level assurance provided is in accordance with AA1000AS v3 in our review, as defined by the scope and methodology described in this statement.

Responsibility

The ESG report is the responsibility of the SEEC's chairman as declared in his responsibility letter. Our responsibility is to provide an independent assurance opinion statement to stakeholders giving our professional opinion based on the scope and methodology described.

Competency and Independence

The assurance team was composed of auditors experienced in relevant sectors, and trained in a range of sustainability, environmental and social standards including AA1000AS, ISO 14001, ISO 45001, ISO 14064, and ISO 9001. BSI is a leading global standards and assessment body founded in 1901. The assurance is carried out in line with the BSI Fair Trading Code of Practice.



Statement No: SRA-TW-805473
2024-05-22

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan

...making excellence a habit.™



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