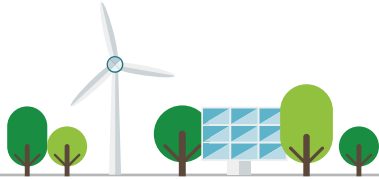


# 2022 ESG Report

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## About this Report

This report is the seventh sustainability 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 2022, and uses "Sustainable Commitment and Affirmation", "Operation and Governance", "Products Responsibility and Supply Chain Management", "Climate Action and Environmental Management", "Labor-Management Harmony and Safe Workplace", and "Public Welfare and Social Participation" as the main axis, including the management and execution performance, risk management and ESG sustainable strategies of each major theme and information to show the performance and achievements of the company in all aspects.

## Reporting Scope and Calculation Basis

The information disclosure period of this report is mainly from January 1, 2022 to December 31, 2022. 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), public welfare care and social participation cover Yeang Der Group Memorial Foundation of Mr. Ching-Teh Hsu. The disclosure scope of this report does not include consolidated subsidiaries and overseas bases (For related information on related companies, please refer to the first item in Chapter 8 of SEEC's Annual Report 2022). The statistical data disclosed in this report comes from the survey and summary results of various executive units of SEEC. The financial data are publicly released information after being certified by Accountants, which is consistent with the data in the company's Annual Report. Unless otherwise specified, the currency is mainly in New Taiwan Dollars. Compared with the "2021 Sustainability Report", if there is any re-editing of some historical data, it will be explained in the text.

### Taipei Headquarter

#### Head Office

**Head Office** / 16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City, Taiwan (R.O.C)  
**Tel** / (02) 2834-2662  
**Fax** / (02) 2836-6187

### Four Business Groups

#### Heavy Electric Business Group

**Heavy Power Plant** / No.23, Zhonghua Road, Feng-Huang Village, Hukou Township, Hsinchu County, Taiwan (R.O.C)  
**Tel** / (03) 598-1921  
**Fax** / (03) 598-1480

#### Automobile Equipment Business Group

**Automobile Equipment Plant** / No. 17, Zhonghua Road, Fengshan Village, Hukou Township, Hsinchu County, Taiwan (R.O.C)  
**Tel** / (03) 598-6951  
**Fax** / (03) 598-6950

#### Breaker & Switchgear Business Group / Automation Business Group

**Xinfeng Plant** / No.234, Zhonglun Village, Xinfeng Township, Hsinchu County, Taiwan (R.O.C)  
**Tel** / (03) 599-5111  
**Fax** / (03) 599-5259

## Report Guidelines and Principles

### Report Guidelines

- The latest version of the GRI Standards (GRI STANDARDS 2021 version) issued by the Global Reporting Initiative (GRI)
- TTaiwan Stock Exchange "Operational Measures for the Preparation and Submission of Sustainability Reports by Listed Companies"

### Additional Reference

- Sustainability indicators for Electrical & Electronic Equipment developed by the Sustainability Accounting Standards Board (SASB)
- TCFD Proposal for Climate-Related Financial Disclosures
- United Nations Sustainable Development Goals (SDGs)

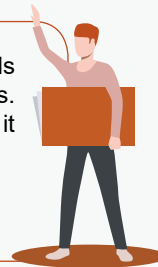
### Report Publication Date

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

Last Version: Issued in June, 2022

Current version: Issued in June, 2023

Next version: Expected Issued in June, 2024



### Contact Information

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

Contact Window

e-mail / [csr@seec.com.tw](mailto:csr@seec.com.tw)

Tel / 02-2834-2662

Fax / 02-7726-9193

Web / <https://www.seec.com.tw>

## Information Quality and Assurance

### Internal Review and Assurance

The content of this report is provided by the company's sustainability report preparation team, reviewed by the Supervisor of the Department, and then issued after being approved by the chairman of the board. In May 2023, the Board of Directors approved the "Sustainability Report Preparation and Verification Operational Procedures", and at the same time updated the internal control and audit system to strengthen the quality of the report disclosure. In addition, the company's various management system certifications: IATF 16949 Automotive Industry Quality Management System, CNS National Standard, ISO 9001 Quality Management System, ISO 14001 Environmental Management System, ISO 45001 Occupational Safety And Health Management System, etc., The company conduct internal audits every year (and cooperate with external verification) to ensure the correctness of data and information.

### External Verification and Declaration

This report has been approved by the chairman of the Board of Directors, and the British Standards Institution Taiwan Branch (bsi), a third-party impartial verification organization, is officially entrusted to adopt the AA1000AS v3 Type 1 Moderate Assurance Level, aiming at the inclusivity of the information disclosed in the report (Inclusivity), Materiality, Responsiveness and Impact are guaranteed, and the verification report is attached as Appendix IV of this report.

## Reports Over the Years

· 2022 · 2021 · 2020 · 2019



· 2018 · 2017 · 2016



Electronic files  
of previous  
reports [↗](#)



# Awards, Recognition and Sustainable Performance

## Awards and Recognition

**"Golden Road Award" "Southern Link Railway"**  
SEEC won the third place in the Outstanding Engineering Category of the 23th Golden Road Awards



In order to maintain the running conditions of highways, railways and rapid transit systems, beautify the landscape along the lines, and provide users with safe, smooth and comfortable services, the Ministry of Communications has held the "Golden Road Award" competition since 2000, and it has entered the 23th session so far. It is known as the "Oscar Award in the Transportation Industry".

After winning the Engineering Excellence Award of the Chinese Society of Engineers in 2021, the Excellent Public Engineering Award of the Ministry of Communications, and the Special Excellence Award of the 21th Public Engineering Gold Award for Facilities, the Case of Southern Link Railway won the 23th Golden Road Award again in 2022. The third place in the engineering category, the quality of the engineering has been affirmed again, with excellent performance and repeated success.

**Products of Breaker & Switchgear Business Group won the Taiwan Excellence Award.**



In order to encourage the enterprises to independently develop, design, improve quality and establish brand image, the Bureau of International Trade of the Ministry of Economic Affairs established the "Taiwan Excellence" logo in 1992, and entrusted the Foreign Trade Association to conduct the selection of "Taiwan Excellence Award" from the following year, with experts and scholars serving as review committee members. The Taiwanese products with innovative value and customer needs were selected. There was a total of 547 manufacturers and 1,109 products competed. The BA4000-UN (miniature circuit breaker) and BHA-B3 (miniature circuit breaker) of SEEC products of Breaker & Switchgear Business Group won the award. Affirmation of the 31th Taiwan Excellence Awards.

**TCSA Taiwan Enterprise Sustainability Award**



SEEC has always been adhering to the concept of sustainable development, committed to operating steadily and fulfilling corporate social responsibility. The company actively promote the development of green energy, invest in relevant talents and resources, develop innovative technologies and research and develop green energy products that are more energy-saving, electricity-saving, low-carbon, and low-emission, in order to meet the challenges of global climate change.

In addition, the company also attaches great importance to transparency, and has compiled its own sustainable development policy and related action plans into the ESG report for the reference of investors and the general public. These efforts have not only been recognized by the industry, but also won the Silver Award of the TCSA Taiwan Enterprise Sustainability Award, setting an important milestone for SEEC's sustainable business goals.

**SEEC was commended by the National Taxation Bureau as an outstanding business operator.**



In order to reward business operators for honestly issuing unified invoices and using electronic invoices, the Taipei National Taxation Bureau has implemented the government's energy-saving and carbon reduction policies and improved e-services. In 2022, 45 business operators with excellent performance in issuing unified invoices and 24 business operators with excellent performance in using electronic invoices were selected. On October 19th, the "Excellent Businessman Awards and Commendation Ceremony" was held publicly, and Director Song Xiuling presented medals and presented souvenirs on behalf of the Ministry of Finance.

There are 264,505 business operators registered in Taipei City, and a total of 69 business operators have been selected as outstanding business operators in 2022, with a winning rate of only 3 out of 10,000. In addition to paying taxes and levies in accordance with the law and having no violation records within 2 years, the company still needs to pass the primary selection and re-selection of the review team, and be reviewed and approved by the Ministry of Finance before it can stand out. It is not easy to win the award.

## Sustainable Performance

### Governance

- Consolidated revenue in 2022 increased by 11% compared to 2021.
- Consolidated pre-tax profit in 2022 was 11% higher than in 2021.
- The average attendance rate of the board of directors in 2022 was 100% (including proxy attendance).
- The performance evaluation result of the board of directors in 2022 was 4.7 points (out of 5 points).
- There was no major violations and negative news in 2022.
- In 2022, the company received no complaints or reports.
- In 2022, SEEC did not have any corruption incidents or corruption cases investigated by judicial prosecutors.
- In 2022, there was no leakage of customer privacy or violation of relevant information security regulations.
- In 2022, there was no incidents that endanger human rights in the company, and there was no related appeals and complaints.
- In 2022, a total of 40 patent certificates was obtained (including 3 inventions and 37 new models).
- From 2020 to 2022, a total of 113 patent certificates was obtained (including 15 inventions and 97 new models).
- In 2022, there was one information security drill, and the average pass rate of the whole company was 98%.
- In 2022, the Automobile Equipment Plant passed the VDA ISA TISAX AL2 level verification.

### Environment

- The electricity-saving measures in 2022 reduced greenhouse gas emissions by about 130 tons CO<sub>2</sub>e.
- In 2022, water consumption was reduced by a total of 610 tons, and the target achievement rate was 102%.
- In 2022, a total of 640 energy-saving lighting fixtures was replaced, with a target achievement rate of 160%.
- In 2022, the energy-saving measures saved a total of 255MWh, and the target achievement rate was 255%.

### Social

- In 2022, there was no incidents that endanger human rights in the company, and there was no related appeals and complaints.
- In 2022, there was no occupational injury incidents among workers.
- In 2022, there was no cases where workers were judged as occupational diseases.
- By the end of 2022, a total of 148 colleagues have passed the initial certification of CPR and AED.
- By the end of 2022, more than 200 key suppliers have signed the "Supplier Social Responsibility Letter of Commitment".
- In 2022, a total of 28 supplier on-site assessments conducted, with a pass rate of 100%.
- The average education and training hours in 2022 were 19.12 hours, and the implementation rate of the annual training hours for education and training were 115%.
- In 2022, the amount of social welfare donations were about NT\$ 16.9 million, and the cumulative amount in the past three years was about NT\$ 44.59 million.

## Chairman's Expectation

SEEC was founded in 1955 and has been in business for nearly 70 years. As a leading company in the electrical machinery industry, we focus on the research and development and manufacture of power-related products, with solid foundations and excellent technology. Through strategic alliances with international manufacturers, we have completed our core competitiveness and possessed strong strength to compete in the international market. The main products are power distribution, vehicle parts and automation equipment and parts, which are widely used in many industries and fields such as chemical industry, electric power, electronics, public works, automobile and locomotive components.

In order to pursue the sustainable operation and development of the enterprise, the company cooperate with the government's energy-saving and environmental protection policies, actively promote greening and environmental protection and carbon reduction in factories and offices, use energy-saving appliances, and use green and environmentally friendly materials, and require third-party manufacturers to cooperate in the implementation. SEEC have passed ISO 9001, ISO 9002, ISO 14001, ISO 45001, RoHS, IATF 16949 and other factory verification or products certification, pursue the effective use of resources, and contribute to energy conservation and environmental protection with all employees, subcontractor, customers and other stakeholders.

### Create a Comprehensive Solution for Green Energy Systems

In 2022, the "Shihlin Electric Green Power Co., Ltd." was established to cover the green energy related businesses of the group, covering various parts, equipment and turnkey projects, etc., and is committed to creating a comprehensive solution for green energy systems. The smart capacitors and high Efficient and energy-saving transformers provide customers with high stability and low energy consumption power distribution products; optimize miniaturized low-voltage switch products to reduce material usage and save customer space; with the rise of carbon reduction awareness, we also continue to develop two-wheel electric vehicle controllers And motor products, continue to supply low-power electric locomotive power systems around the world; in terms of green power, SEEC has invested in wind power plants, solar power plants, booster station turnkey projects, energy storage systems and other fields to provide light energy and energy storage efficiency. The roof of the factory area will also be equipped with solar energy. The goal is to increase the proportion of green electricity to 15% in 2030, which is better than the policy plan. It is expected that SEEC will continue to create greater value for customers, society and the environment based on green energy and high-efficiency products.

### Environmentally Friendly Actions

The company is committed to sustainable development and fully supports the concept of environmental friendliness. From product design to manufacturing process, SEEC takes less pollution and recyclable materials as the design principle. The raw materials, dyes, solvents, packaging and manufacturing processes of all products are in line with Environmental regulations, and reduce the impact of business operations on the environment.

In addition, the Yeang Der Building won the first label of "Smart Building" in Taiwan. The internal facilities are equipped with modern intelligent functions and energy storage and energy saving systems, which not only meet the demands of energy saving, environmental protection, and safe working environment, but also demonstrate the firm determination of sustainable management.

### Sustainable Green Supply Chain

In order to practice the concept of sustainable operation, the company is committed to building a sustainable green supply chain, and through establishing long-term cooperative relationships with suppliers, the company is committed to environmental protection and social responsibility. The company incorporate ESG-related issues into supplier evaluation indicators to help suppliers improve their ability to operate sustainably, and expect to work together with subcontractor suppliers to achieve the goal of sustainable and common prosperity. In the process of selecting suppliers, the company not only focus on product quality, but also pay attention to the performance of partners in environmental protection and social responsibility. SEEC hope to build a more robust and sustainable green supply chain together with all subcontractor manufacturers, so as to create a better living environment for future generations.

SEEC actively demonstrates its emphasis on ESG, upholds the concept of "Energy Saving, Carbon Reduction, Love the Earth, SEEC will join hands with you", is committed to promoting the company's green energy transformation, and implements social responsibilities with practical actions. The company will continue to develop more energy-efficient products, strengthen corporate governance, expand the green supply chain, and promote social welfare. The company hope 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 the society.

Shihlin Electric & Engineering Corp.  
Chairman

**Emmet Hsu**



Chapter

# **Sustainable Practice and Management**



## 1.1 Sustainable Management



### Enhance Corporate Value



#### Innovation & Growth

##### Invest in Green Energy Products

(Electric vehicle motor and controller, wind power CGIS, high-efficiency TR)

##### Expand the Engineering System

(Electricity, rail, solar EPS, integrated systems)

##### Expand Cooperation with Japanese Partner

(Overseas cooperation, create a win-win situation)



#### Sustainable Sound

##### Practicing Sustainable Management (ESG)

##### Strengthen Risk Management

(Exchange Rate, AR, Inventory, Cash Management)

##### Implement Ethical Compliance



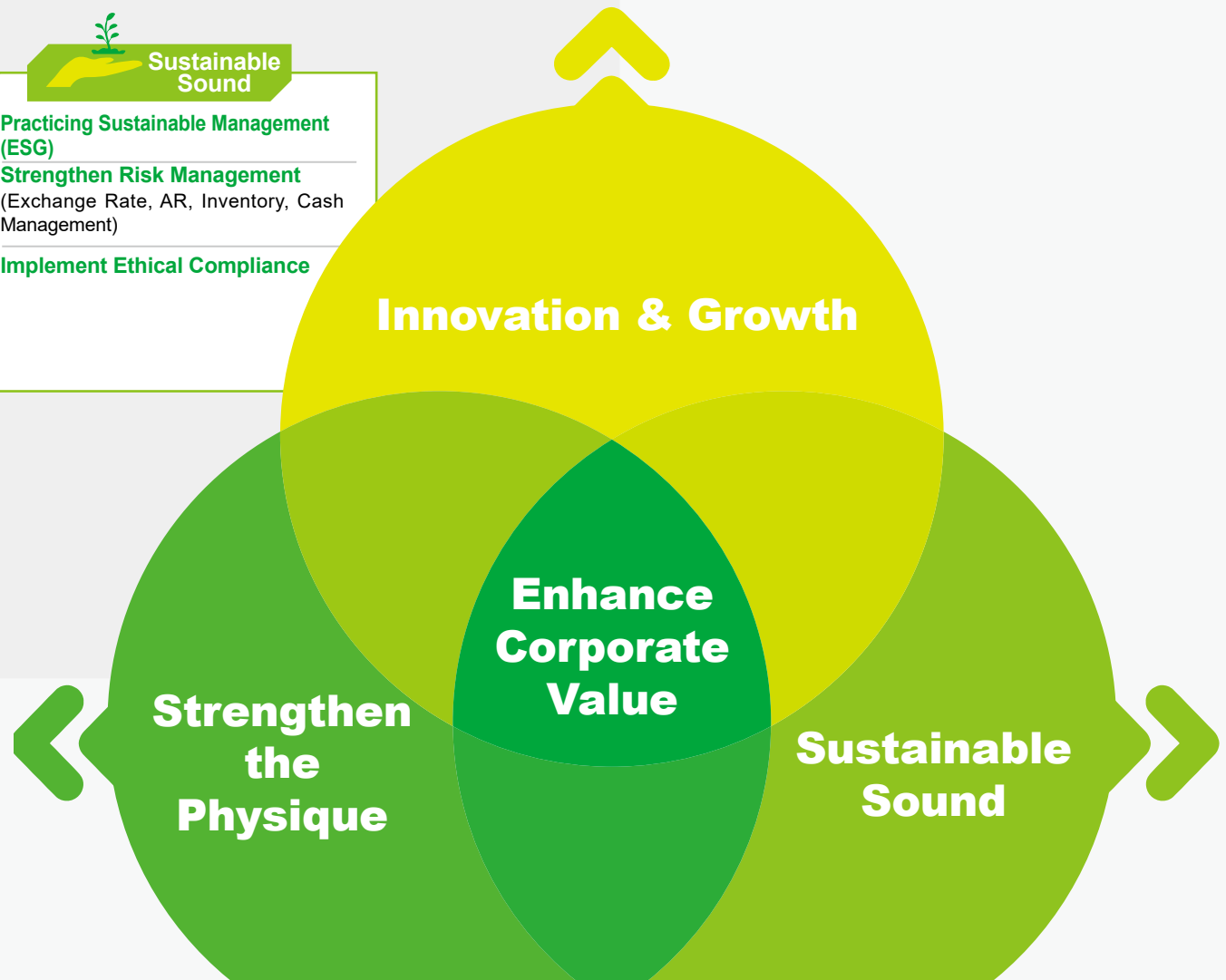
#### Strengthen the Physique

##### ● Business Process Efficiency Improvement

(sales, manufacturing, supply chain, financial processes)

##### ● Promote intelligent production

##### ● Choose centralized and optimal management



## Sustainability Spirit and Policy

The company has been established for more than 60 years and has a solid foundation in the power industry. In order to accelerate Taiwan's energy transformation, as a leading electromechanical manufacturer in Taiwan, the company take the lead in responding to the government's net zero carbon emission policy, actively stepping into green energy development, and looking forward to build a complete energy business map, providing customers and industries with all-round green energy solutions. As a leading electrical machinery manufacturing enterprise in the industry, the company continues to be committed to the practice of sustainable development, and continues to promote technological innovation, energy conservation and carbon reduction, social welfare and other related activities, and embraces the corporate mission of "Taking from the society and using it for the society". It can achieve the vision of co-existence and co-prosperity with the whole society.



### Environment

#### ● Energy Saving and Carbon Reduction

Actively invest in the R&D and application of energy-saving and carbon-reduction technologies to improve energy utilization efficiency and reduce greenhouse gas emissions.

#### ● Green Product

In response to the global net zero carbon emission policy, committed to the research and development of green products to reduce the negative impact on the environment.

#### ● Energy and Pollution Prevention and Control Management

Follow environmental regulations and standards, establish an environmental management system, to reduce environmental pollution and damage.



### Society

#### ● Employee Welfare and Training

Pay attention to the welfare and training of employees, provide competitive salary and benefits and perfect education and training mechanism to ensure the continuous growth of employees.

#### ● Green Supply Chain

Grow together with suppliers and build a green supply chain by promoting green concepts.

#### ● Social Responsibility

Actively participate in public welfare undertakings, support the development of education, culture, sports, medical care and other fields, give back to the society.



### Governance

#### ● Corporate Governance Structure

Establish a sound corporate governance structure to ensure that the company promotes sustainable development decisions and implementation.

#### ● Information Transparency

Pay attention to the interaction and feedback of stakeholders, ensure the openness and transparency of information, and improve the corporate image and reputation.

#### ● Risk Management

Establish a sound risk management mechanism to identify and respond to potential risks early, and reduce the impact of risks to improve the quality of decision-making and ensure the company's stable operations.



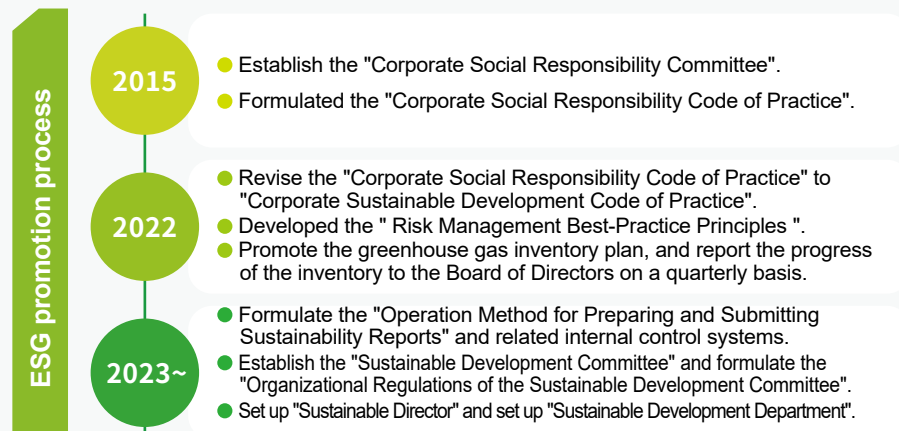
## Sustainability Management Structure

The company is committed to the practice of corporate sustainable management, following the concepts of honest management, steady growth, and sustainable development. In November 2015, the "Corporate Social Responsibility Committee" was established and the "Corporate Social Responsibility Code of Practice" was approved by the Board of Directors to assist the company in fulfilling corporate social responsibility to promote economic, environmental and social progress.

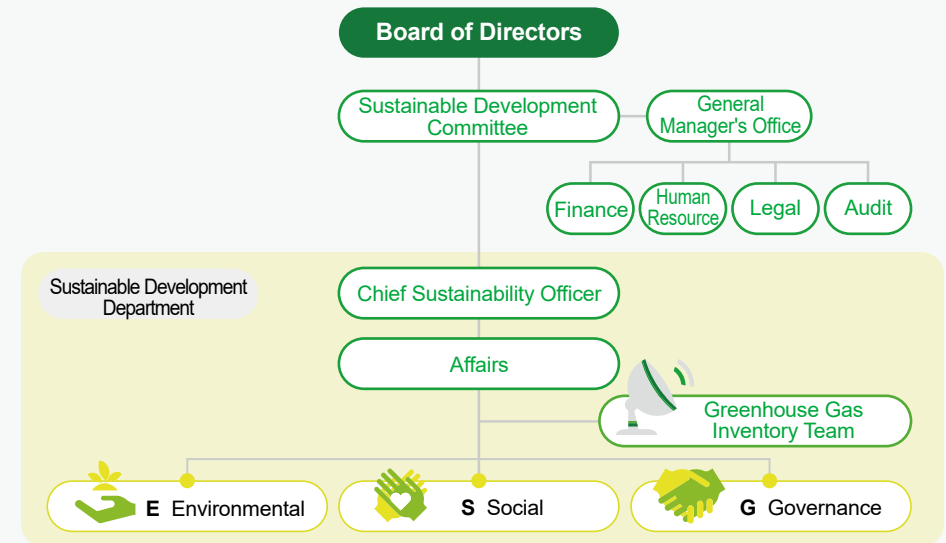
### Operations in 2022

In 2022, the company's Sustainable Development Promotion Team has a Sustainability Report Preparation Team and a Greenhouse Gas Inventory Team. Assistant General Manager Shih, Chin-Yi, the Chief Corporate Governance Officer, is responsible for promoting the formulation and supervision of the implementation of the plan, and regularly reports the operation status to the Board of Directors. In 2022, the number of sustainability proposals submitted to the Board of Directors was 9 times, the communication topics include corporate sustainability plans and goals, supervision and management response strategies for climate-related issues, and promotion of greenhouse gas inventory implementation progress, etc.

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 Sustainable Development Committee has a sustainable development department under its jurisdiction. Yang, Tsun-Ching, the Chief Operating Officer, is also the Sustainable Director. Six Working Groups are divided into three aspects: Environmental Protection (E), Social Participation (S) and Business Governance (G) to promote ESG tasks.



## Organizational Structure for Sustainable Operation




Committee Tasks	Sustainable Development Promotion Team
<ol style="list-style-type: none"> <li>1 Formulate corporate sustainability policies and goals.</li> <li>2 Supervise the achievement of the short, medium and long-term goals of the sustainable operation of the executive committee and team members.</li> </ol>	<ol style="list-style-type: none"> <li>1 Master the tasks of the committee and carry out the work of PDCA.</li> </ol>
Promotion Committee	<ol style="list-style-type: none"> <li>2 Execute the production process and schedule project of the Annual Sustainability Report.</li> <li>3 Regularly track the progress of greenhouse gas inventory and report to the Board of Directors.</li> </ol>
<ol style="list-style-type: none"> <li>1 Carry out various ESG promotion plan improvements.</li> <li>2 Implement the sustainable policy of enterprise management.</li> <li>3 Regularly review the implementation performance to ensure continuous improvement activities.</li> </ol>	

## Committee Functions


### Corporate Governance

- ① Sustainable Organization Strategies
  - ② Operational Risk Management
  - ③ Law Compliance
  - ④ Protection of Shareholders' Rights and Interests
  - ⑤ Internal Audit Management
- 


### Employee Care

- ① Cultivate Outstanding Talents
  - ② Staff Education and Training
  - ③ Reasonable Salary and Performance Appraisal
  - ④ Workplace Health and Safety
  - ⑤ ESG Internal Advocacy
- 


### Environmental Sustainability

- ① Promote Sustainable Environmental Policies
  - ② Energy Saving and Carbon Reduction Management Plan Promotion
  - ③ Waste Management
  - ④ Resource Usage and Management
  - ⑤ Pollutant Discharge and Management
- 


### Social Welfare

- ① Community Management
  - ② Charity Feedback
  - ③ Promotion of Employee Public Welfare Activities
- 

### Supply Chain Management

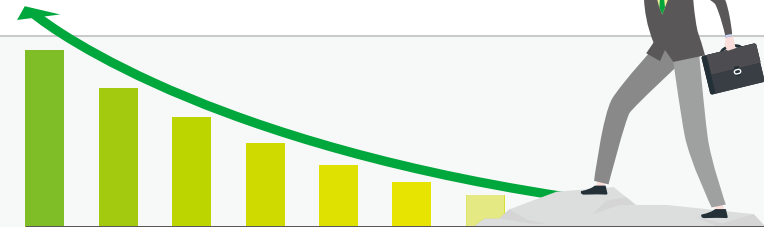
- ① Supplier Evaluation
  - ② Supplier Audit and Risk Management
  - ③ Raw Material Traceability Management
- 

### Customer Service

- ① Product Safety and Service
  - ② Handling of Customer Complaints
  - ③ Customer Contact and Communication
  - ④ Customer Satisfaction Survey
- 

## Highlights of 2022 ESG Issues Presentation to the Board of Directors

Board Date	Motion Content
2022/3/10	<ul style="list-style-type: none"> <li>Amendments to the "Code of Corporate Governance Practice" and "Code of Ethical Conduct"</li> </ul>
2022/5/11	<ul style="list-style-type: none"> <li>Amend the "Corporate Social Responsibility Code of Practice" to "Corporate Sustainable Development Code of Practice"</li> <li>Greenhouse gas inventory and verification schedule planning report</li> </ul>
2022/8/5	<ul style="list-style-type: none"> <li>Sustainability Report content report</li> <li>The company's supervision and management response strategies for climate-related issues                             <ol style="list-style-type: none"> <li>(1) Report on the Company's Governance of Climate-related Risks and Opportunities</li> <li>(2) Environmental, social, corporate governance risk assessment and formulation of management policies</li> </ol> </li> <li>Greenhouse gas inventory and verification schedule planning report.</li> </ul>
2022/11/9	<ul style="list-style-type: none"> <li>The stock affairs committee is handled by the professional stock affairs agency</li> <li>Formulation of the "Risk Management Code of Practice"</li> <li>Donate to Memorial Foundation of Mr. Ching-Teh Hsu</li> <li>Greenhouse gas inventory and verification schedule planning report</li> </ul>

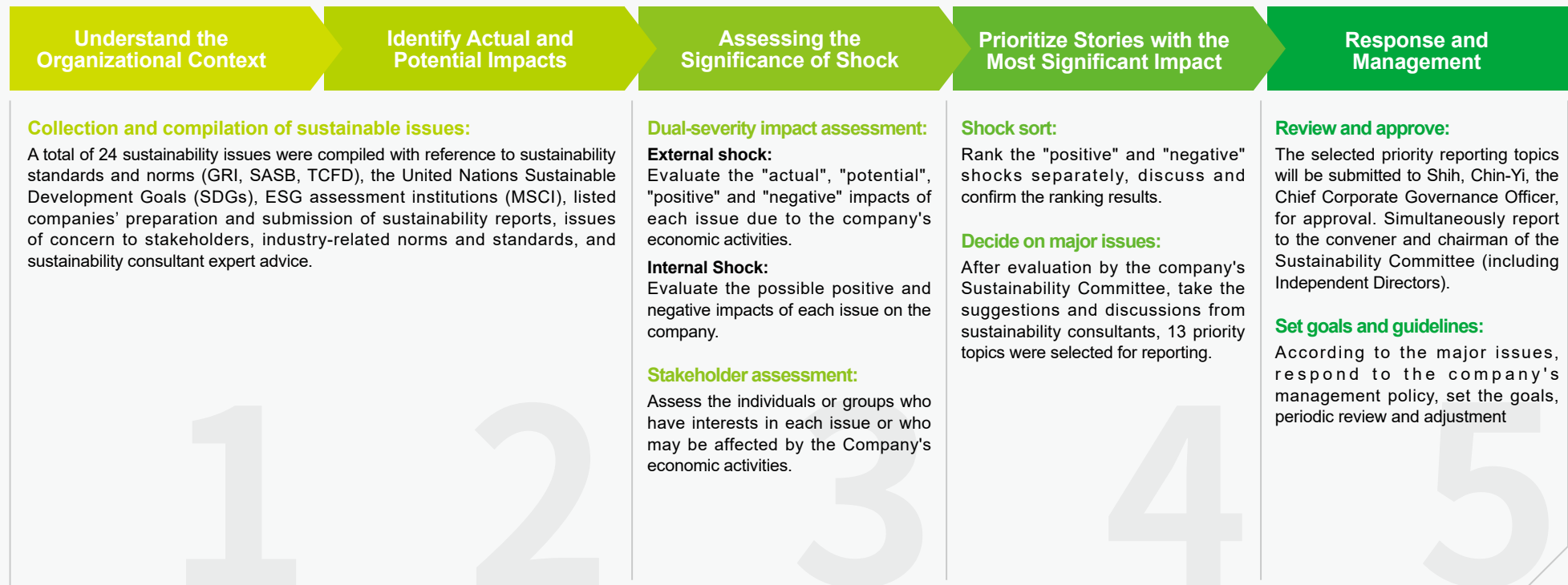




## 1.2 Materiality Analysis

### Materiality Analysis

Based on the GRI Guidelines, the AA 1000 SES Stakeholder Agreement Standard and the AA 1000 AP Accountability Standard, the company has developed a materiality analysis framework to identify major sustainable issues. In addition to being used in the compilation of this report, it is also the reference basis for the company to develop long-term sustainable goals and strategies. In 2022, the company follows the latest version of GRI guidelines: GRI 3 Major Themes 2021 Disclosure Principles, readjusts the major theme assessment process, and changes it to "the degree of actual or potential impact of the company's economic activities on the external economy, environment, and human (rights)" as the evaluation principle, and adds "the possible impact on the company's sustainable operation" for evaluation, in order to echo the double materiality principle proposed by the European Union (double materiality), so that it can better understand the company's economic activities. The degree of substantial impact on the outside and inside. Based on the evaluation results, a total of 13 priority reporting issues were selected this year as the basis for the company's priority response and formulation of short-, medium-, and long-term sustainable goals, helping SEEC to formulate a management policy that is more in line with the expectations of stakeholders.



## Sustainability Issue Collection And Compilation

With reference to sustainability standards and norms (GRI, SASB, TCFD), the United Nations Sustainable Development Goals (SDGs), ESG assessment institutions (MSCI), operating methods for the preparation and submission of sustainability reports by listed companies, issues of concern to stakeholders, industry-related norms and standards, and expert advice from sustainability consultants, etc., there were a total of 24 sustainability issues compiled.

Collection of Sustainable Issues	GRI	SASB	TCFD	SDGs	Regulatory Requirements	Topics of Stakeholders Concerned	Industry Trend
	31 Sustainable Themes	Electrical and Electronic Equipment Industry 12 Questions of Accounting Indicators	Climate-Related Financial Disclosures	United Nations Sustainable Development Goals	Operation method of the listed companies prepare and submit Sustainability Reports	The issues of stakeholders concerned, The advice of sustainable consultant	Industry-related norms and standards such as peers and benchmarking enterprises
Compilation of Sustainable Issues	<ul style="list-style-type: none"> <li>Product Lifecycle Management</li> <li>Water Resources</li> <li>Energy and Emissions</li> <li>Air Pollution</li> <li>Waste Management</li> <li>Biodiversity</li> </ul>	E		<ul style="list-style-type: none"> <li>Talent Development and Retention</li> <li>Employee Diversity and Equal Opportunity</li> <li>Employee Rights and Benefits</li> <li>Occupational Safety and Health</li> <li>Product Quality and Safety</li> <li>Information Security and Management</li> <li>Social Participation</li> </ul>	G		

## Impact Assessment of Sustainability Issues

Following the 2021 disclosure principle of GRI 3 major themes, the company sequentially evaluates the internal and external impact assessments of the 24 sustainability issues after compilation. The evaluation method is explained as follows:

### Impact Significance Assessment

#### External Impact

Assess the **impact (or potential impact)** of each issue on **the economy, the environment, and people (including their human rights)**, issues related to human rights will be add to aggravate points.

- Assessing the Significance of Negative Shocks ➡ Severity (scale, scope and ease of remediation), Possibility
- Assessing the Significance of Positive Shocks ➡ Scale and Scope, Possibility
- Actual Impact ➡ Evaluate the significance based on whether there was an actual shock event in 2022.
- Potential Impact ➡ Estimate the significance of potential shock events in the future.

#### Internal Shock

Evaluate the possible positive and negative impacts of each issue on the company.

#### Materiality Score

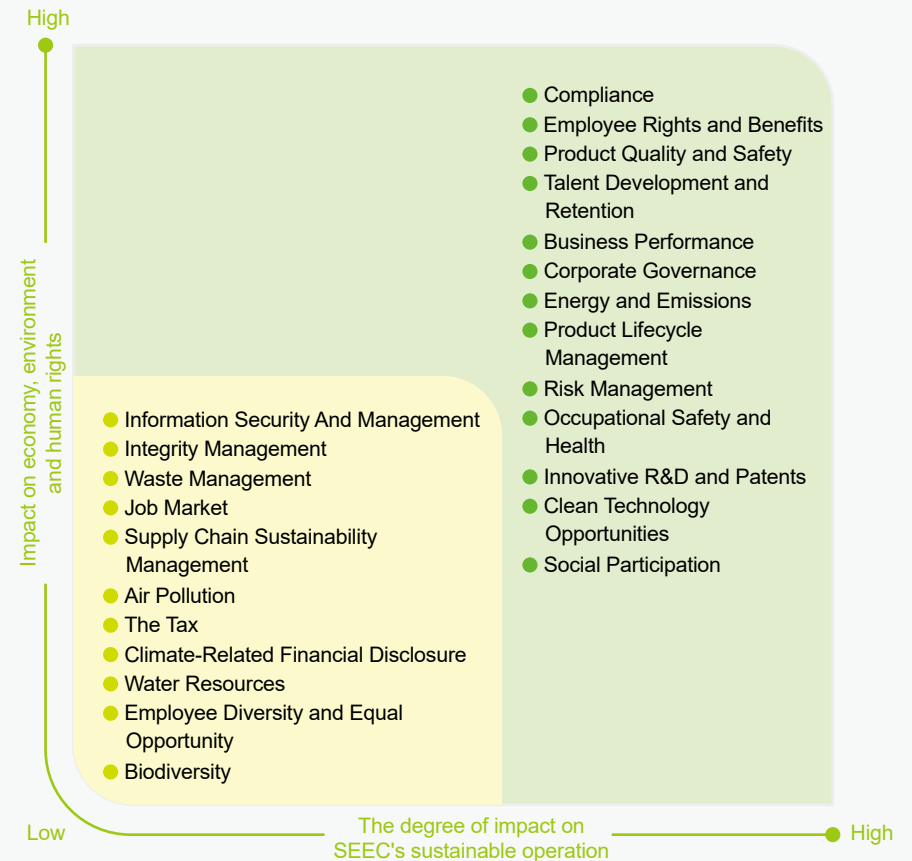
- Negative Shock Materiality Score:  
External Negative Impact (Severity X Possibility) X Internal Negative Impact
- Positive Impact Materiality Score:  
External Positive Impact (Scale and Scope X Possibility) X Internal Positive Impact

#### Affected Stakeholders

- Evaluate the individuals or groups whose interests are or may be affected by the company's economic activities for each issue.

## Confirmation of Major Issues

Rank the "positive" and "negative" impacts separately, discuss and confirm the ranking results, and set thresholds. After evaluation by the company's Sustainability Report Preparation Team and suggestions and discussions from sustainability consultants, 13 priority reporting issues were selected and submitted to the Chief Corporate Governance Officer for approval as major issues for the year, responding to the company's management policy, and setting goals for regular review and adjustment.



## List of Major Issues

Major Issues Response Chapter	Theme Description	Description of Negative Shocks	Description of Positive Shocks	Involvement	Sustainability Guidelines Echo
Compliance <b>2.4 Integrity Management</b>	Establish a compliance code and effectively communicate the company's compliance policy to all employees	Compliance with laws and regulations is the most basic social responsibility of the company. Although SEEC has been fined for violations of regulations in recent years, there have been no major violations or major negative news	SEEC always follows the law and has a good image	●	GRI GRI 2-27
Employee Rights and Welfare <b>5.1 Human Rights Management</b> <b>5.3 Employee Salary and Welfare</b>	<ul style="list-style-type: none"> <li>Establish employee human rights policies and labor-management communication channels to prevent violations of labor laws and international human rights initiatives, including the shortest notice period for company operating changes, child labor, freedom of association, etc.</li> <li>Employee benefits, employee care, parental leave and other measures that are superior to basic laws and regulations</li> </ul>	SEEC has not violated the rights and interests of employees in recent years, nor has there been any labor disputes	The company has a good relationship with employees, and provide employee welfare that are superior to laws and regulations, to protect employee's due rights	●	GRI 202 Market Position (202-2) 401 Employment Relations (401-2, 401-3) 402 Labor Relations 407 Freedom of Association and Group Negotiation 408 Child Labor 409 Forced and Compulsory Labor MSCI - Industrial Machinery Industry Labor Management
Product Quality and Safety <b>3.1 Product Safety and Liability</b>	Product health and safety issues, problem product recall mechanism and product safety labeling, including quality, safety, and hazardous substances (such as quality management system, hazardous substances, safety issues, etc.)	SEEC strictly controls product quality, and there has been no major negative impact in the past three years	SEEC has a "Quality Assurance & Production Engineering Division", which consists of a "Quality Assurance Promotion Department" and a "Production Development Division" to strictly control product quality and pass a number of system certifications to continuously build core capabilities and ensure product quality	● ■	GRI 416 Customer Health and Safety 417 Marketing and Labeling SASB - Electrical and Electronic Equipment Industry Product Safety Product Lifecycle Management
Talent Training and retention <b>5.4 Talent Training and Development</b>	The company's working conditions and opportunities (for example: the proportion of local management personnel, the starting salary of grassroots personnel, new hires and retention, pensions, etc.), training and promotion of employee function management, regular performance and career development reviews, transition plans for employees who retire or terminate their employment relationship	In 2022, the turnover rate of all SEEC employees was 12%, and the turnover rate of all age groups was similar to last year. In order to reduce the turnover rate, regular care is given to the new colleagues, and the resigned colleagues are interviewed by the supervisor to understand the reasons and make statistics to evaluate the improvement plan	In order to attract and retain excellent talents, SEEC participates in the salary market survey of well-known management companies every year to provide a good and competitive overall salary, and strictly abide by the requirements of government labor-related laws and regulations, provide benefits that are superior to laws and regulations, and attach importance to talent training and cultivation to protect the rights and interests of all workers	●	GRI 401 Employment Relations (401-1) 404 Training and Education (404-1, 404-3) MSCI - Industrial Machinery Industry Labor Management SDG 4.5 Eliminate Gender Inequality In Education
Operation Performance <b>2.2 Operational Overview</b>	Financial performance of the company's operations, the financial subsidies from the government	SEEC holds internal management meetings every month to review the operation status of the department, and actively conducts review and improvement, so there is no major negative impact	SEEC establishes complete strategies and management actions to improve operational performance and achieve sustainable and steady growth of the enterprise. In 2022, the revenue grew steadily and the performance was outstanding	●	GRI 201 Economic Performance (201-1, 201-4)

Note: The degree of involvement if there is an actual negative impact ● Cause ■ Contributing ▲ Directly related

Major Issues Response Chapter	Theme Description	Description of Negative Shocks	Description of Positive Shocks	Involvement	Sustainability Guidelines Echo
Corporate Governance 2.3 Corporate Governance	Establish the Corporate Governance Best Practice Principles and enhance the sustainable management capabilities and responsibilities of the Board of Directors	The Board of Directors is the highest level of guidance, strictly abides by the laws and regulations of the competent authority, and has no management incapacity or poor governance	SEEC participated in the TCSA Taiwan Corporate Sustainability Award and won the Silver Award, and ranked among the top 36~50% in the 10th Corporate Governance Evaluation	●	GRI GRI 2:Governance MSCI - Industrial Machinery Industry Corporate Governance
Energy and Emissions 4.2 Energy and Greenhouse Gas Management	Introduce energy management and greenhouse gas emission management systems, and set up relevant management objectives	Although SEEC is not a major carbon emitter, its business operations will generate greenhouse gas emissions, which will cause global warming	SEEC is committed to energy saving and carbon reduction. In addition to designing high-energy-efficiency products, and implementing the reduction of carbon emissions in the production process	●	GRI 302 Energy (302-1, 302-3, 302-4) 305 Emissions (305-1, 305-2, 305-4) SASB - Electrical and Electronic Equipment Industry Energy Management
Product Lifecycle Management 3. Product Responsibility and Supply Chain Management	The company's product life cycle management includes raw material stages (renewable materials, recycled and reused raw materials, reduction of raw materials), manufacturing stages (low-carbon production, reduced energy use), distribution stages (more energy-efficient logistics methods), use stages (renewable energy-related products, high-efficiency energy-saving products, such as Energy Star), product waste stages (end product recycling mechanism), etc., to reduce the overall carbon footprint	SEEC is committed to R&D and innovation of energy-saving products, and continues to invest in green research and development to reduce the impact of life cycle stages	SEEC actively develops high-efficiency energy-saving products, manufactures and produces lower-carbon products with more optimized designs and high-quality raw materials. The ISO 14067 carbon footprint verification of oil-immersed amorphous and high-efficiency transformers was completed in 2017. The carbon footprint update is expected to be completed in 2023	● ■	GRI 302 Energy (302-5) SASB - Electrical and Electronic Equipment Industry Product Lifecycle Management SDG 12.5 Waste Prevention and Reduction
Risk Management 2.5 Risk Management	Operation of risk management and internal audit system	In accordance with the requirements of enterprise risk management and the structure of TCFD, establish a risk management system to regularly conduct operational and climate change risk assessments, formulate follow-up corresponding strategies to reduce operational impacts	The company Established a code of practice for risk management in 2022, and regularly estimated the opportunities and risks for operational and climate change risks in accordance with the TCFD framework. The company's risk control will be more perfect	●	GRI 201 Economic Performance (201-2) SASB - Electrical and Electronic Equipment Industry Purchase
Occupational Safety and Health 5.5 Workplace health and safety	Occupational safety and health management, such as occupational accidents, occupational diseases, health promotion, health inspection, work environment safety, occupational safety accidents (such as fire, chemical leakage)	In the past three years, there has been one work-related accident. The company has completed improvement measures to avoid the recurrence of the same incident. In addition, the company has had no major occupational accidents and industrial safety accidents in recent years	The company introduces ISO 45001, arranges employee health checks every year, and arranges a number of health promotion activities to provide employees with a healthy and safe workplace	● ■ ▲	GRI 403 Occupational Health and Safety SDG 8.8 Protect Labor Rights and Promote Safe Working Environment

Note: The degree of involvement if there is an actual negative impact ● Cause ■ Contributing ▲ Directly related

Major Issues Response Chapter	Theme Description	Description of Negative Shocks	Description of Positive Shocks	Involvement	Sustainability Guidelines Echo
Innovative R&D and Patents 3 Product Responsibility and Supply Chain Management	New product and new technology research and development, patent acquisition, and management system	The company is committed to innovative research and development of new technologies and patent layout. There are no related negative incidents have occurred in recent years	Through the introduction of new products and new technologies, further increase the number of patent applications of SEEC, improve the technical strength and competitiveness of enterprises	● ■	GRI 302 Energy (302-5)
Clean Technology Opportunities Special Edit of Shihlin Electric Green Power Co., Ltd.	Clean technology innovation capability, development plan and income generated by clean technology, including energy-saving products, green research and development, alternative energy, etc	SEEC is committed to the development and application of energy-saving and green products, making positive contributions to the environment and climate change	As the leader of Taiwan's Heavy Electric Industry, SEEC has successively launched green energy and energy-saving related products based on the protection of earth resources and social environment responsibilities. In 2022, the company established the " Shihlin Electric Green Power Co., Ltd. ", committed to creating a comprehensive solution for green energy systems	● ■	MSCI - Industrial Machinery Industry Clean Technology Opportunities SDG 7.a Improve Access To Clean Energy and Technology, and Promote Energy Infrastructure and Investment 11.2 Provide a Safe and Sustainable Transportation System
Social Participation 6 Charity Care and Social Participation	Related to the company's social participation, infrastructure construction and investment, volunteer service, social welfare, community negotiation, impact assessment of operating communities	SEEC implements social welfare and care, with positive contributions and influence	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 duty, and creates more positive influences for the society	●	GRI 203 Indirect Economic Shocks (203-1) 413 Local Communities (413-2) SDG 9.4 Upgrading Infrastructure

Note: 1.The degree of involvement if there is an actual negative impact ● Cause ■ Contributing ▲ Directly related

2.Compared with the previous year, due to the adjustment of the evaluation method of major issues, and the compilation of issues this year with reference to sustainability standards and norms, the main difference between the identification results of major issues in 2021, is "water and drainage", "information security and management" have been reduced to the general issues, and "corporate governance", "risk management", and "regulatory compliance" have been added as major issues for this year.










## 1.3 Stakeholder Negotiation and Communication

The company attaches great importance to the communication with stakeholders, and deeply understands that each stakeholder plays a pivotal role and can affect the realization of organizational goals. Paying attention to the opinions of stakeholders helps to draw a clear vision and confirm the roles that SEEC should play at different levels, thereby promoting sustainable strategies and creating shared value. Through the discussion of stakeholders, the topics with risks, opportunities, and major impacts are selected from a wide range of issues, allowing managers to allocate resources most effectively under limited resources, and plan short-, medium-, and long-term sustainable development strategies, while transparently disclosing positive and negative information.

### Stakeholder Identification and Communication

The company refers to the five principles of "Dependence, Responsibility, Influence, Diversified Views, and Tension" of the AA1000 Stakeholders' Negotiation Standards (SES). The reorganization of the relationship is "Individual or group who refers to the impact (influence) of the equity or may be impacted by the organizational activity", and at the "Sustainable Impact Assessment Evaluation" stage, at the same time evaluate the individual or group that may affect each perpetual issue, and then summarizes the 2022 interest relationship groups in accordance with its degree of influence, including: employees, customers, shareholders / investors, business partners (suppliers, dealers, outsourcing vendors), financial institutions, communities (non -governmental organizations / non -profit organizations / disadvantaged groups), and government agencies have been exchanged through multiple pipelines to understand the expectations of stakeholders.

Major Issues	Significance to SEEC	Focus on Issues	The actual implementation situation and frequency in 2022
 Employee	Employees are the cornerstone of the company's success, and the professional skills, knowledge and attitudes of employees determine the company's operating capabilities and development potential. SEEC attaches great importance to talent training, incentives and welfare to ensure the company's continuous development and success.	<ul style="list-style-type: none"> <li>● Labor Management</li> <li>● Training and Education</li> <li>● Economic Performance</li> <li>● Occupational Safety and Health</li> <li>● Talent Development and Retention</li> </ul>	<ul style="list-style-type: none"> <li>● Labor conference/ Once a quarter</li> <li>● Union meetings/ Once every 2 months</li> <li>● Occupational safety and health committee / Once a quarter</li> <li>● Employee welfare committee / Once a quarter</li> <li>● Symposium for newcomers and senior executives / Once every six months</li> <li>● Symposium for people at all levels / Irregular</li> <li>● SEEC bi-monthly magazine / Every 2 months</li> <li>● Human resources service mailbox, appeal system / Immediate</li> </ul>
 Customer	Changes in customer needs and market trends drive companies to innovate. SEEC is committed to providing customers with high-quality products. At the same time, through multiple channels, the company understand customers' expectations for SEEC products, in order to make products/services more in line with customer needs.	<ul style="list-style-type: none"> <li>● Innovative, Research and Development</li> <li>● Information Security and Management</li> <li>● Business Performance</li> <li>● Integrity Management</li> <li>● Socioeconomic</li> <li>● Regulatory Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Customer Satisfaction Survey / Once a year</li> <li>● Customer visits / Irregular</li> <li>● Domestic and foreign exhibitors / Irregular</li> <li>● Official website, media / Update as needed (APP, product CD, catalog, FB fan page)</li> <li>● Customer Service Line &amp; After-sales Service Line: Immediately</li> </ul>
 Share holder / Investor	Shareholders' recognition of the company is the key force to support the sustainable operation and long-term development of the enterprise. SEEC is committed to maintaining good communication with shareholders and incorporating high-quality opinions into the company's operating policy, hoping to make the company's development direction continue to be recognized by shareholders, so as to lay the foundation for the company's stable operation.	<ul style="list-style-type: none"> <li>● Economic Performance</li> <li>● Integrity Management</li> <li>● Risk Management</li> <li>● Innovative Research and Development</li> <li>● Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Shareholders' Meeting / Once a year</li> <li>● Corporate information session / At least once a year</li> <li>● Annual Report of Shareholders Meeting / Once a year</li> <li>● Public Information Observatory / Immediately</li> <li>● Company Website Investment Zone / Immediately</li> <li>● Stock Agency / CTBC Bank Co., Ltd. / Transfer Agent</li> <li>● Tel: (02) 6636-5566</li> <li>● Address: 5F., No. 83, Sec. 1, Chongqing S. Rd., Taipei City, Taiwan</li> </ul>

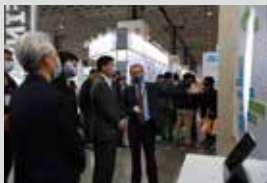
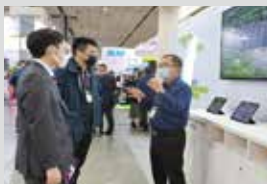
Major Issues	Significance to SEEC	Focus on Issues	The actual implementation situation and frequency in 2022
 <b>Business Partners</b>	Business Partners include suppliers, dealers, outsourcing vendors and other third-party manufacturers. They are an indispensable part of the supply chain and are revolutionary partners who can coexist and prosper with SEEC.	<ul style="list-style-type: none"> <li>● Innovative Research and Development</li> <li>● Business Performance</li> <li>● Marketing and Labeling</li> <li>● Procurement Practice</li> <li>● Integrity Management</li> </ul>	<ul style="list-style-type: none"> <li>● Supplier evaluation / Irregular</li> <li>● Annual supplier assessment / Once a year</li> <li>● Supplier counseling / As needed</li> <li>● Dealer's seminars and education &amp; training / Irregular</li> <li>● Motor Technician Seminar / Irregular</li> </ul>
 <b>Financial Institutions</b>	Financial Institutions provide enterprises with financial support and risk management tools and services, which help SEEC expand its business, reduce financial risks, improve capital flow efficiency, and achieve steady development of the enterprise.	<ul style="list-style-type: none"> <li>● Business Performance</li> <li>● Product Quality and Safety</li> <li>● Risk Management</li> <li>● Innovative Research and Development</li> <li>● Legal Compliance</li> </ul>	<ul style="list-style-type: none"> <li>● Corporate information session / At least once a year</li> <li>● Business interview meetings / irregular</li> <li>● Seminars for Financial Institutions / Irregular</li> </ul>
 <b>Community</b>	Enterprises need to pay attention to the needs and interests of the community, minimize negative impacts, and actively promote the development and prosperity of the community. Establishing a good relationship with the community can help SEEC establish a good corporate image and enhance the sustainable competitiveness of the company.	<ul style="list-style-type: none"> <li>● Corporate Governance</li> <li>● Legal Compliance</li> <li>● Occupational Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>● Industrial zone service center / Irregular</li> <li>● Industrial area zone defense / Once per season</li> <li>● Volunteer activities and public welfare activities / Irregular</li> <li>● Local arts and cultural activities / Irregular</li> <li>● Phone or Complaint Line / Immediately</li> <li>● Company website setting communication mailbox / Immediately</li> </ul>
 <b>Government Agencies</b>	Government agencies formulate the laws and regulations that enterprises are subject to follow, and supervise the compliance of enterprises, provide guidance and suggestions on environmental protection, energy and resource use, labor rights, etc., which are crucial to the sustainable operation of SEEC.	<ul style="list-style-type: none"> <li>● Legal Compliance</li> <li>● Risk Management</li> <li>● Business Performance</li> </ul>	<ul style="list-style-type: none"> <li>● Government agency symposium and training course / Irregular</li> <li>● Official correspondence / irregular</li> </ul>



## Activities of Stakeholder Communication

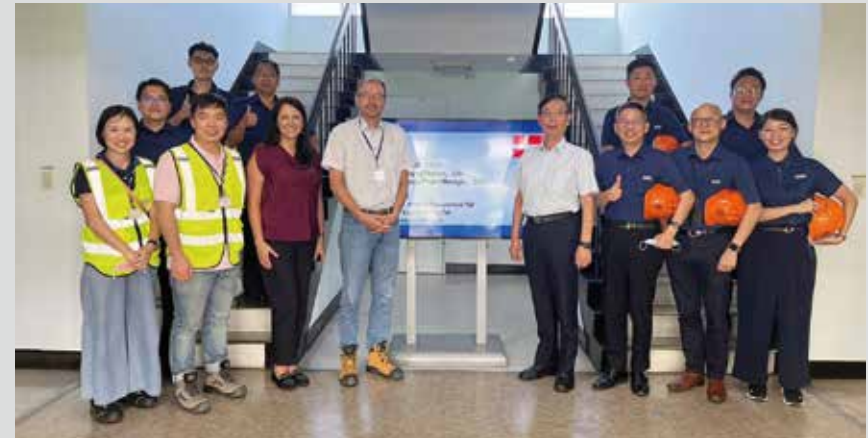
### Exhibitors

In 2022, SEEC participated in a number of large-scale exhibitions, the most representative of which was the "Energy Taiwan 2022- Perfect Business Platform for Renewable Energy" exhibition organized by the International Semiconductor Industry Association (SEMI) and the Taiwan External Trade Development Council (TAITRA) in mid-October. SEDI displayed the achievements of the company's green energy transformation plan in recent years in this exhibition, and is committed to creating a comprehensive solution for green energy systems. In this nationwide exhibition, all domestic upstream, midstream and downstream manufacturers of renewable energy are gathered. We also make good use of this exchange platform where supply and demand gather, and take this opportunity to conduct in-depth exchanges with business partners, potential customers and all sectors of the industry.



### Copenhagen Infrastructure Partners P/S(CIP) & Fan Manufacturer (Vestas) Visit the Heavy Power Plant

Offshore wind power has entered the third stage of block development in 2022. According to the statistics of the Environmental Protection Agency, there are currently 6 major developers investing in it one after another, among which, CIP is the top 3 developers. It is a great honor to invite CIP and Vestas to visit the SEEC Heavy Power Plant. Under the warm and professional reception of Chief Operating Officer Yang and General Manager Guo, the CEO of CIP Dennis Sanou and the executives of CIP & Vestas who attended the meeting were all deeply impressed by the production process and quality control process of SEEC. During the meeting, the CEO of CIP Dennis Sanou also shared the future plans, and he talked a lot about deepening the localization. The purpose of this trip is not only to deepen the relationship between the supply chain, but also to deepen the understanding of Taiwan's industrial technology capabilities through actual visits. Both sides benefited a lot.



### Concerned About the Knowledge of Electricity Safety for All Citizens

Hidden dangers everywhere in household electricity, especially in houses over 20 years old. In addition to overloading the electricity, humid environments such as bathrooms, kitchens, and balconies in the home are likely to age electrical equipment casings, resulting in degradation, deterioration, or damage to insulation performance. It is also the main factor that causes shock hazards, electric leakage, and even fires. Even if old houses are refurbished and replaced with new furniture and appliances, most people often neglect to replace the old distribution boxes and water and electricity pipelines. It is recommended that all pipeline switches be updated to avoid leakage and tripping caused by blockage, damage, and exposure due to old age, resulting in loss of personnel and property.

As a leading brand in the domestic electrical machinery industry, it is the social responsibility of the Company to protect the safety of household electrical appliances. The company has specially set up an "Electricity Safety Website" to provide publicity related to the electricity safety. Taking the electricity safety as the own responsibility, SEEC becomes the patron saint of households and ensure safe use of electricity.



Let you use it at ease, use it safely assured  
"Safe use of electricity, use SEEC"



Power Switch Box



Wet Space / Outdoor Balcony



Indoor and Outdoor Switch Socket



Access Control / Security Monitoring



Kitchen and Bathroom Appliances



Charging Energy Storage System

### Communicate and Interact with Distribution Partners

In 2022, SEEC was led by senior executives to visit dealers in the Automation Business Group. In addition to greetings each other with the distribution partners, SEEC also specially customized thanks gifts. In order to impress the distribution partners, a wooden wireless charging plate was selected, engraved with the name of the dealer and the name of the person in charge, and the 2022 dealer authorization certificate was properly placed in the gold-stamped leather case to express SEEC's value and gratitude to the dealer partners.



### Exchange Meeting on ESG Issues with Customers

Taipower Company has a core position in Taiwan's electricity supply chain and is also a very important customer of SEEC. Facing the challenges of global energy transition, both parties play important roles in achieving the goals of green and sustainable development. In November 2022, SEEC executives communicated with Taipower executives on ESG issues, sharing SEEC's strategies and achievements on sustainable development issues, including the introduction of new-generation energy-saving / green energy products, the introduction of green energy/environmental protection materials, and the planning and development of future green power businesses. Taipower Company also gave high praise of SEEC's efforts in promoting ESG.



# Operations and Governance



## Major Issues — Business Performance Risk Management Corporate Governance Compliance

**Importance to SEEC** — Risk management, corporate governance operations, and compliance with laws or regulations are the cornerstones of the company's sustainable development. Through good operation and regulation, the sustainable operation of the company can be ensured, and the interests of shareholders and stakeholders can be protected.

**Strategy/Goal** —

Short-term 1-3 years	Medium/long-term 3-5 years
<ul style="list-style-type: none"> <li>Respond to government energy policies, promote green transformation, and grasp green business opportunities.</li> <li>Strengthen cooperation with green energy strategic partners.</li> <li>Establish a risk management promotion organization.</li> <li>Increase communication channels and frequency with stakeholders.</li> </ul>	<ul style="list-style-type: none"> <li>Create a comprehensive solution for green energy systems.</li> <li>Establish a corporate culture with risk management awareness.</li> <li>Top 20% in corporate governance evaluation.</li> </ul>

**Sustainability Contribution in 2022** — **Specific Actions**

- To establish the Shihlin Electric Green Power Co., Ltd. to promote green transformation.
- Assess the risks brought by climate change in the next 1-3 years.
- Each department evaluates risks and opportunities according to the annual plan.
- Review and improve practices based on corporate governance assessments.
- Report the committee operation, performance evaluation and review to the board of directors on a quarterly basis.
- Strengthen the disclosure of information on the company's official website.

### Performance Results

- Consolidated revenue in 2022 was NT\$30,758 million, an increase of 11% compared to 2021.
- 7.4% shareholders' return in 2022.
- Approved by the Board of Directors to update the "Risk Management Code of Practice".
- Approved by the Board of Directors to revise the "Handling Procedures of Internal Material Information".
- 100% training hours for all directors.
- The internal performance evaluations of the board of directors and functional committees are all excellent, and the overall operation is good.
- The average attendance rate of all directors of the board of directors every quarter reaches 100% (including proxy attendance).
- Every year, all new recruits are trained on legal compliance and professional ethics.
- No major violations of social and economic regulations or fines.



## 2.1 Company Profile

The Company was founded in 1955, focusing on the research and development and manufacturing of power-related products, with more than 60 years of deep roots and excellent technology, constantly improving product quality and service, and providing a complete product line, widely used in steel, metallurgy, Chemical, electric power, electronics, construction and commerce, public works, automobile and locomotive components, household livelihood and many other industries and fields, adhere to the spirit of quality first, continue to improve, from power system planning, complete sets of equipment, low-voltage electrical appliances to industrial control products, provide TOTAL SOLUTION meets the needs of customers for products and services, and through strategic alliances with major international manufacturers, completes core competitiveness, forge ahead, strives for excellence, and has strong strength to compete in the international market.

With its excellent independent manufacturing technology as its competitive advantage, the Company leverages the advantages of R&D, design and resources of Japanese partners such as MITSUBISHI ELECTRIC, MITSUBA ELECTRIC, PANASONIC INDUSTRIAL DEVICES SUNX, etc., to jointly improve product development and core manufacturing capabilities to create new business opportunities.

1955  
士林電機 Shihlin Electric

### Basic Information of SEEC

Company Name	Shihlin Electric & Engineering Corporation
Established Date	November 03, 1955
Chairman	Emmet Hsu
Ownership and Legal Form	Listed (stock code 1503)
Paid-in Capital	NT\$ 5.2 billion
Consolidated Revenue	NT\$ 30,758 million
Total Number of Employees	3,923 (including overseas areas) 2,069 (Taiwan area)

### Operating Base

Taiwan	<ul style="list-style-type: none"> <li>Automobile Equipment Business Group</li> <li>Heavy Electric Business Group</li> <li>Breaker &amp; Switchgear Business Group</li> <li>Automation Business Group</li> </ul>	<ul style="list-style-type: none"> <li>Taipei Branch</li> <li>Hsinchu Branch</li> <li>Taichung Branch</li> <li>Tainan Branch</li> <li>Kaohsiung Branch</li> </ul>
China	<ul style="list-style-type: none"> <li>Changzhou Shihlin Auto Parts Co., Ltd.</li> <li>Changzhou Mitsubishi Electric Shihlin Automotive Co., Ltd.</li> <li>Changzhou Shihlin Mitsuba Electric &amp; Engineering Co., Ltd.</li> <li>Wuxi Shihlin Electric &amp; Engineering Co., Ltd.</li> <li>Mitsuba Shihlin Electric (Wuhan) Co., Ltd.</li> <li>Xiamen Shihlin Electric &amp; Engineering Co., Ltd.</li> <li>Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd.</li> <li>Shihlin Electric (Suzhou) Power Equipment Co., Ltd.</li> <li>Suzhou Shihlin Electric &amp; Engineering Co., Ltd.</li> <li>Shihlin Technology (Shenzhen) Co., Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>Shenzhen Branch</li> <li>Xiamen Branch</li> <li>Shanghai Branch</li> <li>Qingdao Branch</li> <li>Beijing Branch</li> <li>Shenyang Office</li> <li>Changchun Office</li> <li>Harbin Office</li> <li>Tianjin Office</li> <li>Jinan Office</li> <li>Nanjing Office</li> <li>Chongqing Office</li> <li>Wuhan Office</li> <li>Suzhou Office</li> <li>Hangzhou Office</li> <li>Zhongshan Office</li> <li>Guangzhou Office</li> <li>Chengdu Office</li> <li>Fuzhou Office</li> </ul>
Vietnam	<ul style="list-style-type: none"> <li>Vietnam Shihlin Electrical Engineering Co., Ltd.</li> <li>Shih-lin Electric Engineering Equipment Vietnam Co., Limited</li> </ul>	
U.S.A.		<ul style="list-style-type: none"> <li>Shihlin Electric USA Company Limited</li> </ul>

## Participating Organizations

The Company's participation in the activities of various associations, NGOs, and other organizations such as the Electric Power Association, Intelligent Automation and Robot Association, Machinery Industry Association, etc., to promote domestic and international industry and economic exchanges, and hopes to become a driving force for Taiwan's industry. Mr. Emmet Hsu, chairman of the board of directors, is enthusiastic about promoting economic and cultural exchanges between Taiwan and other countries. Concerning the sustainable development of enterprises, it advocates and promotes environmental protection and resource sustainability obligations. And he is appointed as the supervisor of the Association of Industry and Commerce of the Republic of China, actively supervising the Association to become a communication platform between the government and the business community, integrating the opinions of the business community to provide the government with advice on finance, environment, and society.

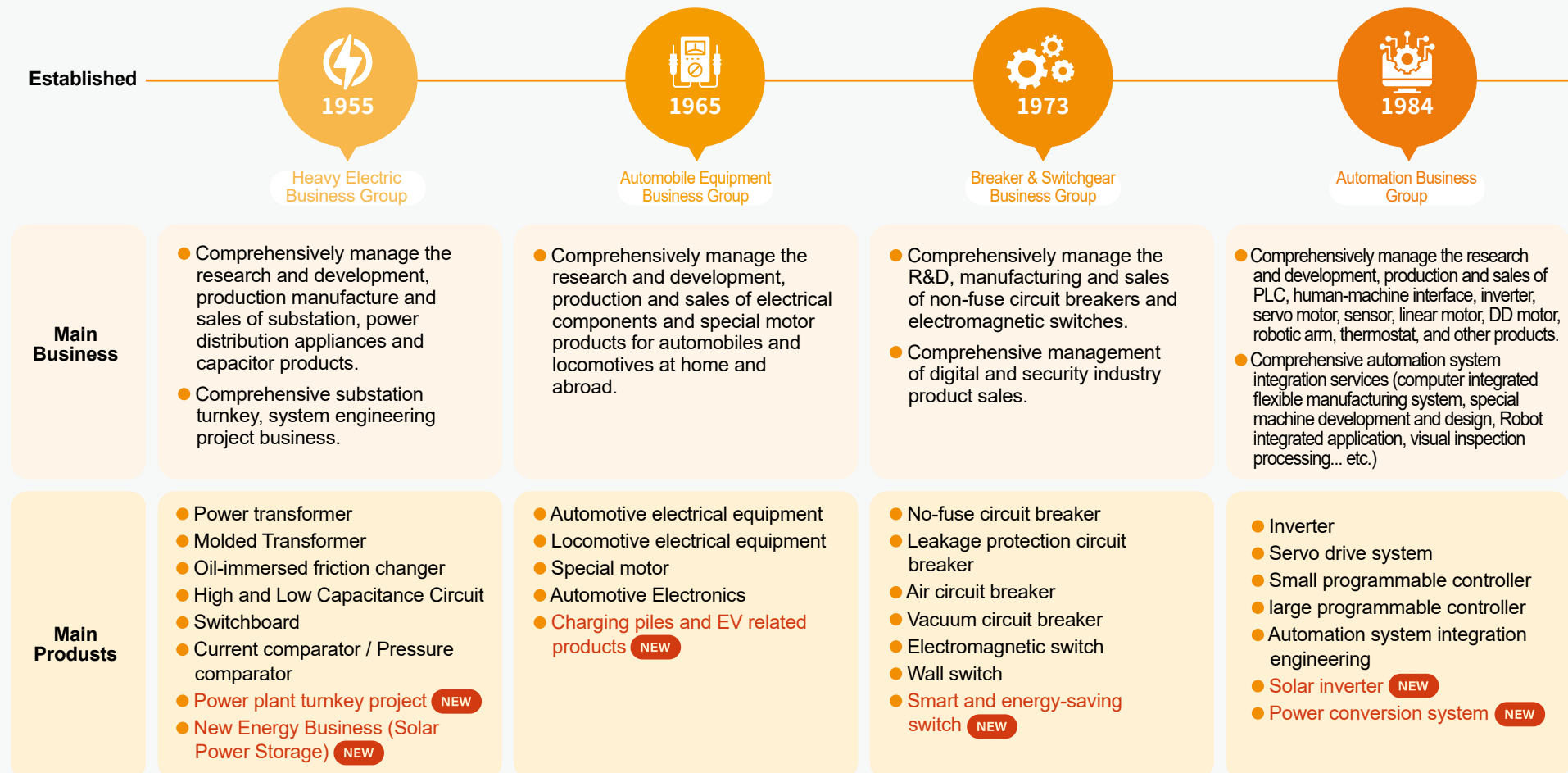
### Participate in External Organization Associations

Taiwan Automobile Industry Association	Taiwan Energy Saving PATROL
Locomotive Research and Development Association of the Republic of China	Chinese Human Resources Management Association
Accounting Research and Development Foundation of the Republic of China	National Cheng Kung University Motor Center Motor Intelligence Alliance
The Environmental Protection Society of the Republic of China	Taipei Metrology & Measurement Association
Taiwan Telecommunications Engineering Industry Association	Internal Audit Association of the Republic of China
Import and Export Commercial Association of Taipei City	China-U.S. Economic Cooperation Council
Taiwan Automotive Electronics Industry Alliance	The Quality Society of the Republic of China
Offering Company Shareholders Association of the R.O.C.	Chamber of Commerce and Industry of the Republic of China
Association of Outstanding Enterprise Managers of the Republic of China	Taiwan Motor Industry Association
Taipei Parking Lot Commercial Association	Taiwan Indian Economic and Trade Association of the Republic of China
Taiwan Electrical Engineering Industry Association	The Third Wednesday Club (San San Fe)
High Efficiency Motor Alliance	Orthographic Marking Association of the R.O.C.
Industrial Safety and Health Association of the Republic of China	Taiwan Die & Mould Industry Association
Taiwan Electronic Equipment Association	Taiwan Electrical and Electronic Industry Association
Taiwan Electric Power and Energy Engineering Association	Power Electronics Association of the R.O.C.
Taiwan Intelligent Automation and Robot Association	Taiwan Machinery Industry Association
Information Managers Association of the Republic of China	

## Main Products and Services

### Total Solution Integrator

The Company's four business groups are Heavy Electric Business Group, Automobile Equipment Business Group, Breaker & Switchgear Business Group and Automation Business Group. The main products are heavy electrical products, automotive electrical equipment, low-voltage switches, industrial control products, engineering integration equipment, digital home appliances (agents), etc.





## Heavy Electric Business Group

In 1955, SEEC began to produce transformers when it was transformed from a public enterprise to a private enterprise. After decades of accumulated experience and active research and development, the company has produced the highest level 345kV 1260MVA ultra-high voltage transformer in the country and is in operation in nuclear power plants. In 2017, the company passed the KEMA242kV200MVA short circuit and type test certification. The products are not only supplied to Taiwan Power Company, but also through the global marketing network of SEEC, to major private customers all over the world, covering the United States, Canada, Australia, the Philippines, ASEAN and other countries, with excellent performance.

In recent years, it has been more actively involved in systemic public engineering integration projects, including the power system Wansong Substation case, the railway electrification project Taiwan Railway South-Loop Railway case and the EMU500 electric multiple train case, etc., and won the government public project gold medal. In terms of technology and engineering quality, it has been affirmed by all social circles. The company pays attention to quality and took the lead in passing the TAF certification. In 2014, it developed a surge-resistant peak-wave transformer (SK TR) to meet the needs of various special loads. The main sales area is Taiwan, followed by the Philippines and North America.

### Intended Purpose of the Products

Production of the highest grade 345kV 1260MVA nuclear energy grade ultra-high voltage transformers, a full range of various transformers and power distribution equipment, supply domestic and foreign large-scale power plants, large technology factories, department stores, complex buildings, mansions and public construction, playing the key role in the power transmission and distribution system.

### Green Power Industry Development

Green power technology is one of the government's "5+2 Industrial Innovation" plans. The Executive Yuan passed the promotion plan on October 27, 2016, among which, solar photovoltaic and wind power generation are the most critical development projects. As a pioneer of power transformation and distribution equipment, the company cannot be absent from the supply chain of the green power industry. The solar power industry that the government has started to promote in recent years and the wind power industry that is actively evaluating and developing. There are products of SEEC added one after another, SEEC is becoming the unsung heroes behind the green power system.

#### Solar Energy

In 2025, it is planned to increase the proportion of renewable energy power generation to 20%, of which the solar photovoltaic accumulative device capacity target is 20GW, including the roof-type setting target of 3GW and the ground-type setting target of 17GW. The development of ground-type booster stations with large device capacity is the goal of many system vendors to grab. In recent years, the company has been actively cooperating with system manufacturers and developing special transformers for solar booster stations. The company has also cooperated with local solar booster station system suppliers in foreign markets, with a view to becoming a green energy pioneer in developing countries.



#### Wind Power

In August 2017, the Executive Yuan approved the "Four-Year Promotion Plan for Wind Power Generation", planning a short-term basis to promote the foundation, establishing mid- and long-term fundamental measures, optimizing the installation environment, and then achieving the goal of 3,000MW offshore wind power installation in 2025. It is hoped that by the promotes energy diversification, to establish independent energy supply, stimulate domestic demand and employment, built a friendly development environment for wind power, and become a new engine driving economic development in the future. Currently, most of the capital and technology of the existing wind power systems are in the hands of foreign capital. In recent years, the government has not only actively developed wind farms, but also hopes to create more business opportunities for local manufacturers in Taiwan and localize the supply chain of wind turbine equipment. The company has been evaluated by many wind turbine equipment manufacturers, and its manufacturing ability and product quality have been well received. In the future, SEEC will be the main player in the localized supply chain.



#### Power Quality Improvement

In the next few years, under the reality that nuclear power plants will be decommissioned one after another and green power has not yet fully made up for the gap, enterprises will have hidden concerns about the insufficient supply of power quality. In recent years, in addition to developing low-energy and high-efficiency products, the company has also targeted different domestic industries and power system quality problems, such as current harmonics, reactive power, three-phase unbalance, and voltage surges and sags. The company can provide customers with complete solutions. And by holding 5 briefing sessions a year, the company have in-depth communication with all kinds of industry, and even go to the client to assist in power measurement, provide power quality analysis and suggest solutions.



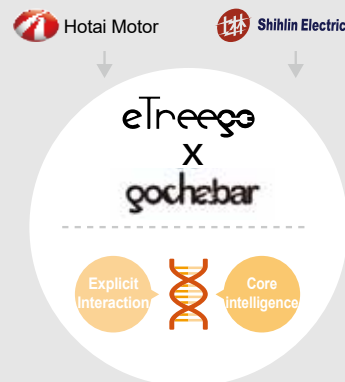
## Automobile Equipment Business Group

The Automobile Equipment Business Group was established in 1965. It is mainly engaged in the R&D, manufacturing and sales of automobile and motorcycle electrical equipment and DC motors. Its high-quality products are sold at home and abroad, and are highly recognized by customers. In order to achieve the international competitiveness of the products, SEEC is constantly pursuing quality, cost, delivery, development, management and service enhancement, to develop technology and core manufacturing capabilities, and to form strategic alliances with many Japanese technology companies,

not only cooperate in product technology, but also set up overseas joint ventures or carry out division of labor and cooperation, and jointly deploy overseas markets to create a win-win strategic partnership. The main sales area is Taiwan, followed by North America and Europe. In response to the rising awareness of environmental protection, it is more actively involved in the research, development and production of EV power systems, produces and promotes the charging pile business. Service. At the same time, strategic alliances and cooperation with enterprises such as Hotai Group and eTreego Co., Ltd., jointly invested in the establishment of "Gochabar Co., Ltd." to lay out the charging operation business.

### Domain Know-how

- Unbalanced Charge Regulation Control
- Remote Anomaly Detection Mechanism
- Electronic Control Module Design
- Cloud Charging Management System



### B2B Service

- MSP Charging Service Operator
- CPO Charging Service Operator
- Community Building Management Committee and Property Management
- Electric Fleet Complex Field Operation

## Intended Purpose of the Products

Two wheels series	Four wheels series	DC motor products	Charging pile
Used in engine starting and power supply of motorcycles, electric vehicles and other non-road vehicles (such as jet skis, snowmobiles, ATVs, etc.).	Applied to automobile engine starting and power supply.	Applied to the control of electric wheelchairs and scooter.	It is used in locomotive DC charging, automobile DC fast charging/slow charging, and is built in public areas such as communities and parking lots.

## Green Energy Product Development

With the rising awareness of environmental protection, governments of various countries have legislated or pledged to promote the transformation of the automobile and motorcycle industry in the next few decades, reduce the sales of energy-consuming fuel vehicles, and gradually develop energy-saving and carbon-reducing electric vehicles. In recent years, major car manufacturers have successively mass-produced electric vehicles, which will accelerate the pace of global electrification. In the foreseeable future, electric vehicles will gradually replace fuel vehicles and gradually become the mainstream of the market. Many engine-related electrical equipment products will also disappear. Aware of this irreversible trend, the Automobile Equipment Business Group started to invest in the research and development of the power system of electric vehicles and locomotives in 2002. In addition to the long-term cooperation with Japan's Mitsubishi Electric, the Company will follow the development track in the future, research or cooperate with them in the development of electric vehicle-related components. At the same time, SEEC will also invest in independent R&D resources; the locomotive parts, with self-developed power system to stand firm in Taiwan's electric locomotive market and to actively promote ODM and OEM, becoming a partner of major locomotive manufacturers in the world.



## Breaker & Switchgear Business Group

Since 1973, the Breaker & Switchgear Business Group has focused on the R&D, production and sales of low-voltage switches. It is the leading brand with the largest market share in Taiwan. Based on decades of solid foundation, it is actively expanding to overseas markets. So far, it has a large and dense sales base and distribution network in mainland China, ASEAN, the Middle East, Central and South America, West Africa, and Western Europe, and is steadily and firmly moving towards the goal of global deployment.

In order to create a world-class global supply chain and promote the high-quality Taiwan made products to the world, in addition to establishing a production base with cross-strait division of labor and resource allocation, continuous improvement of independent development capabilities, and short-circuit certification through precision molds, automation departments and the International Electrotechnical Society. The laboratory accelerates the development of new products and models and develops the core process with both quality and efficiency. The products have passed the stringent international and local certifications such as China CCC, Netherlands KEMA, Germany TUV, the United States and Canada cULus, Malaysia SNI... The test standards proved that product specifications, quality, and performance have reached international standards. In order to pursue excellence and complete core competitiveness, strategic alliances with Japan's Mitsubishi, the American GE and other major international manufacturers have been carried out for technical cooperation and advantage integration to jointly enter the international market. Through resource allocation and R&D division and integration across the Taiwan Strait, SEEC provides various low-voltage switches for factories, buildings, housing construction, machinery factories, public works, and green energy to ensure the safety of electricity use, and build an industrial chain for smart production and supply of electric vehicles. Reach the goal of all-round Total Solution.

In 2022, benefiting from the new energy policy, issues such as the renovation of old communal houses will be more fermented. With the active promotion of the replacement market, research and development, production and sales of new energy switches and street lamp projects, the domestic revenue continued to grow, maintaining the No. 1 market share, and the main sales area is Taiwan, followed by Asia (the main body of Southeast Asia), the Middle East (the main body of Saudi Arabia), etc.

### Intended Purpose of the Products

The low-voltage switches, leakage circuit breakers and related power distribution equipment produced by Xinfeng Factory are mainly supplied to domestic and foreign factories, commercial buildings, department stores, residential buildings, mansions and public constructions for power distribution and personnel safety protection.

### Green Power Industry Development

Because of global warming, countries around the world are actively developing renewable energy for power conversion. In recent years, the cost of solar energy has been reduced, and countries are actively building solar power stations. Taiwan's energy policy plans to reach 20GW of solar installations in 2025, with an annual power generation of 25 billion degree of electricity.

In response to the new energy policy, develop DC products to meet market demand, and develop DC low-voltage switch products for DC power distribution, which are suitable for DC systems below DC 1500V and DC 1000V. For example: solar energy, wind power, energy storage and other DC systems, all series have obtained TUV certification and CE declaration.



## Automation Business Group

The Automation Business Group and the Automation Engineering Integration Business Department were established in 1984, focusing on providing customers with a full range of FA industrial control products. In addition to continuing to independently develop and act as an agent for well-known brand industrial control products, SEEC also provide automation equipment system integration services, which are widely used in semiconductors, PCB, LED, machine tools, food machines, packaging machines, energy-saving systems, warehousing and logistics, factory automation, handling equipment, smart manufacturing, Internet of Things systems (IoT) and other industries, providing customers with Total Solution. In 2022, through the cross-field advantages of SEEC, new photovoltaic and energy storage products will be launched to respond to the government's new energy policy and work together to create a green environment with a comprehensive net zero carbon emission.

The Automation Business Group and the Automation Engineering Integration Business Department have set up cross-strait R&D centers, advanced manufacturing plants, and global sales bases. The main R&D centers and production bases are located in Taiwan and Suzhou, China, and the sales bases cover Taiwan and East China. /North China/South China/Central China, Southeast Asia and overseas emerging markets, etc., The Company through continuous research and development of high-efficiency and low-energy consumption products, and actively recruit high-tech industry elites and management talents, in order to provide more perfect products and services for industrial upgrading and industrial automation. The main sales area is Taiwan, followed by China and Japan.

### Intended Purpose of the Products

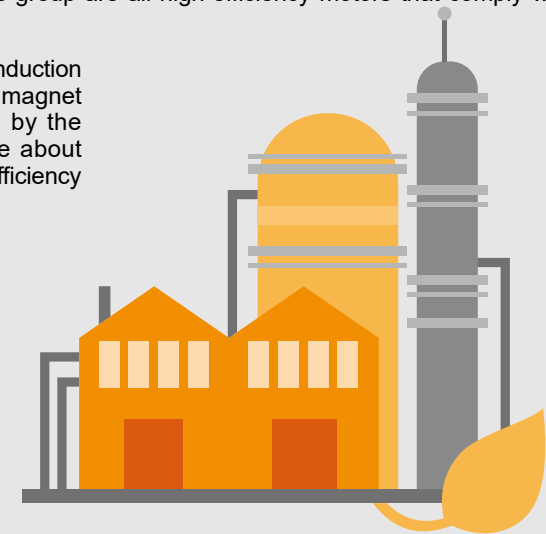
- Inverter: It is an induction motor driver with stepless speed change, which is suitable for the driving part of industrial machinery and machine tools.
- Servo system: with positioning control, speed control, torque control and other functions, it is suitable for the driving part of industrial machinery and machine tools and other equipment.
- Sensor: Induction device, used for detection and judgment with automatic machinery.
- Line horse: It directly converts the input power into linear kinetic energy, which is different from the traditional torque and rotational kinetic energy. It is like spreading the traditional motor and winding the coil into a straight strip for use.
- PV inverter Solar inverter: it can convert the direct current generated by the solar cell module into alternating current, and has the function of paralleling the utility power. The inverter refers to the current conversion equipment.
- PCS power conversion system: Power Conversion System, refers to the device that connects the battery system, transformer, and switchgear in the energy storage system, and can perform AC, DC conversion and bidirectional conversion of electric energy between the energy storage system and the grid connection point.

### Green Power Industry Development

The frequency converters independently developed by Automation Business Group can be applied to: air compressors, air-conditioning applications in energy-saving buildings (air-conditioning air supply, cooling towers, ice water systems, exhaust and dust collection), constant pressure water pumps, refrigeration equipment and various mechanical equipment, etc., In addition to the function meeting customer needs, it also achieves the effect of saving energy and reducing electricity bills. On the other hand, the servo motors independently developed by the automation business group are all high-efficiency motors that comply with IE4.

According to the actual measurement, the traditional induction motor is replaced by the high-efficiency permanent magnet (PM) motor of SEEC, and the PM motor is driven by the inverter of SEEC. One year (200 days) can reduce about 509 kg of carbon emissions, and the energy saving efficiency reaches 30%.

The Ministry of Economic Affairs announced in 2022 that it will subsidize qualified air compressors, fans and pumps (complete products including electric motors). The air compressors of many cooperative manufacturers and SEEC's inverters can effectively meet the energy efficiency standards of government subsidy.



## 2.2 Operational Overview



## Economic Performance

In terms of green energy applications, SEEC has made a comprehensive layout and achieved remarkable results. In 2022, the "Shihlin Electric Green Power Co., Ltd." has been established to cover green energy-related businesses under the group, covering various parts, equipment, and turnkey projects. It is committed to creating a comprehensive solution for green energy systems to provide a variety of different green energy solutions to meet the different needs of different users for green energy, actively diversify the layout, and create sustainable green business opportunities.

In 2022, due to the proper control of the domestic epidemic situation, overseas also gradually unblocked from the epidemic and gradually improve. Facing the economic situation at home and abroad, the company is still committed to investing in new products and new markets to create revenue performance. The business overview of each operating department is as follows:

### Power Distribution Department

Under the fierce competition in the domestic and foreign power distribution markets, the revenue performance in 2022 was strong. In addition to cooperating with the replacement and upgrading of the domestic power market, the power distribution department continues to focus on investment projects such as the Taiwan Railway track project, Taipower Company and private factory construction, expands the system engineering business and actively invests in solar and wind power systems in line with the government's green energy policy; In addition, it is also actively expanding overseas markets such as North America and Southeast Asia. In terms of the power distribution market, the domestic housing construction market is in good condition due to the return of Taiwanese businessmen and the renovation of old buildings. In addition, the department is actively promoting the replacement of old and new markets, and has developed and sold waterproof leakage switches for street lamps, and school power renovation projects. Domestic revenue has continued to grow, maintaining the top market share. In the overseas power distribution market, SEEC has actively deployed the public and private customers, such as the Mainland China and Southeast Asian markets, as well as business opportunities such as Saudi Arabia and Bangladesh, and its export sales have been booming. In addition, the continuous investment in the research and development of green energy, intelligent and miniaturized products and the promotion of international certification of products have enabled this department to remain highly competitive in the face of market challenges.



### Vehicle Parts Division

The domestic auto market decreased 4.5% in 2022. The main customers of the company's automotive electrical equipment are domestic automakers. In addition to sticking to the existing market and striving for stable operation, it is also actively developing electric vehicles and charging pile related products. In 2022, the domestic motorcycle market decreased 9.3%, of which gasoline vehicles decline by 9.6% and electric vehicles decline by 6.1%. But the company continues to invest in research and development in response to the future business opportunities. Invest in energy-saving starter generator products (ISG) in terms of components, and adopt cross-strait division of labor to enhance product competitiveness. The company actively expand the European and American export markets, and continues to deploy in the Mainland China and Vietnam, expecting to enter major international car manufacturers and become an important supply chain member.



### Automation Equipment and Parts Department and Others

Affected by the recovery of the domestic semiconductor and machine tool industries and the company's long-term active investment in research and development of new-generation products, such as servo motors and inverters, it has continued to achieve results. Benefiting from the expansion of semiconductor and PCB factories in Taiwan and Mainland China, the production and sales of automation products and equipments have achieved great success. In terms of other departments, revenue mainly comes from sales of digital products and rental income.



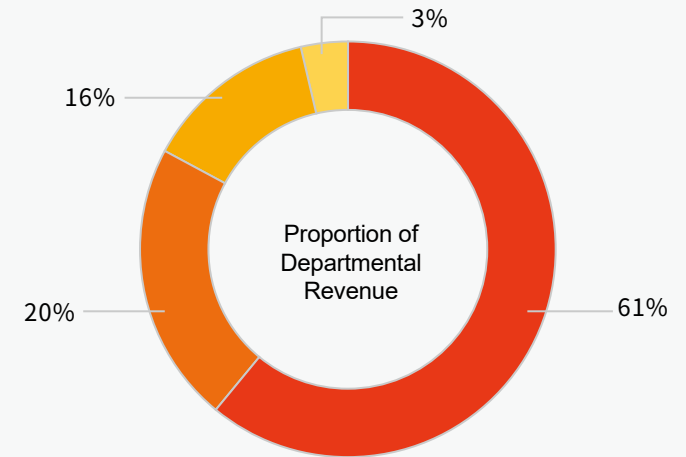
Even though the world is facing the challenges of multiple unfavorable factors such as the Russian-Ukraine war, the Federal Reserve's interest rate hike, and high inflation, SEEC has successfully responded to changes in the external environment and achieved steady growth with a comprehensive strategic layout and flexible adaptability. In 2022, the consolidated turnover was NT\$30.76 billion, an increase of 11%; the consolidated pre-tax profit was NT\$2.76 billion, an increase of 11.4%. Such impressive performance not only reflects the operating strength, but also reflects the concept of sustainable management.

## Consolidated Economic Performance Statistics for the Past Three Years

	2020	2021	2022
Operating Income	25,684	27,690	30,758
Operating Cost	20,946	22,702	25,517
Operating Profit	4,738	4,988	5,241
Business Interest	1,954	1,998	2,255
Net Profit Before Tax	2,194	2,473	2,756
Net Profit After Tax	1,597	1,909	2,122
Earnings Per Share (unit: NT\$)	2.93	3.46	3.86
Employee Salary and Benefit Expenses	3,323	3,613	3,858
Dividend Paid to Shareholders (NT\$/Share)	1.6	1.8	2.0
Payment Of Government Payments (Including income tax, sales tax, etc.)	323	456	411
Social Welfare Expenditure	9.9	17.8	16.9

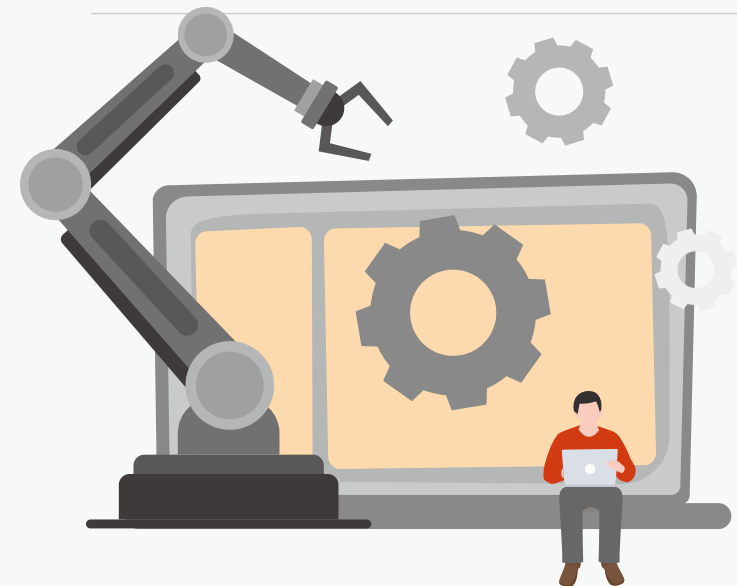
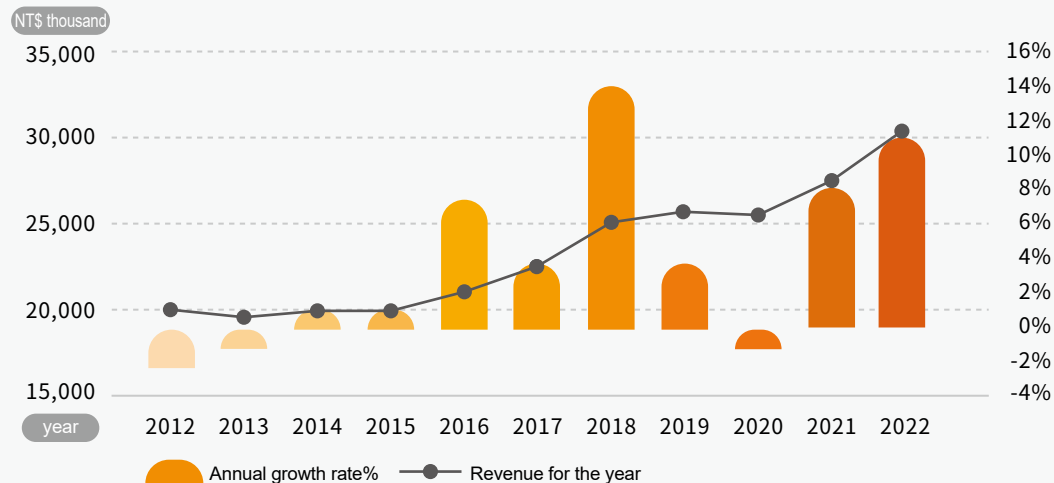
Unit: NTD million

## Proportion of Departmental Revenue



- Power Distribution Department
- Vehicle Parts Division
- Automation Equipment and Parts Department
- Other Department

## Financial Performance





## Government Financial Aid

The company's financial subsidies from the government mainly came from R&D Investment Credits, Smart Machinery Investment Credits and Undistributed Surplus Tax Credits. The subsidies for the past three years are explained as follows:

Year	2020	2021	2022
R&D Investment Credits	29	32 <sup>note</sup>	32 <sup>note</sup>
Smart Machinery Investment Credits	5	5 <sup>note</sup>	6 <sup>note</sup>
Undistributed Surplus Tax Credits	17	17 <sup>note</sup>	19 <sup>note</sup>

Unit: NTD million

Note: The approved amount has not yet been approved and will be updated in future reports after approval.

## Tax Governance

The company implements the tax governance policy. All production and operation bases must abide by the tax laws and regulations of the country to which bases belong, to ensure that the transactions between the bases are carried out in accordance with the principles of regular transactions. Regularly appoint a professional Accounting Firm to conduct transfer pricing analysis and report on financial transactions. Public channels such as financial reports and corporate sustainability-related information disclose tax information to stakeholders to improve information transparency.

The Finance Department is the unit in charge of the company's tax governance, and major transactions and decisions have undergone tax risk assessment. Carry out tax planning in accordance with tax laws and regulations, tax incentives and tax agreements, etc., to ensure compliance with tax laws and regulations through internal control mechanisms.



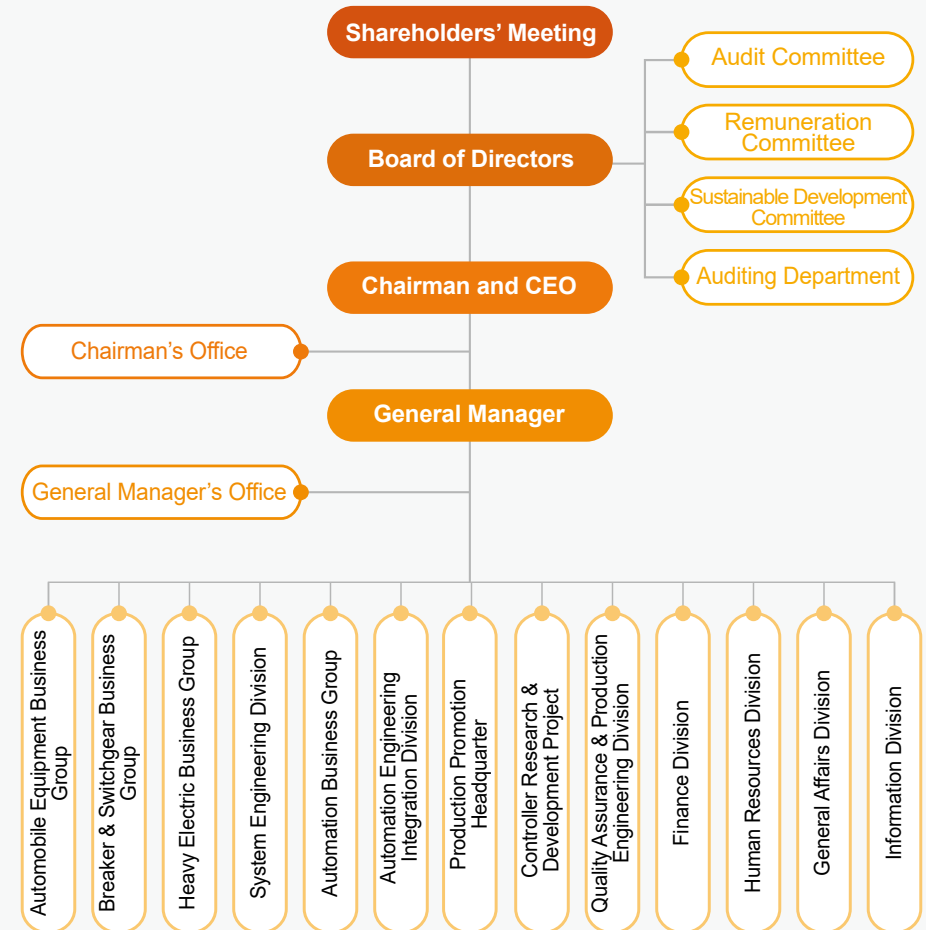
## 2.3 Corporate Governance

The SEEC formulates the company's Articles of Incorporation and organizational structure in accordance with the Company Act, Securities Exchange Act and other corporate governance regulations, with the board of directors as the highest level of corporate governance. The company has solid R&D and manufacturing capabilities, a sound financial system, and an experienced management team that has faced business cycles for many times. The organizational structure of corporate governance consists of Audit Committees, Remuneration Committees, Auditing Department and other organizations under the Shareholders' Meeting. With high-quality corporate governance to ensure that the company's operations are maintained in the best condition.

In order to strengthen corporate governance, the company passed a resolution of the board of directors on May 12, 2021 to appoint Assistant General Manager Mr. Shih Chin-yi as the Supervisor of Corporate Governance to protect the rights and interests of shareholders and strengthen the functions of the board of directors. The main duties of the Corporate Governance Supervisor are to handle matters related to the board of directors and shareholder meetings in accordance with the law, such as preparing the minutes of the board of directors and shareholder meetings, assisting directors in their appointment and continuing education, providing directors with information needed to perform their duties, and assisting directors in complying with laws and regulations, etc. With the assistance of the corporate governance unit, members of the board of directors participate in various advanced courses such as the latest development trend of ESG and related practice analysis, the latest trend and analysis of Company Act amendments, director responsibilities and obligations under the Securities Exchange Act, etc., to continuously understand industry-related trends and effectively play the role of the board of directors.



### Organization Structure Chart



## Diversity of the Board of Directors

The highest governance body of SEEC is the board of directors. In 2014, the shareholders' meeting approved the revision of the "Articles of Incorporation". The election of directors (including independent directors) adopts a comprehensive candidate nomination system to strengthen the information transparency of director nomination review operations, thereby protecting shareholders' rights and improving Corporate Governance.

In order to strengthen corporate governance and promote the sound development of the composition and structure of the board of directors, the composition of the board of directors considers various needs such as the company's operating structure, business development direction, and future development trends, and evaluates various aspects of diversity, such as: basic composition (nationality, age, term of office, etc.), management capabilities, cross-cultural leadership, industry knowledge and experience.

The term of the current (20th) board of directors is from June 19, 2020 to June 18, 2023. The current board of directors of the company consists of 15 directors, all are male, including 4 executive directors and 3 independent directors. All members have extensive experience and expertise in the fields of finance, business and management. Mr. Emmet Hsu, chairman of the board, did not concurrently serve as the general manager of the company.

According to the list of 15 directors of the company, the proportion of directors with employee status is 40%, the proportion of independent directors is 20%, and the proportion of foreign directors is 27%. 4 director is under 60 years old, 7 directors are 60-69 years old, and 3 directors are over 70 years old. The company considers the needs of operation development and diversified operation, and pays attention to the professional experience, knowledge and skills of the members of the board of directors. The goal is to increase more than 10% of the directors with professional knowledge and experience in the electrical machinery industry. Currently, there are 9 directors with backgrounds in the electrical machinery industry, a rate of 60%.

Name	Board of Directors			Audit Committee	Remuneration Committee
	Nationality	Job Title	Date of Assignment		
Yeang Der Investment Co., Ltd. Representative / Emmet Hsu	R.O.C.	Chairman	2020.06.19		
Mitsubishi Electric Corporation (Japan) Representative / Kawai Toshio	Japan	Executive Director	2022.04.01		
Yeang Der Investment Co., Ltd. Representative / Hsieh, Han-Chang	R.O.C.	Executive Director	2020.06.19		
Chanching Co., Ltd. Representative / Kan, Chin-Yu	R.O.C.	Director	2020.06.19		
Yeang Der Investment Co., Ltd. Representative / Yang, Tsun-Ching	R.O.C.	Executive Director	2020.06.19		
Mitsubishi Electric Corporation (Japan) Representative / Komura Hideaki	Japan	Director	2023.04.01		
Mitsubishi Electric Corporation (Japan) Representative / Sugiyama Shinya	Japan	Director	2020.06.19		
Mitsubishi Electric Corporation (Japan) Representative / Kunieda Masayuki	Japan	Director	2023.04.01		
Yeang Der Investment Co., Ltd. Representative / Yang, Tsung-Hsien	R.O.C.	Director	2022.03.01		
Yeang Der Investment Co., Ltd. Representative / Tung, Chi-Jen	R.O.C.	Director	2021.09.01		
Shin-Po Investment Co., Ltd. Representative / Lin, Po-Fong	R.O.C.	Director	2020.06.19		
Yeang Der Investment Co., Ltd. Representative / Bryant Hsu	R.O.C.	Director	2022.01.16		
Lin, Hsin-I	R.O.C.	Executive/Independent Director	2020.06.19	●	● Convener
Yan, Cherng Jau	R.O.C.	Independent Director	2020.06.19	● Convener	●
Hu, Chao Fong	R.O.C.	Independent Director	2020.06.19	●	●

### Note

1. Director / Yeang Der Investment Co., Ltd. Representative / Bryant Hsu 2021/01/07 resigned, 2022/01/16 take office.
2. Director / Yeang Der Investment Co., Ltd. Representative / Yang, Tsung-Hsien 2021/09/01 resigned, 2022/03/01 take office.
3. Director / Yeang Der Investment Co., Ltd. Representative / Tung, Chi-Jen 2021/09/01 take office.
4. Director / Mitsubishi Electric Corporation (Japan) Representative / Kawai Toshio 2022/04/01 take office.
5. Director / Mitsubishi Electric Corporation (Japan) Representative / Komura Hideaki, Kunieda Masayuki 2023/04/01 take office.
6. For important positions of board members, representatives of interested parties, descriptions of positions on other boards of directors, and related capabilities, please refer to the second item in Chapter 2 of SEEC's Annual Report 2022.



## Operations of Board of Directors

The company's board of directors meets at least once a quarter in accordance with the company's Articles of Incorporation to supervise and understand the implementation of business plans, the expression of financial statements, audit reports and their follow-up status. A total of 4 board meetings were held in 2022, and the average actual attendance rate (including proxy attendance) of all directors is 100%. Important regulations to be formulated/ revised by the Board of Directors in 2022 include: "Articles of Incorporation ", " Procedures for Acquisition or Disposal of Assets ", " Code of Corporate Governance Practice ", "Ethical Code of Conduct", "Corporate Social Responsibility Practice Code", " The Rules of Procedures for Shareholders' Meeting ", "Internal Control Rules" and " Handling Procedures of Internal Material Information ". Important resolutions of the board of directors are also announced in the Investor Area of the company's website, and the company's important specifications, such as "Articles of Incorporation ", " Code of Corporate Governance Practice ", and " Code of Practice for Corporate Sustainable Development", are publicly available for inquiries.

In order to improve the corporate governance and strengthen the management function of the Board of Directors, the company passed the resolution of the Board of Directors on November 25, 2022 to set up the Remuneration Committee, and to set up the Audit Committee on May 10, 2017, and formulated the "Remuneration Committee Organization Regulations" and " Audit Committee Organizational Regulations". All committee members are held by independent directors of the board of directors (3 seats). In 2022, the Remuneration Committee held 3 meetings, and the attendance rate of each member was 100% (including proxy attendance), and the Audit Committee held 4 meetings, the attendance rate of each member was 100% (including proxy attendance).

For more information about SEEC's corporate governance report on board members, functional committees, etc., please refer to the third item in Chapter 3 of SEEC's Annual Report 2022.

## Remuneration Policy for Directors and Managerial Officer

The Company's Directors' Remuneration Measures was handled in accordance with Article 235-1 of the Company Act. After being proposed by the Remuneration Committee and implemented after the resolution of the Board of Directors. It is also stipulated in the company's Articles of Incorporation, that if the company makes profits in the current year, it should be allocated not more than 4% of profit distributed as Directors' remuneration. But if the company has accumulated losses, it should reserve the compensation amount in advance.

The annual remuneration package for senior corporate administrators, senior managers, and administrative managerial officer includes salary, bonuses, and employee bonuses for profit distribution. Among them, the amount of employee bonuses generated by senior executives based on company performance accounts for more than 10% to 30% of the annual remuneration, indicating that company performance and annual remuneration are highly correlated. In addition to the remuneration of senior executives being approved by the Remuneration Committee in accordance with laws and regulations. Relevant information is also appropriately disclosed in the company's Annual Report, so that all stakeholders can fully understand the high connection between the remuneration of senior executives and the company's operating performance. When the Remuneration Committee approves the remuneration of senior managers, it will also seek advice from external professional salary consultants.

## The Continuing Education for Directors

In accordance with the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEX Listed Companies ", the company requires new appointed Directors to study for at least 12 hours in the year they take office, and at least 6 hours for each year starting from the next year, the successor minimum of 6 hours of study per year during the tenure. In order to enable directors to continue to gain new knowledge during their term of office, the company regularly provides directors with advanced training courses for reference, "Corporate Management, Corporate Governance, Taxation, Sustainable Corporate Development, Regulatory Compliance, Integrity Management, Anti-Corruption, Net Zero Emissions" and other related education and training courses. All directors of the company meet the training hours requirements, and the status of training is announced in the Annual Report and <https://mops.twse.com>.

Among them, courses related to integrity and anti-corruption include " Global Anti-Tax Avoidance Development Trend and International Inspection Case Analysis ", "Deciphering Financial Statements, Analyzing Corporate Fraud and Scams", "How The Audit Committee Implements Financial Report Review", "Financial Fraud Causes and Prevention", "Prevention of Insider Trading", "How Directors and Supervisors Supervise the Company's Risk Management and Internal Control", "Understanding Related Party Transactions and Unconventional Transactions from Practical Cases" and other courses, a total of 15 Directors participated in relevant courses, and 100% of all directors trained.

For more information about the training of directors, please refer to the third item in Chapter 3 of SEEC's Annual Report 2022.

## Performance Evaluation of the Board of Directors and Functional Committees

In order to implement corporate governance and enhance the functions of the company's board of directors, establish performance goals to strengthen the operational efficiency of the board of directors. According to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies", the company has approved by the board of directors to formulate the "Rules for Performance Evaluation of Board of Directors", which standardize the performance evaluation of the board of directors every year.

In 2022, the Company completed the internal performance evaluations of the Board for the overall board of directors, individual directors and Functional Committees. The "Self-evaluation Questionnaire for Performance Evaluation of the Board of Directors", "Self-evaluation Questionnaire for Performance Evaluation of Directors" and "Self-evaluation Questionnaire for Performance Evaluation of Functional Committees" were conducted respectively. The evaluation results are all between from 5 points of "strongly agree" to 4 points of "agree". Most of the Directors strongly agreed with the operation of various evaluation indicators, governance requirements, and effectively strengthen the functions of the Board of Directors and safeguard the rights and interests of shareholders. And at board meeting on March 9, 2023, the Board of Directors reported the performance evaluation results of 2022.

For relevant information, please refer to SEEC's official website / Sustainability Management / Corporate Governance / Board of Directors / The operation of the annual performance evaluation of the Board of Directors [Link](#).

## The Management of Director Independence and Interest Conflict

There are 3 Independent Directors of the Company, accounting for one-fifth of the directors' seats. There are 2 directors who have a relationship within the spouse or second-degree relatives, and the number of seats does not exceed half of the seats. It complies with Article 26-3 of the Securities Exchange Act. Items 3 and Item 4 of the provisions of the case.

In order to avoid conflicts of interest among directors, all new appointed directors of the company are required to sign a letter of consent, indicating that they are willing to abide by the provisions of Article 23 of the Company Act, faithfully perform business and fulfill the duty of care of a good manager. At the same time, all directors are required to sign a statement, declaring that they have confirmed the content of avoiding the exercise of voting rights in Article 206 of the Company Act and the legal effects of violations. The article 32 of the Company's "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" and article 16 of the "Rules of Procedure for Board Meetings" also clearly stipulate the avoidance system for directors' interests, and have indeed complied with the implement.

In 2022, there was a total of 1 director's recusal of interest proposals. The content of the proposal was to donate to the "Memorial Foundation of Mr. Ching-Teh Hsu " (Board Meeting date 2022/11/09).

In addition, in accordance with the provisions of Article 11 of the company's " Ethical Corporate Management Best Practice Principles ", the company and its directors, managers, employees, assignees and actual controllers directly or indirectly provide information to political parties or organizations or individuals involved in political activities, the donations should comply with the Political Contribution Law and relevant internal operating procedures of the company, and the purpose of the donation should be confirmed, and should not be used to seek commercial benefits or transaction advantages. There were no political contributions in 2022.

For the cross-shareholding status of board members and suppliers or other stakeholders, and the existence of controlling shareholders, please refer to the Item 9 of Chapter III of SEEC's Annual Report 2022.

## 2.4 Integrity Management

### Ethics Integrity and Code of Conduct

In order to implement the company's ethical behavior and integrity management, to benefit the company's sustainable development, and to establish and maintain a good corporate governance system, the company has formulated the "Corporate Governance Best Practice Principles", "Code of Ethical Conduct", "Integrity Management Code", "Corporate Code of Practice for Social Responsibility", "Organizational Regulations of the Corporate Social Responsibility Committee", "Administrative Measures for Charitable Donations and Sponsorships", etc., as the company's relevant standards and codes of conduct when practicing corporate social responsibility.



### Whistleblower Mechanism and Whistleblower Protection System

The company's "Code of Integrity Management" clearly stipulates the relevant mechanisms for soliciting suggestions on ethical and legal behaviors and organizational integrity: "The company always pays attention to the development of relevant norms of integrity management at home and abroad, and encourages directors, managers and employees to review and improve the company's integrity management policy and the measures it promotes, so as to enhance the effectiveness of the company's integrity management.", and clearly stipulated the reporting mechanism in the code, promising to protect whistleblowers from being unfairly punished due to reporting disposal:

1

Establish and announce the internal independent reporting mailbox (audit@seec.com.tw), special line or entrust other external independent agencies to provide the reporting mailbox and special line for use by internal and external personnel of the company.

2

Designate a person or unit in charge of whistle-blowing handling. The whistle-blowing situation involves directors or senior executives should be reported to the independent directors, and the categories of whistle-blowing matters and their standard operating procedures for investigation shall be determined.

3

Records and preservation of reporting case acceptance, investigation process, investigation results, and related document production.

4

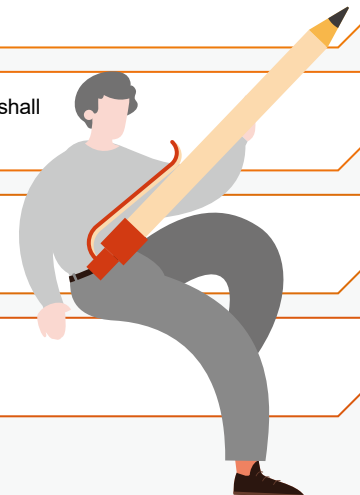
The identity of the whistleblower and the content of the whistleblower shall be kept confidential.

5

Measures to protect the whistleblower from being improperly dealt with because of the whistleblower.

6

Incentive Measures for Whistleblowers.



If the company's staff or unit responsible for accepting whistleblowers discovers major violations or the company is in danger of major damages, it shall immediately make a report and notify the independent directors in writing.

In addition, the company also stipulates in the "Ethical Code of Conduct" regulations that "when employees suspect or discover violations of laws, regulations or ethical codes of conduct, they may report to the board of directors, managers and internal audit supervisors depending on the extent of the violation. or other appropriate personnel, and provide sufficient information to enable the company to properly handle follow-up matters." as the relevant reporting mechanism.

The company expects to encourage employees to improve the company's regulations of Social Corporate Responsibility through the company's relevant rules and regulations. And if employees are suspected of violating, they can investigate and confirm first to avoid causing damage to the company and society. In 2022, the company did not receive any complaints or reports.

#### Complaint / Report Channel

The company's Auditing Department and Legal Team are the operating units that supervise the honest operation, and the relevant complaint system is handled in accordance with the procedures stipulated by the company's regulations.  
E-mail: audit@seec.com.tw



#### Whistleblower Protection Mechanism

The company's Auditing Department and Legal Team are detached and independent units. During the reporting process, the whistleblower will be protected from exposure and improper



#### Investigation Process

After the Auditing Department and Legal Team accept the report, they will follow up the standard procedures for follow-up investigation, and abide by the confidentiality principles of the Personal Data Law, and strictly prohibit retaliation against related colleagues.



## Communication and Training of Integrity Management




In order to prevent corruption incidents, the company has established a corporate culture of integrity management and sound development, and standardized the behavior of all directors and managers in line with ethical standards. The "Ethical Behavior and Integrity Management Standards" have been formulated and disclosed on the company website. The purpose is to require directors, managers, employees, appointees or persons with substantial control ability to follow the following behaviors:



The company revised the "Code of Integrity Management" in 2017, which prohibits the company's directors, employees, assignees, or persons with substantial control capabilities from engaging in dishonest behavior when engaging in commercial activities. It also stipulates in the work rules and the corporate ethics statement that employees are not allowed to take advantage of their positions to engage in personal fraud or accept gifts from others, nor to disclose the company's various technologies and business contents to the outside world, and to establish relevant control measures, such as the regular and irregular inspections through the establishment and audit of the internal control system.

SEEC conducts the anti-corruption education and training from time to time for the business, procurement and new recruits of the head office, branch companies and subsidiaries to strengthen employees' awareness of the rule of law. Through prior education and training, inform colleagues of possible criminal and civil responsibilities for violating the law, in order to reduce the legal risk of colleagues accidentally breaking the law. In addition, regarding anti-corruption policy advocacy, through the heads of various departments and procurement and sales colleagues, they act as a bridge for communication between all internal employees and external suppliers, and start dialogues with actual cases of corruption in other companies or foreign business conferences, to publicize the company's anti-corruption stance several times. In 2022, SEEC has no major corruption risks, such as involving government procurement fraud, etc., There is no corruption incidents or corruption cases investigated by judicial prosecution.



Communication Object	Communication Method	Communication/ Training Ratio
 <b>Junior Staff</b>	<ul style="list-style-type: none"> <li>Since 2016, anti-corruption education and training conducted for all junior staff of the company, regardless of their positions.</li> <li>There are two echelons of legal courses for new indirect personnel training each year, and the company's internal legal personnel are arranged to teach concepts related to ethics and law compliance. In 2022, a total of 84 person-times and 84 hours will be taught.</li> </ul>	100%
 <b>Employee</b>	<ul style="list-style-type: none"> <li>Advertise from time to time, and provide anti-corruption textbooks to study.</li> </ul>	100%
 <b>Purchasing/ sales personnel</b>	<ul style="list-style-type: none"> <li>Provide education and training on anti-unfair competition, anti-trust and monopoly behaviors for all purchasing and sales personnel in Taiwan who may have a higher risk of being involved in corruption.</li> <li>Face-to-face education and training by the company's legal counsel in small classes.</li> <li>E-learning courses: Through the E-learning system, relevant courses are launched from time to time, and sales and purchasing colleagues are required to complete online courses. In 2022, with the theme of anti-bribery, anti-take bribes, and anti-unlawful competition. E-learning online training arranged with a total of 50 person-times and 25 hours.</li> <li>Anti-corruption courses based on "anti-bribery and anti- take bribes: Complete at least one online or face-to-face education and training course every year, with a completion rate of 100%.</li> <li>Legal Education and Training Courses For Sales and Procurement Personnel: For the company's business and procurement colleagues, especially for anti-corruption and other topics to strengthen the awareness of the rule of law, a total of 83 person-times, 166 hours.</li> <li>In 2022, the proportion of anti-corruption related courses for sales and procurement personnel ( including Junior Staff ) will be 100%.</li> </ul>	100%



## Implement Internal Control Audit Management

The board of directors sets up an audit team to assist the board of directors and managers to identify and evaluate the company's risks, and to inspect and review the effectiveness of the internal control system design and operation. The audit team puts forward an audit plan based on the five elements of COSO (Committee of Sponsoring Organizations of the Treadway Commission) internal control every year, and based on the past audit experience, the next year's annual budget and the current organizational structure, to review the management, the overall internal and external environmental risk control, the control of the business office's operational risk, the effectiveness of the design and implementation of the internal control system. After the audit report is completed, the effectiveness of the improvement will be tracked regularly and reported to the audit committee and the board of directors on a regular basis.

In addition to the internal control system, the Company has established management systems in specific areas in each plant, such as ISO14001, ISO45001, ISO9001 and other system verification. The plant conducts regular compliance checks with relevant laws and regulations in accordance with the management system requirements, and establishes various departments and subsidiaries. The management reporting platform from time to time through internal audits and management reviews and other mechanisms to ensure that the company's operations can comply with laws and regulations. The staff of the head office announces relevant laws and regulations on the company's internal website and publicizes employees through emails to enhance employees' awareness of laws and regulations, and organizes training on compliance with laws and regulations for new recruits from time to time to prevent the company and employees from being exposed to the risk of illegality.

### Audit System Implementation Process



In 2022, the audit team has completed various audit operations, and the inspection deficiencies of each unit have been improved within the approved time limit. For business units with different risks, the audit will assess their overall impact on the company and adjust the frequency of audits to minimize all operational risks of the company.

## Compliance




The company strictly abides by government laws, international conventions and other laws and regulations. It not only fully abides by the relevant laws and regulations of the place where the business base is located, but also pays attention to the latest global sustainable issues. It really complies with relevant laws and regulations to fulfill the most basic corporate social responsibility. In 2022, the company has no major incidents of violations<sup>Note</sup>.

Note: The definition of "major violation": a fine NT\$ 1 million or more



## 2.5 Risk Management

The company is committed to establishing a sound risk management system. In November 2022, the Board of Directors approved the formulation of the "Code of Practice on Risk Management". Through the self-identification of risk by the risk execution unit, the analysis of the degree of risk impact and the improvement plan of risk treatment, the company's internal review and refine the risk control process. By optimizing the cycle of internal control and management systems, operating risks are strictly controlled and effectively reduced, enabling SEEC's operating performance to grow steadily and fulfilling its commitment to sustainable operations.

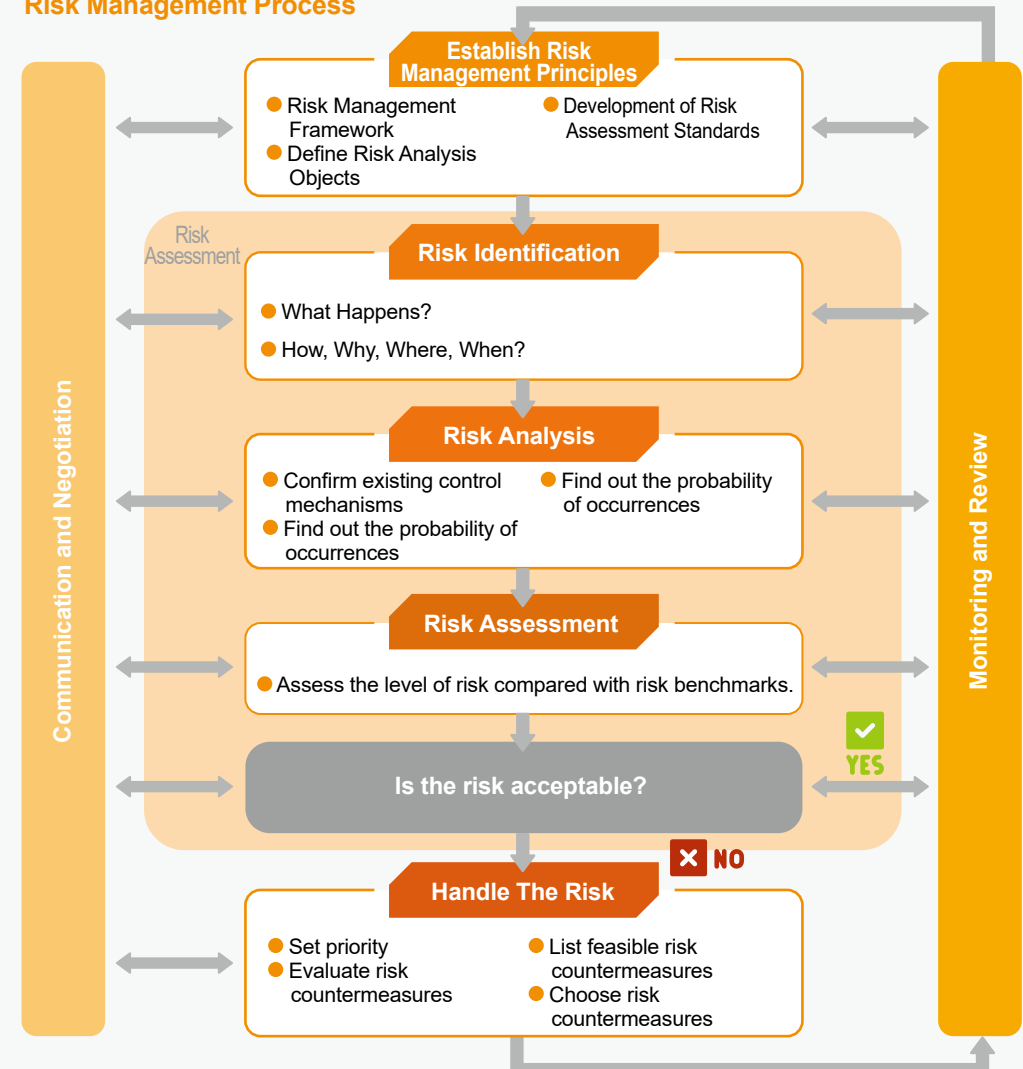
### Risk Management Category

Communication Object	External Environment and Risks	Countermeasures
 <b>Financial Risk</b>	<b>In Terms of Interest Rates:</b> Due to the Ukrainian-Russian War and the sharp increase in international inflation risks, the monetary policies of various countries are gradually tightening, resulting in uncertainty in economic growth.	Although the Federal Reserve's interest rate hike has entered the end, domestic interest rates have not fully responded, and there is still room for interest rate hikes in the future. The financing position will be moderately downgraded to reduce the impact on profit and loss; the subsidiary of Mainland China also adopts local financing and foreign debt mutual collocation to reduce the cost of capital.
	<b>In Terms of Exchange Rate:</b> The international political and economic situation, the trend of the US dollar continues to affect the rise and fall of various currencies around the world; especially the various economic and monetary policies of the US government have created strong uncertainties for the international currency market.	The foreign exchange position is mainly based on the US dollar, Japanese yen and RMB, so the exchange rate fluctuations of the US dollar, Japanese yen and RMB will have an impact on the company's profit and loss. The operation of the USD part is mainly based on the income and expenditure situation and assessing the fluctuation of the exchange rate, and conducts spot selling, preselling, or currency exchange and interest exchange transactions and other risk hedging methods. For the Japanese yen part, the main procurement strategy is to lock in the annual plan. The merged company evaluates the demand for Japanese yen, the level of safety stock and market fluctuations, and conducts foreign exchange hedging when necessary to control the company's purchase cost. The RMB continues to pay close attention to its trend, and the principle is the natural hedging method of balance of receipts and payments
 <b>Risk of Rising Prices of Bulk Materials</b>	The fluctuations in the cost of precious metals and bulk raw materials are greatly affected by the fluctuations in the global economy and regional political and economic situations, which affect production costs.	The fluctuations in the cost of precious metals and bulk raw materials are greatly affected by the fluctuations in the global economy and regional political and economic situations, which affect production costs. Through R&D and technical units to evaluate alternative materials, and use technology R&D and process optimization to reduce manufacturing costs and adjust material preparation principles in a timely manner, and flexibly adjust inventory to reduce inflation and material shortages. When key raw materials are at favorable prices. In addition to stepping up efforts to prepare materials, at the same time, pay close attention to the impact of fluctuations in key materials caused by the global economic situation and respond immediately.
 <b>Information Security Risk</b>	Hacker attacks, network traffic attacks, software (ransomware) viruses, phishing, spam, software updates, permission control, etc., resulting in the theft or tampering of the company's internal information, loss of accounts, affecting daily operations and company image damage, etc.	The Company has formulated internal information security management specifications, regular inspections to ensure implementation, regular implementation of system information security testing, inspection of user behavior through information security equipment such as firewalls, enhancement of anti-virus and encryption mechanisms, and protection measures for personal data, and regularly through third-party units conduct audits and conduct regular employee education and training to improve information security awareness. <a href="#">Refer to the Section 2.6 Information Security Management for details.</a>

## Risk Management Category

Communication Object	External Environment and Risks	Countermeasures
 <b>Political Situation Risk</b>	<p>In recent years, geopolitical conflicts have continued, the global economic climate has been affected, and the company's operations still face many challenges. China's "World Factory" has been transferred, India and Southeast Asia compete at low prices, Taiwan has not joined regional trade organizations, and there is a risk of tariff barriers.</p>	<p>Diversify risks through diversification of business and investment, continuously reduce costs, and increase the value of the company's products and services. In addition, an operational emergency response plan is established to deal with emergencies, and continuous assessment of its business and investment risks in different countries and regions.</p>
 <b>Climate Risk</b>	<p>In response to national net-zero emission policy commitments, climate change risks and opportunities under the trend of energy conservation and carbon reduction, including transition risks (policies and regulations, technology, market, reputation), physical risks (immediate, long-term) and opportunities (resource efficiency, Energy sources, products/services, markets, resilience) etc. impact on the company's operations.</p>	<p>Based on the identification results, the company formulates relevant countermeasures to mitigate the impact of climate change and grasp possible positive opportunities.</p> <p><a href="#">Refer to the Chapter 4 Climate Action and Environmental Management for details.</a></p>

## Risk Management Process



## 2.6 Information Security Management

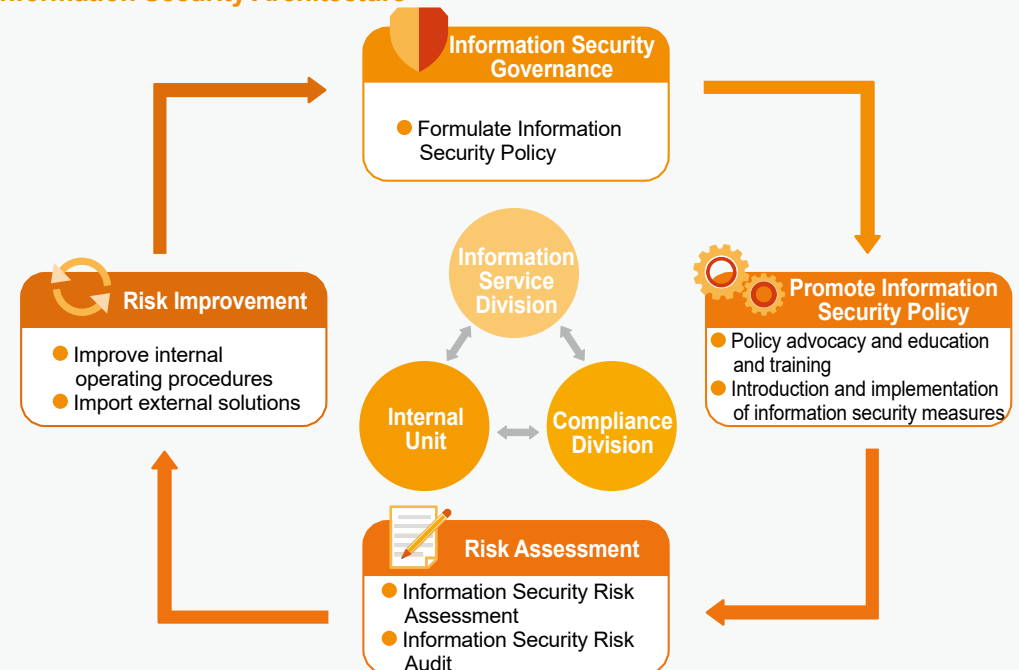
### Information Security Policy

- Implement information security
- Strengthen service quality and strengthen information security training
- Ensure continuous operation and prepare for emergency response
- Improve organizational resilience






The company has an information security policy, and all employees are obliged to actively participate in the promotion of information security policies to ensure the safe maintenance and operation of all employees' data, information and communication systems, equipment and networks, and hope that all employees can understand, Implementation and maintenance to achieve the goal of business continuity. In order to improve the company's information security management and strengthen the protection of personal information and customer privacy, in 2021, follow the ISO 27001 Information Security Management Framework, establish a complete information security framework, and formulate management guidelines to control various information security risks and reduce the possibility and impact of information security risks.

In addition, in order to improve the security of SEEC Information Communications, and in response to the revision of the "Regulations Governing Establishment of Internal Control Systems by Public Companies" by the Financial Supervisory Commission, the company plans to designate a dedicated supervisor and personnel for information security from 2023, to promote the company's information security construction and compliance, and plans to establish a headquarter-level information security management committee to coordinate the promotion of the company's information security business.

### Information Security Architecture



## Information Security Controls

Manage Projects	Specific Management Measures
 <p>Network Security Management</p>	<ul style="list-style-type: none"> <li>Occasionally evaluate or test network system security.</li> <li>System patches for patching security risks and vulnerabilities in the network operating environment should be distributed regularly or in a timely manner.</li> <li>Internal critical websites and application systems should be isolated from the external Internet by firewalls.</li> <li>Using the encrypted transmission for network data transfer.</li> <li>Establish Internet access policies and use filtering devices to prevent people from accessing dangerous websites.</li> </ul>
 <p>Information System Access Control</p>	<ul style="list-style-type: none"> <li>Database and file access should be set up with permission control.</li> <li>The account number and password must comply with the password principle, the password length should be more than 8 characters, meet the password complexity requirement, and the password should be updated regularly.</li> <li>For resigned employees, the information center should immediately delete the user ID or set an expiration date according to the resignation date of the resignation form.</li> </ul>
 <p>Information System Security Management</p>	<ul style="list-style-type: none"> <li>Each server and PC should install anti-virus software on the client side with automatic virus pattern update mechanism.</li> <li>The mail system should install information security modules, such as spam filters, malware detection, attachment control and other management modules to improve email information security.</li> <li>When the equipment shutdowns or encounters information security incidents or due to business needs and it is necessary to perform the recovery operation, please follow the recovery operation procedures of each information system to quickly restore the normal operation of the system and shorten the time of system interruption. The system recovery operation procedure is proposed by the person in charge of each system and implemented after being reviewed and approved by the supervisor.</li> <li>Each information system conducts disaster recovery drills from time to time.</li> </ul>
 <p>Data Backup</p>	<ul style="list-style-type: none"> <li>Perform data backup on daily basis.</li> <li>The backup data should be marked with the backup date, system name, and data content, and should be stored in different places.</li> </ul>
 <p>System Availability</p>	<ul style="list-style-type: none"> <li>Establish a high availability mechanism for critical information systems.</li> <li>Perform full backup of application system on daily basis.</li> </ul>



## Information Security Education and Training

In order to supervise all employees to implement information security management work and enhance employees' awareness of information security, SEEC continues to conduct information security education and training every year to establish the concept of "Information Security is Everyone's Responsibility.", and encourage colleagues to understand the importance of information security To urge them to comply with information security regulations, so as to improve information security intelligence and emergency response capabilities, reduce information security risks, and achieve the goal of continuous operation. The company arranges information security courses for new employees education and training, and conducts regular information security lectures for existing employees, announces and publicizes information security-related information to all employees at any time, and gives priority to employees who have not attended the company's information security courses every year. In 2022, a total of 2 employees information security education and training were conducted. The course content includes network security, data protection, etc. to enhance employees' information security awareness. A total of 80 persons participated this year.

In addition, the company conducts information security drills from time to time to enhance employees' awareness of information security; and conducts information security emergency response drills regularly to ensure that the information system fails or major disasters can be restored quickly, ensuring the continuous operation of key businesses and improving organizational resilience. In 2022, a total of 1 information security drill and 4 information security emergency response drills were implemented. The information security drill was issued through the company-wide phishing letter. In 2022, a total of 1,238 persons were issued to improve the awareness of information security risk prevention among colleagues. The average pass rate of the company was 98%, and further publicize and strengthen training for unqualified colleagues. The information security emergency response drill is used to confirm the emergency response capability of the core system. In the drill scenario where the system database is damaged, the person in charge of the core system information conducts a backup and restoration drill. The drill results meet the requirements of the recovery time objective (RTO) within 6 hours.

### Information Communication Security Education and Training in 2022

#### Information Security Drill of Employees

- Date: 3/31
- Activity Name: Fishing letter drill
- Target: all employees
- Number of persons: 1,238

#### Information Security Education and Training of Employee

- Date: 4/15 (2 Echelons, 1 hour course for each echelon)
- Course Name: Employee Information Security Education and Training
- Object: Selected from employees, with priority given to untrained employees
- Number of persons: 80

#### Information Security Emergency Response Drill

- Date: Quarterly implementation
- Activity Name: ERP System Emergency Response
- Drill Object: the person in charge of the system
- Number of persons: 2

#### Information Security Seminar

- 3 Information Security Personnel of the company participated in the information security seminar, and the training ratio was 100% (including attending the information security seminar)



Information Security Education and Training of Employee

In order to protect the safety of customers' privacy rights, the company has formulated personal data protection management rules for the collection, processing, copying, utilization, transmission, filing, deletion, destruction and other related operating procedures of customers' personal data. To explain the specific implementation of personal data protection, and the necessary publicity is given to relevant employees, so that employees at all levels of the company can be familiar with various regulations and legal requirements. Sales and promotional activities are handled in compliance with the requirements of the Fair Trading Act, Personal Data Protection Act, Trademark Law, and National Communications Commission and other government laws and agencies. In 2022, there was no complaints about violations of customer privacy or loss of customer information, and no violations of relevant information security regulations, and violation of relevant laws and regulations on information security occurred.

## The Automobile Equipment Business Group Obtained TISAX Certification

Information security incidents of the automobile industry emerge in endlessly, that has prompted European automakers to accelerate the supply chain to complete the determination of the Automotive Safety Assessment Information Exchange Platform (TISAX) VDA ISA. The Automobile Equipment Business Group introduced TISAX and passed the VDA ISA TISAX AL2 level verification in July 2022 (The certificate is valid until January 19, 2025). In addition to meeting customer requirements, it will also help expand the customers of European car manufacturers and improve the information security in the factory.

### Acquaint TISAX

TISAX Automotive Security Assessment Information Exchange Platform (Trusted Information Security Assessment Exchange) is an information exchange platform launched by the German Automobile Industry Federation (VDA) and the European Network Exchange (ENX) in 2017. The automotive industry refers to ISO 27001, ISO 27002, etc. The standard specification defines a set of security standards in combination with the needs of the automotive industry, namely the information security assessment process VDA ISA (Information Security Assessment). Approved certification companies will certify suppliers according to VDA ISA and put the certification results on the platform for All participants do queries. The evaluation results are credible and help to gain the trust of customers.



## Factory Information Security Upgrade

In addition to protecting information security in terms of information technology to prevent data leakage, all entrances and exits of the electrical equipment factory have added access control measures by swiping cards. The button next to the door, after the magnetic attraction is released, the entry and exit doors can be opened, preventing people outside the company from wandering in the factory area at will, and arbitrarily capturing company information. At the same time, places where confidential information is stored, such as information computer rooms, R&D offices, second-round R&D trial rooms, 3F business offices, etc., are also classified as special control areas. If there are business needs to enter and exit, additional applications are required.

In addition, according to the company's classification of confidential information, it should make a record of storage management regulations for extremely confidential information that will cause great losses outside the company, and lock protection to protect the data from free access by outsiders. Fill out the registration form for access.



# Product Responsibility and Supply Chain Management



## Major Issues

Product Quality and Safety

Product Life Cycle Management

Innovative R&D and Patents

## SASB

Product Life Cycle Management

Product Safety

## Importance to SEEC

SEEC has always regarded suppliers as partners, and is committed to guiding suppliers for long-term cooperation to jointly establish a stable and sustainable supply chain for motors and machinery. In addition to taking into account the quality, delivery and cost of suppliers' products, SEEC also work with suppliers to fulfill corporate social responsibilities.

## Strategy/Goal

### Short-term 1-3 years

- 100% of the key suppliers signed the letter of commitment.
- Counseling suppliers to formulate carbon reduction targets and carbon neutrality plans.

### Medium/long-term 3-5 years

- With green energy products as the core, establish a one-stop management system from green energy construction to power supply.
- Expand cooperation with Japanese partners.
- Promote and coach cooperative supply chains to comply with ESG policies.
- Continuously develop energy-saving products with higher efficiency.

## Sustainability Contribution in 2022

### Specific Actions

- Start the SEEC Green Power project.
- In 2022, invested NT\$ 573,913 thousand in research and development.
- Combining manufacturing/processing technology with manufacturing design/quality assurance engineering, etc., the manufacturing and quality assurance technical capabilities will be firmly rooted.
- Set foot in Taiwan Railways, Taipower, private industry leaders, wind power, solar energy and other green energy turnkey cases.
- Added "Supplier Management Team" and conducted supplier management and counseling courses to strengthen supplier evaluation and management functions.
- Establish an assessment form for the qualification certification of skilled guidance for process personnel.
- Periodically review the insurance coverage of products liability.

### Performance Results

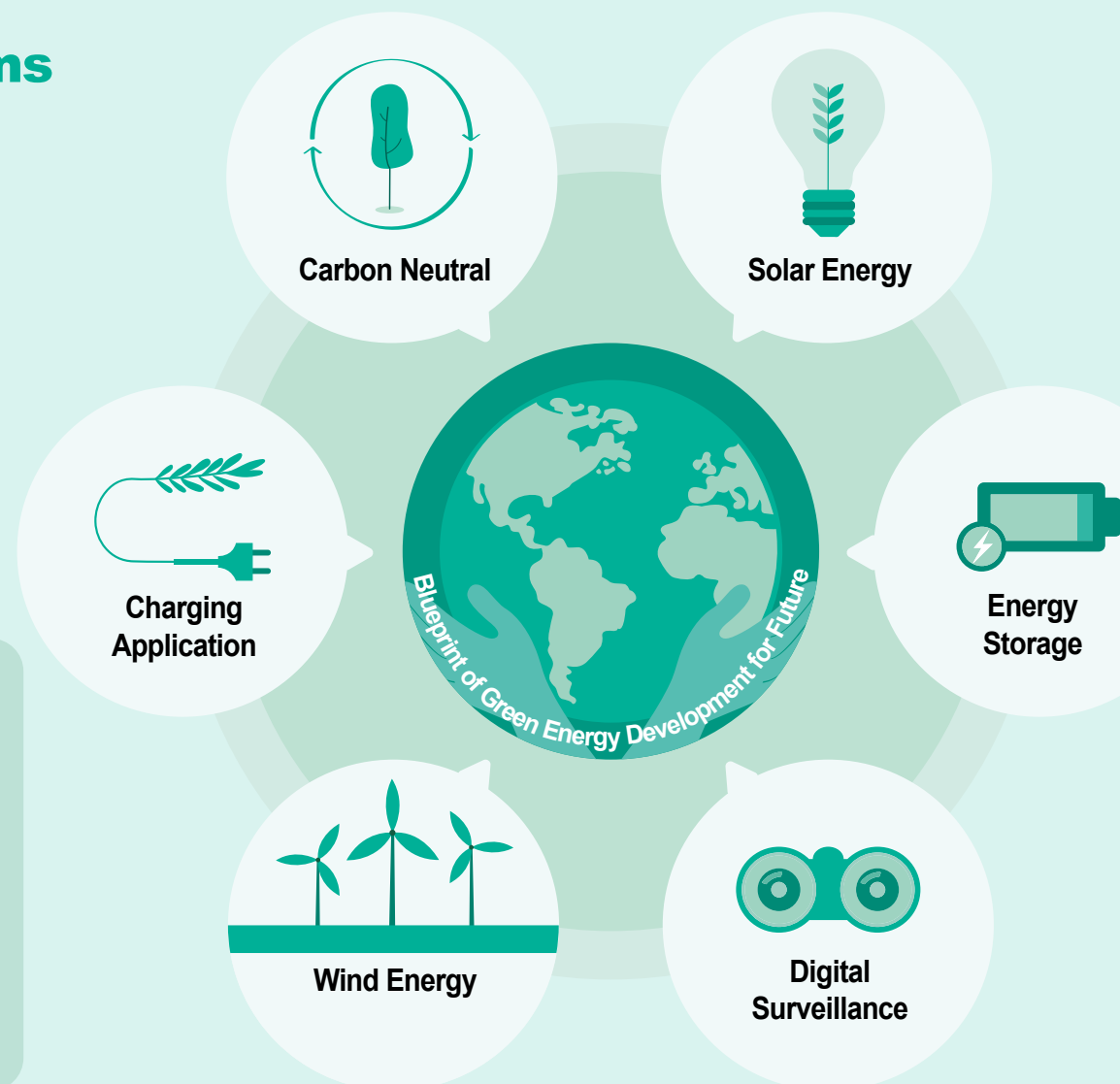
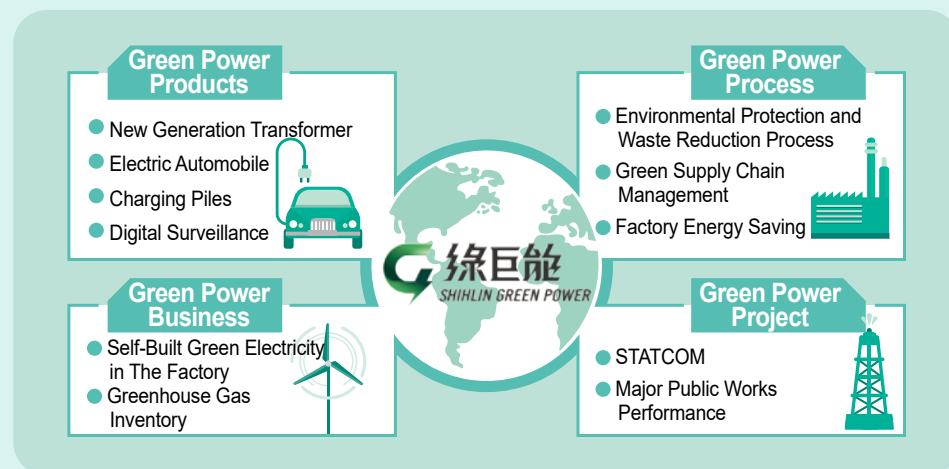
- From 2020 to 2022, a total of 113 patent certificates (15 inventions and 97 new models) were obtained, 6 products related to product safety, and a total of 308 valid patents.
- R&D expenses will account for 1.87% of operating income in 2022.
- A number of quality-related certifications. [Refer to Section 3.2](#)
- The Automation Business Group introduced paperless product quality inspection records, improved more than 60,000 products in total, and improved inspection efficiency.

# Shihlin Electric Green Power Project Create A Comprehensive Solution for Green Energy Systems

Product innovation is one of the important driving forces for enterprise development. Only by constantly exploring and innovating, so that the Company will have opportunities and advantages to succeed in the market. As the leader of Taiwan's heavy electric industry, SEEC is committed to creating all-round solutions for green energy systems. The types and functions of products are also constantly expanding and upgrading to meet the needs of consumers and the market.

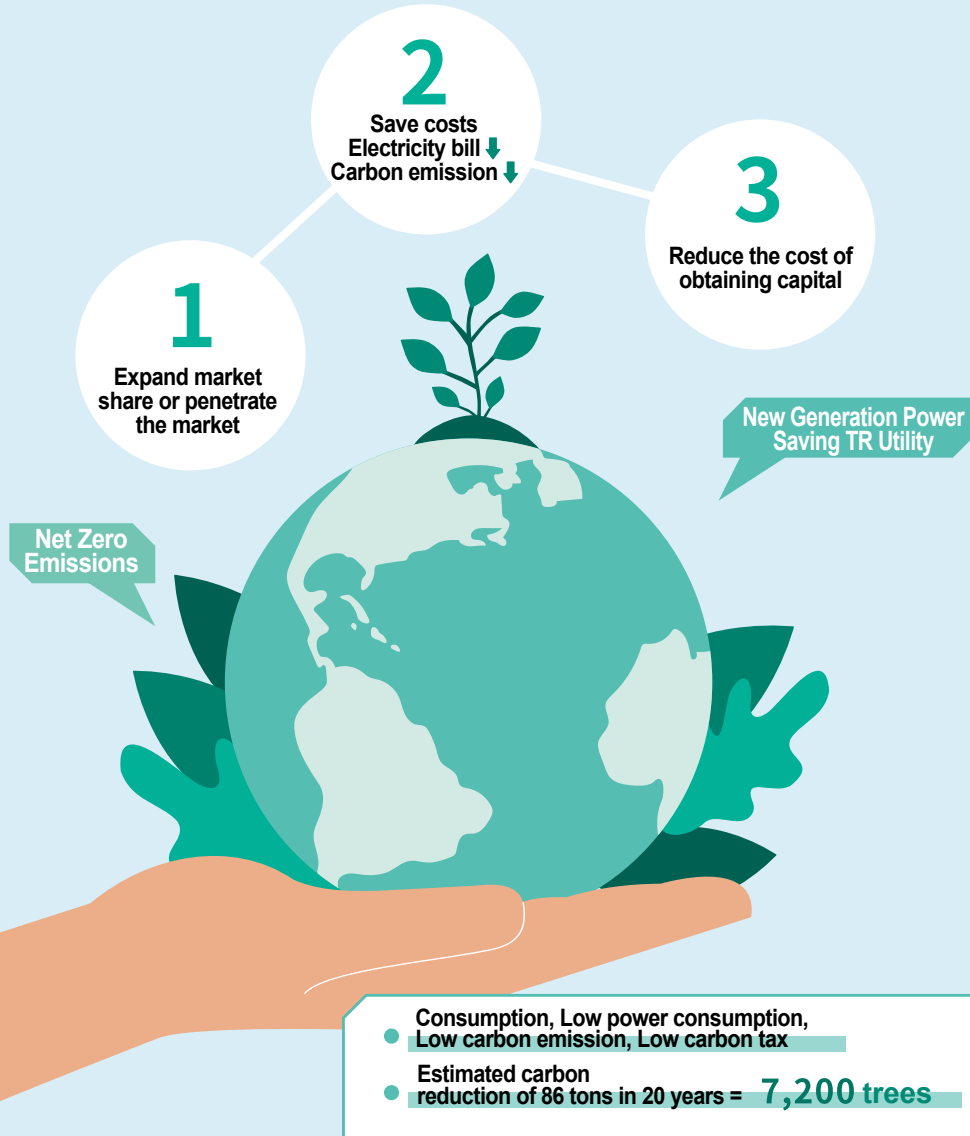
In 2022, SEEC established the " Shihlin Electric Green Power Co., Ltd " to cover the green energy-related businesses of the SEEC group, running various parts, equipment and turnkey projects. It is committed to creating all-round solutions for green energy systems, including energy storage systems, turnkey projects engineering, electric vehicle charging solutions, solar/charging/storage system-related charging software, APP and other supporting services, etc., provide a variety of different green energy solutions, multiple layouts to meet the needs of different users for green energy.

## ESG Strategy & Performance of SEEC



## Green Power Products

Special Edit



### 1. New Generation Transformer

The products and solutions of Shihlin Electric Green Power Co., Ltd. can help users achieve the goals of energy conservation, emission reduction and environmental protection sustainability, and will make significant contributions to environmental conservation such as reducing dependence on fossil fuels, promoting the popularization of electric vehicles, and improving energy utilization efficiency. Taking the high-efficiency transformer produced by the company as an example, this product can provide customers with high-stable and low-energy distribution products. Compared with traditional transformers, in 2022, it will save energy by about 13,630 MWh, reduce carbon dioxide emissions by about 6,938 metric tons of CO<sub>2</sub>e, and save costs by NT\$16.26 million.

#### Energy-Saving Performance Of High-Efficiency Products

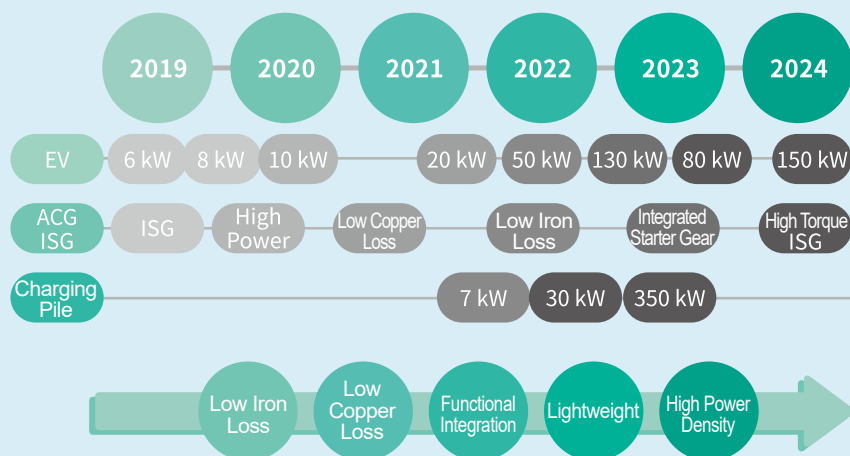
Items	Unit	2020	2021	2022
Energy Saving Benefits	MWH/year	11,850	15,673	13,630
Carbon Reduction Benefits	Metric tons CO <sub>2</sub> e/year	5,949	7,978	6,938
Cost-saving Benefits	ten thousand /year	1,409	1,864	1,626

Note:

- 1.The above data is estimated based on the high-efficiency distribution transformer (99.16%) "2000kVA".
- 2.The annual energy saving is estimated based on the quantity sold in the current year, operating 24 hours a day, and 365 days a year.
- 3.The electricity emission coefficient uses the data announced by the Energy Bureau of the Ministry of Economic Affairs. The electricity emission coefficient in 2020 is calculated as 0.502 kg CO<sub>2</sub>e; the electricity carbon emission coefficient quoted in 2021 is updated to 0.509 kg CO<sub>2</sub>e/kWh; the electricity carbon emission coefficient in 2022 has not yet been announced, so the 2021 electricity carbon emission coefficient of 0.509 kg CO<sub>2</sub>e/degree is used for calculation.



## 2. Electric Automobile



With the rising awareness of environmental protection, governments of various countries have legislated or pledged to promote the transformation of the automobile and motorcycle industry in the next few decades, reduce the sales of energy-consuming fuel vehicles, and gradually develop energy-saving and carbon-reducing electric vehicles. In recent years, electric vehicles of major cars manufacturers have been mass-produced one after another, which will accelerate the pace of global electrification.

Since 2002, the Automobile Equipment Business Group has been investing in the research and development of electric vehicle power systems. Guided by low iron loss, low copper loss, functional integration, light weight, and high power density, it has actively developed energy-saving vehicle products. In terms of automotive products, in addition to the long-term cooperation with Japan's Mitsubishi Electric, it will follow its development trajectory in the future, research or cooperate with it in the development of electric vehicle-related components, and will also invest in independent research and development resources; The developed power system is firmly established in Taiwan's electric locomotive market and has become a partner of major locomotive manufacturers in the world through the active promotion of ODM and OEM.

## 3. Charging Piles

- Necessary basic construction for the popularization of green energy electric vehicles: Charging Piles.
- The Future: Equipped with a charging machine dedicated to energy storage, it has a bidirectional charging and discharging function.



## 4. Digital Surveillance

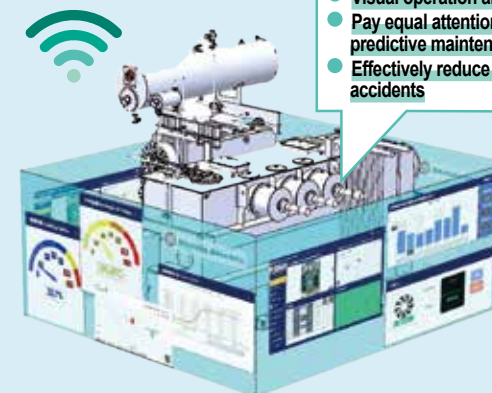
Communication encryption, the highest standard in the industry: TLSv1.2/TLSv1.3

Digital Smart Monitoring Platform

Cell phone →

Computer →

Tablet →



- Visual operation analysis function
- Pay equal attention to regular & predictive maintenance
- Effectively reduce life cycle accidents

# Green Power Process

Special Edit

## 1. Environmental Protection and Waste Reduction Process

### Vacuum Drying Process Improvement

Compliance	High energy consumption equipment and process improvement
Improvement Description	Significantly shorten the drying time and save power consumption, and the quality is more stable.
Import Year	2016
Improve Efficiency	It can be monitored remotely, saving 120,000 kilowatt-hours of electricity annually, which is equivalent to reducing 61,080 kilograms of CO <sub>2</sub> e carbon emissions.

### Coating Sewage Recycling and Reuse

Compliance	Sewage recycling and reuse
Improvement Description	Effectively reduce tap water consumption and waste generation.
Import Year	2019
Improve Efficiency	Save 560 metric tons of water per year (560→0 metric tons per year), reduce 85 kg of CO <sub>2</sub> e equivalent.

### Activated Carbon Recycling

Compliance	Recycling to achieve air pollution prevention and management.
Improvement Description	Activated carbon recycling
Import Year	2017
Improve Efficiency	The detection of discharge outlets complies with the requirements of laws and regulations, achieving the benefits of environmental protection and recycling economy.

## 2. Green Supply Chain Management

### Local Procurement

- In 2022, the proportion of local purchases by Taiwan factories was 83.38%.
- Increase the proportion of local procurement, save transportation energy and time consumption, and reduce environmental pollution.

### Supplier Specification

- The company regulates that suppliers must abide by the "Supplier Social Responsibility Commitment", "Guarantee for Non-use of Environmentally Hazardous Substances", "Environmental Safety and Health Policy", and "Supplier Management Measures".
- By 2022, more than 200 key suppliers have signed, with a signing rate of 100%.

### Prohibited and Restricted Substances

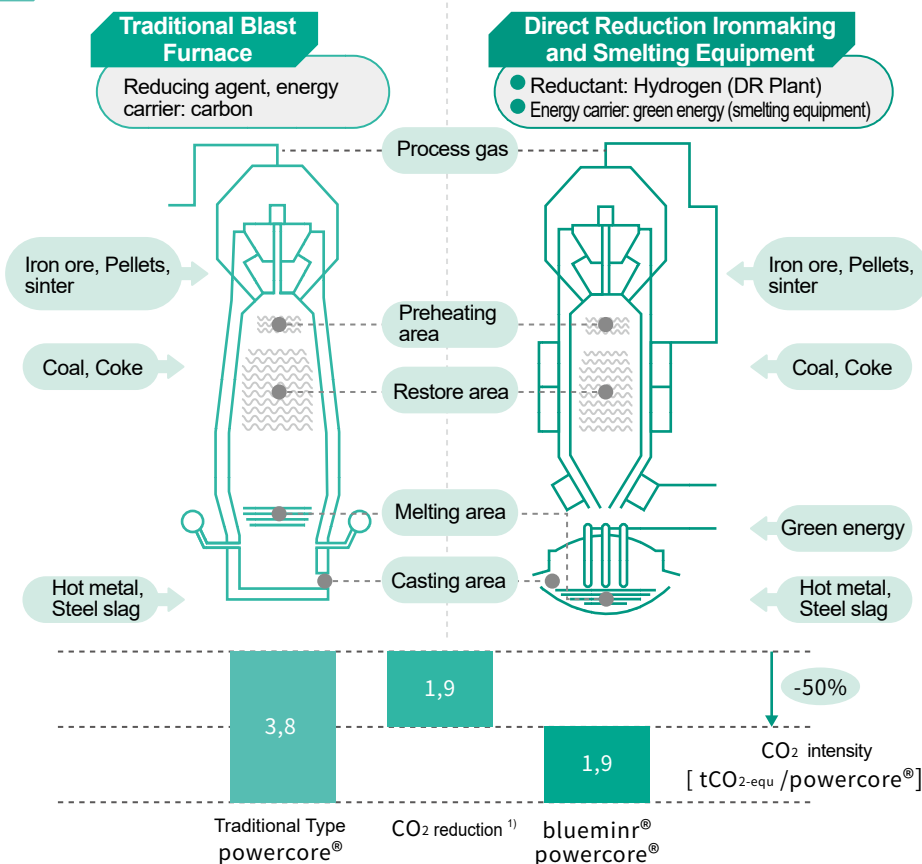
- Suppliers are required to comply with the RoHS 2.0 specification.
- The main goal of the RoHS Directive is to limit hazardous substances in electrical and electronic equipment, and to ensure reasonable recycling and disposal of waste to protect the environment.

### Work With Suppliers to Support Net Zero Carbon Emissions

- Oil-immersed distribution transformer products have obtained the carbon footprint label.
- The company will introduce low-carbon emission materials and guide suppliers to formulate carbon reduction goals and carbon neutrality plan sheets, implement carbon reduction plans, and support the government's "2050 Net Zero Carbon Emission" goal.

### Introduction of energy-saving materials - carbon-reduced silicon steel sheet

- Compared with traditional silicon steel sheets, each ton of bluemint® can reduce at least 50% of carbon dioxide emissions.
- The use of bluemint® directional silicon steel sheets for the production of a transformer can reduce carbon dioxide emissions by 1.5t CO<sub>2</sub>eq.
- 10% reduction in CO<sub>2</sub> emissions per transformer produced



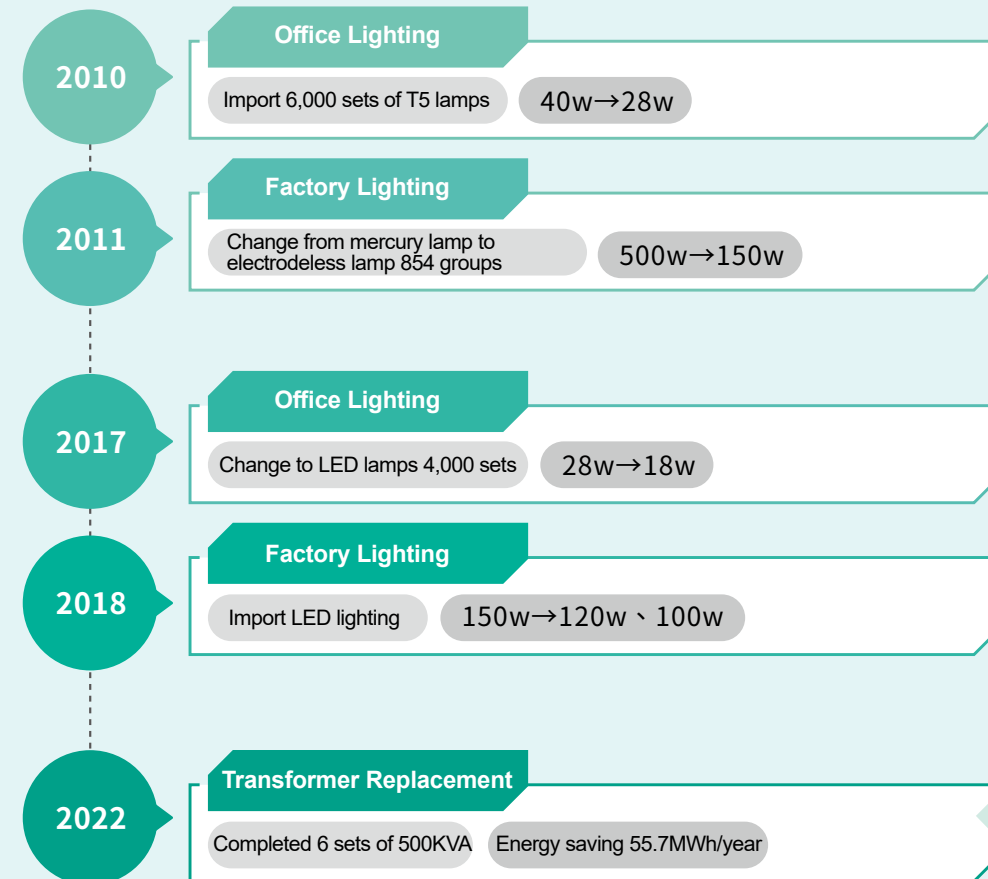
### Introduction of environmentally friendly materials - FR3 vegetable oil

- **Improve fire safety**
  - No fire, cleaning, downtime or replacement costs
  - Significantly reduces the job risks of workers
- **Extend transformer life / load capacity**
  - Extends the life of the insulation system
  - Extended service life of transformer assets
- **Environmental Security**
  - Made from renewable crops
  - Reduce carbon emissions
  - Biodegradable / non-toxic / recyclable



## Green Power Process

### 3. Energy Saving in Factory Affairs



SEEC switched to high-efficiency or amorphous transformers from 2022 to reduce power loss.



**Energy Saving:** Energy-saving and high-efficiency models



**Safety:** High flash point, high stability



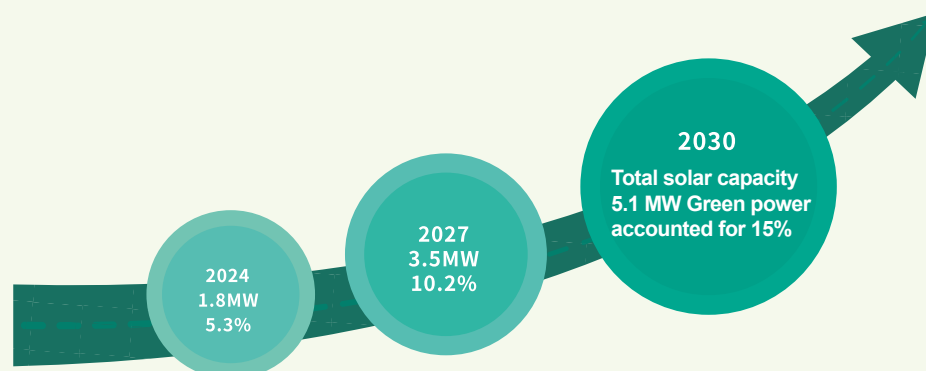
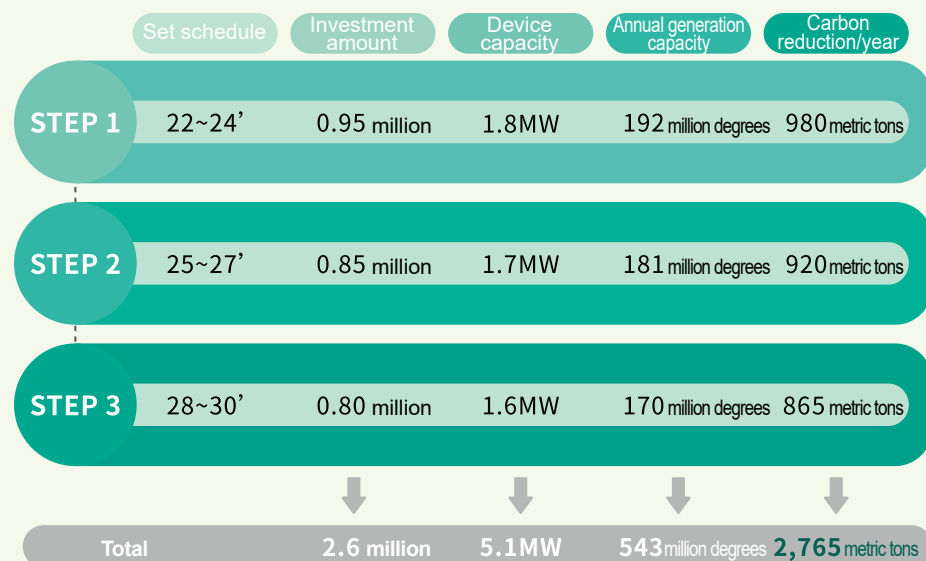
**Environmental Protection:**  
High biodegradation, reducing environmental impact



**Transformer Insulating Oil:** Use vegetable oil

# Green Power Business

## 1. Green Power Generation

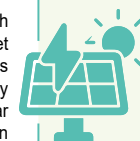


## Green Power Industry Development

Green power technology is one of the government's "5+2 Industrial Innovation" plans. The Executive Yuan passed the promotion plan on October 27, 2016, among which, solar photovoltaic and wind power generation are the most critical development projects. As a pioneer of power transformation and distribution equipment, the company cannot be absent from the supply chain of the green power industry. The solar power industry that the government has started to promote in recent years and the wind power industry that is actively evaluating and developing. There are products of SEEC added one after another, SEEC is becoming the unsung heroes behind the green power system.

### Solar Energy

In 2025, it is planned to increase the proportion of renewable energy power generation to 20%, of which the solar photovoltaic accumulative device capacity target is 20GW, including the roof-type setting target of 3GW and the ground-type setting target of 17GW. The development of ground-type booster stations with large device capacity is the goal of many system vendors to grab. In recent years, the company has been actively cooperating with system manufacturers and developing special transformers for solar booster stations. The company has also cooperated with local solar booster station system suppliers in foreign markets, with a view to becoming a green energy pioneer in developing countries.



### Wind Power



In August 2017, the Executive Yuan approved the "Four-Year Promotion Plan for Wind Power Generation", planning a short-term basis to promote the foundation, establishing mid- and long-term fundamental measures, optimizing the installation environment, and then achieving the goal of 3,000MW offshore wind power installation in 2025. It is hoped that by the promotes energy diversification, to establish independent energy supply, stimulate domestic demand and employment, built a friendly development environment for wind power, and become a new engine driving economic development in the future. Currently, most of the capital and technology of the existing wind power systems are in the hands of foreign capital. In recent years, the government has not only actively developed wind farms, but also hopes to create more business opportunities for local manufacturers in Taiwan and localize the supply chain of wind turbine equipment. The company has been evaluated by many wind turbine equipment manufacturers, and its manufacturing ability and product quality have been well received. In the future, SEEC will be the main player in the localized supply chain.

### Power Quality Improvement

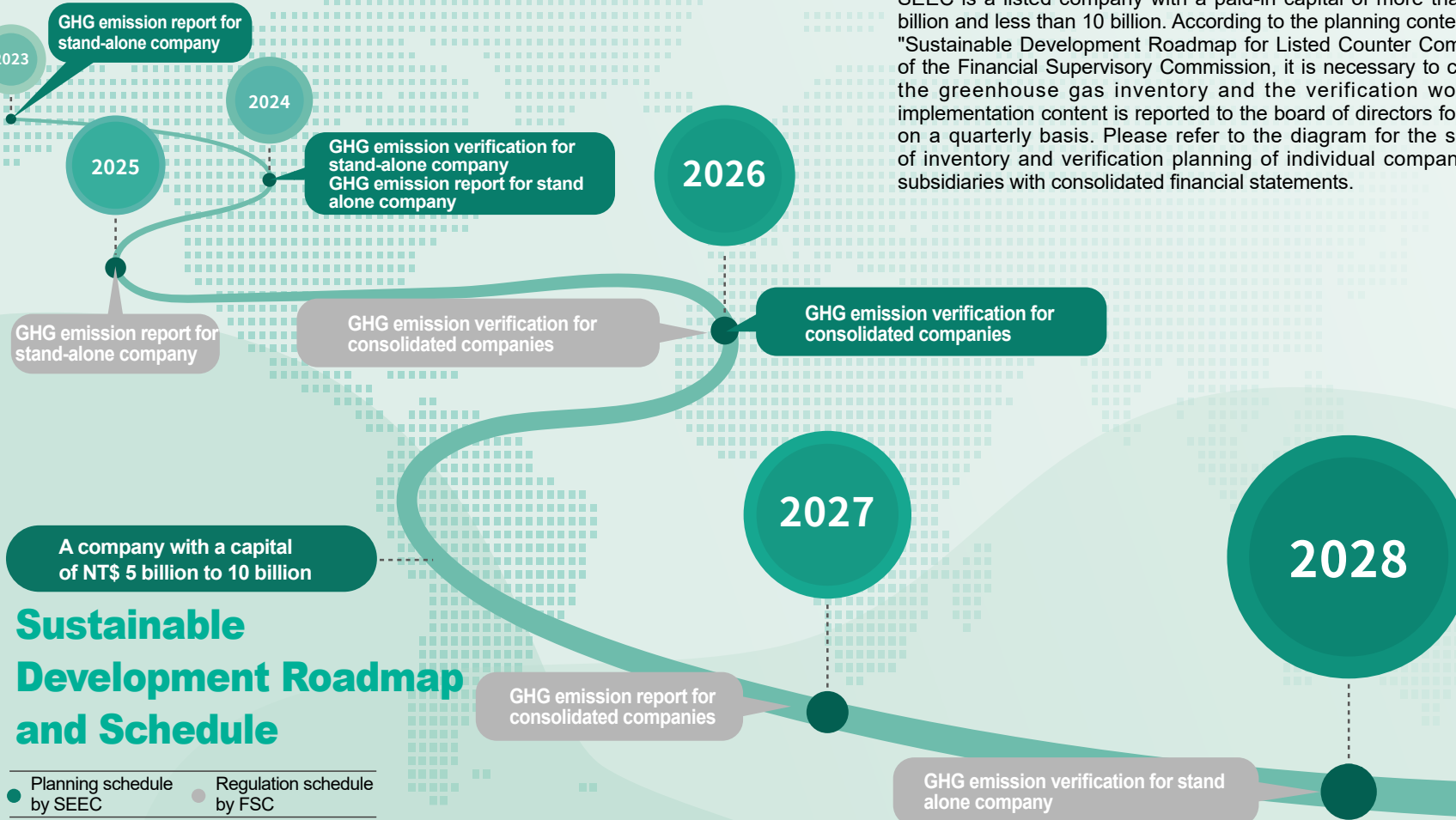
In the next few years, under the reality that nuclear power plants will be decommissioned one after another and green power has not yet fully made up for the gap, enterprises will have hidden concerns about the insufficient supply of power quality. In recent years, in addition to developing low-energy and high-efficiency products, the company has also targeted different domestic industries and power system quality problems, such as current harmonics, reactive power, three-phase unbalance, and voltage surges and sags. The company can provide customers with complete solutions. And by holding 5 briefing sessions a year, the company have in-depth communication with all kinds of industry, and even go to the client to assist in power measurement, provide power quality analysis and suggest solutions.





## 2.Greenhouse Gas Emissions

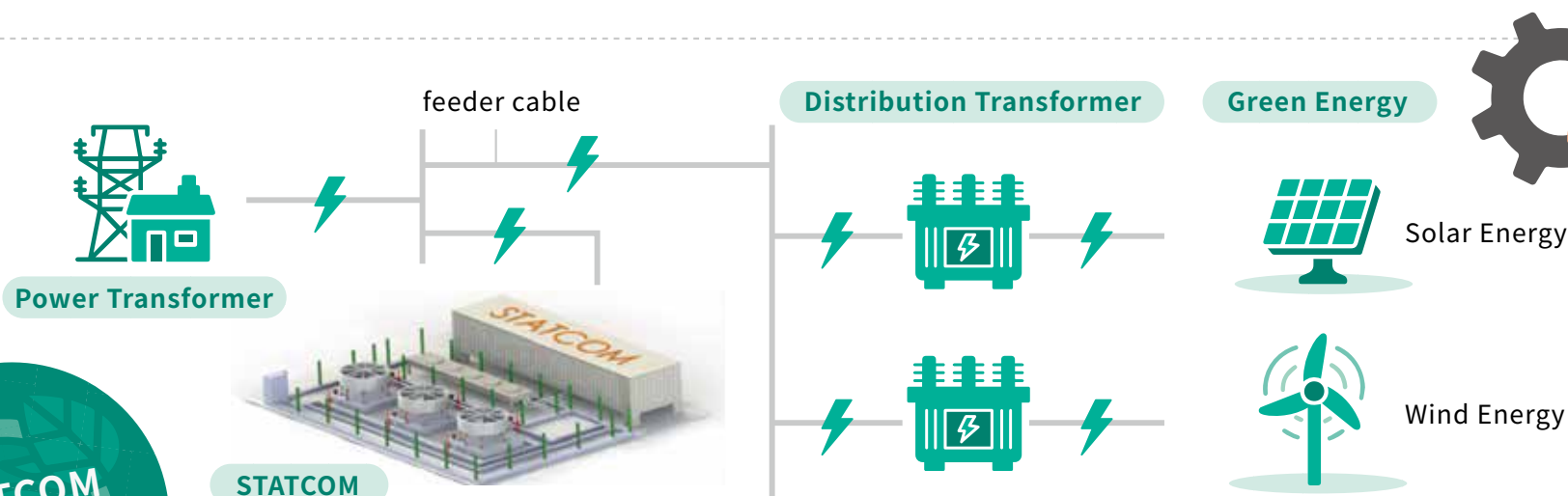
SEEC is a listed company with a paid-in capital of more than NT\$5 billion and less than 10 billion. According to the planning content of the "Sustainable Development Roadmap for Listed Counter Companies" of the Financial Supervisory Commission, it is necessary to complete the greenhouse gas inventory and the verification work. The implementation content is reported to the board of directors for control on a quarterly basis. Please refer to the diagram for the schedule of inventory and verification planning of individual companies and subsidiaries with consolidated financial statements.



# Green Power Project

## STATCOM

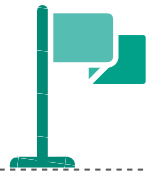
- Dynamic voltage control helps realize the smart grid.
- Improving the grid-connected stability of renewable energy.
- Increase system transmission capacity.
- Improve power quality


**STATCOM**

Low Loss | Simplification

# Green Power Project

## Major Public Works Achievements



1  
START

2  
2017

3  
2019

4  
2021

Join EMU500 dynamic reform plan

Join the Solar Turnkey Case

Join the energy storage turnkey case



Cumulative until 2022  
Participated in a total of  
**31 public** projects

### Ministry of Economic Affairs Case

- 2008 ~2013 — Wanda Power Plant Expansion and Songlin Branch Hydropower Project (Gold Medal)
- 2014 ~2017 — Tongxiao Power Plant Renewal and Expansion Project Contact Transformer and Auxiliary Equipment Project
- 2014 ~2018 — Mingtan Power Plant Jugong Branch 161kV Switchyard Renewal Project (Gold Medal)
- 2018 ~2021 — Taichung Power Plant Seawater Pump Room Medium Voltage Power Cable Renewal Project
- 2019~2022 — Fuhe D/S 161kV 60MVA power transformer GIT new project

### Ministry of Communications Case

- 2017~2022 — Electrification Project of Taitung Chaozhou Section of Taiwan Railway South-Loop Railway (Facilities Gold Award Special Excellence)
- Taipei Electric Power Section Tunnel Section Conductor Rail Installation Turnkey Project (Gold Award for Construction and Gold Award for Design)
- 2021~2026 — Mechanical and electrical engineering of the main terminal building in the third terminal area of Taiwan Taoyuan International Airport.



## 3.1 Product Safety and Responsibility

### Quality Policy

**"Continuous improvement, providing customers with premium products and services"**

The Quality Policy 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 Policy

Product quality is the first priority in the manufacturing industry. Only with good product quality can we have a good competitiveness. In order to ensure product quality and customer safety in use, SEEC has set up a "Quality and Technology Division", which manages the "Quality Assurance Promotion Department" and the "Production Technology Promotion Department" 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

The company's 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:  
 2024/06/16



**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:  
 2024/10/11

## 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. In 2022, a total of 215 people (114 in Taiwan and 101 in overseas bases) were subject to the professional assessment of quality control personnel to ensure professional improvement.

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 2022, a total of 4 employees obtained the quality professional certificate issued by the Chinese Society for Quality. In addition, 1,117 people participated in the training related to quality assurance, with a total of 4,858 person-hours.

## Promoting Independent Quality Improvement Projects

In response to changes in the external environment and technological advancement, in accordance with the policy of continuous improvement, the company will complete the employee self-improvement project in 2022 (applying the improvement methods of Japanese small groups). A total of 96 improvement projects have been completed. Conduct company-wide competitions, and for outstanding improvement topics, the company's top management will publicly praise the outstanding winning list, award certificates and bonuses.



## 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.

In 2022, the Heavy Electric Product Testing and Experimental Center applied for the new 69 kV PT and CT TAF test and evaluation. After the evaluation and certification process, it obtained the "69 kV PT and CT change" of TAF renewal certificate in both Chinese and English on April 5th.

In 2022, the Heavy Electric Product Testing and Experimental Center accepted TAF's extended field test evaluation. After the evaluation, it passed the certification. On October 17, it obtained the "full product certification" certificate in both Chinese and English issued by TAF.

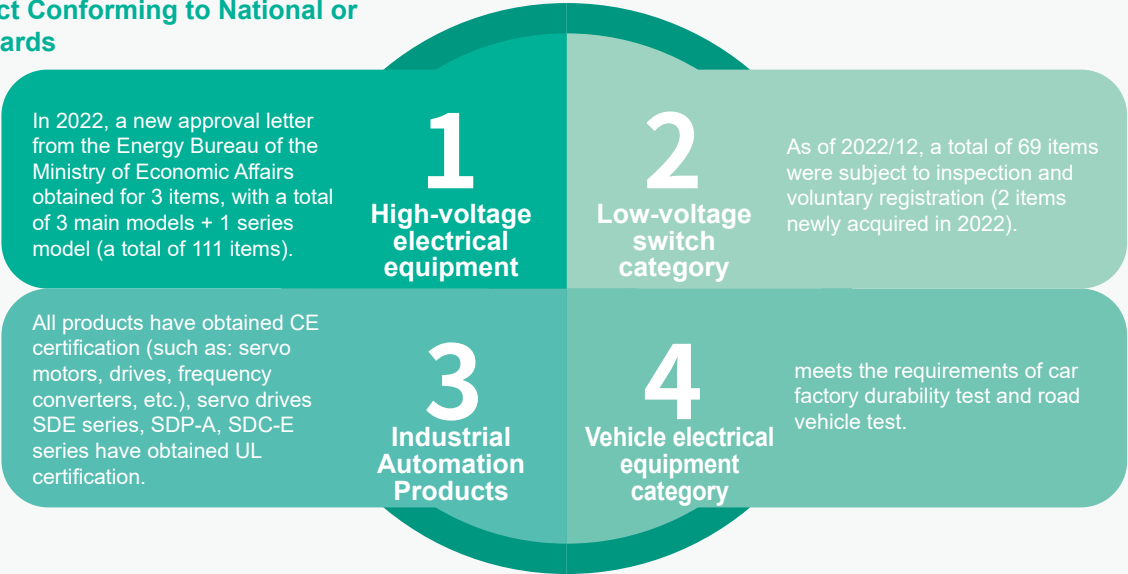
ISO/IEC 17025  
Testing Laboratory  
Accreditation





## 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:



Obtain the letter of approval for the type test of high-voltage electrical equipment in 2022

## Product Traceability Tracking

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.

## Product Health Safety and Labeling

### Hazardous Material Management

Business Group	Product	CE/RoH	Reach
The Heavy Electric Business Group	Exported North American power transformers comply with UL regulations	0%	0%
Automobile Equipment Business Group	Engines, starter motors, fuel pumps, ignition coils, magnet generators, start-stop generators	100%	100%
Breaker & Switchgear Business Group	No-fuse circuit breakers, miniature breakers, magnetic switches	100%	100%
Automation Business Group	Servo motor, programmable controller, inverter, human-machine interface	100%	Only the SDP(3K,7K) series complies (approx. 1%)

## Product Safety and Labeling

Before shipping, all products have passed international/national/customer standards and other relevant tests and verifications, 100% comply with safety regulations, and transformers exported to North America market of the Heavy Electric Business Group and all products of the Automobile Equipment Business Group comply with UL regulations, and the electromagnetic contactor products for export of the Breaker & Switchgear Business Group obtained UL certification, servo drive SDE series, SDP-A, SDC-E series all obtained UL certification. In addition, "safety precautions" are highlighted on the product manual when shipping to provide consumers with safe use methods, installation guidelines and other product safety information

The quality of our products conforms to customer specifications or national standards CNS or international well-known standards (such as IEC, IEEE...). Taking compliance with CNS as an example, we will continue to ensure the safety of customers in 2022 through certification methods such as the CNS Mark certification. In 2022, combined with the promotion of the new version of the quality management system, we will continue to maintain and obtain an updated version of the CNS Mark certificate, and manage product safety and labeling in the spirit of the CNS Mark certification. The company's the CNS Mark certification items are excerpted as follows:

Factory	Certificate No	CNS No	Product Item	CNS Mark	Smile Mark	Narration:
Heavy Electric Plant	2897	598	Transformers for power distribution (single phase), rated primary voltage (11,400V)	●	—	The Smile Mark developed by the Industrial Bureau of the Ministry of Economic Affairs is to help domestic traditional industries improve product quality. Since 1999, it has promoted the verification system for Taiwan-made MIT smile products, which meet the "Taiwan-made Origin Recognition Standard" and "Quality Inspection", and then pass the on-site evaluation conducted by experts to check and 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.
	6001	11437	Transformer (current transformer)	●	—	
	6002	11437	Transformer (potential transformer)	●	—	
Xinfeng Plant	1260	1179	Low voltage capacitor	●	●	
	1509	1372	High voltage power capacitors	●	●	
	2261	2930	AC electromagnetic switch	●	●	
	2371	4816	Low voltage switchgear and control gear - Part 2: Circuit Breakers	●	●	
	3709	5422	Earth leakage circuit breaker (for ground fault protection only)	●	●	
	3710	5422	Earth leakage circuit breaker (ground fault protection, overload protection and short circuit protection combined use)	●	●	

Cases of accumulated statistical certificates for heavy electrical products, low-voltage switches and industrial control products (certificated by the fair testing agency) are as follows:

Certificate No	CE (self-declaration)	CCC (Mainland China)	TUV (German)	KEMA (Netherlands)	BSMI (Taiwan)	cULus (USA)	SNI (Malaysia)
Power and distribution transformers	0	0	0	3	0	1	0
Breaker	4	107	22	0	69	0	1
Electromagnetic contactor	0	76	19	0	0	31	0
Auxiliary device	0	0	0	0	0	0	0
Accumulated heat relay	0	0	3	0	0	6	0
Servo motor	6	0	0	0	0	2	0
Inverter	6	0	0	0	0	0	0

## Product Recall and Remedial Mechanism

The products manufactured by the company strictly abide by relevant laws and customer contract specifications, and produce products that meet international standards, national standards, and customer requirements. In 2022, SEEC did not have any product recalls, nor did it violate any relevant product safety regulations that might incur legal proceedings and monetary losses.

In addition, SEEC has established "Quality Service and Complaint Handling Procedure". When receiving complaints from customers, the company will implement relevant process according to the operating procedures and management regulations:



Each business unit is the contact window for customer complaints. If it is a product quality issue, the quality assurance center will reply to the customer after analyzing, countermeasures and statistics of the returned product. If the complaint involves product safety responsibility, a meeting will be held for special handling.

## Product Development and Patent Management

SEEC's research and development expenses account for 1.87% of operating income in 2022. In addition to focusing on product safety, labeling and reliability, it is more active in the following applications to develop and provide various products with improved safety. In 2022, a total of 40 patent certificates were obtained (including 3 inventions and 37 new models), of which 6 are safety-related patents. From 2020 to 2022, a total of 113 patent certificates have been obtained (including 15 inventions, 97 new models, and 1 design), and a total of 308 patents have been continuously valid.

### Vehicle Safety

Example: Capacitive heat conduction anti-seismic structure of controller (patent of the ROC)

Capacitive heat conduction anti-seismic structure of controller - safety 2022/8



### High Voltage Power System Safety

Example: Insulation and fool-proof structure of transformer coil (Patent of the ROC)

Insulation and fool-proof structure of transformer coil-electrical safety 2022/6



### Low Voltage Power System Safety

Example: Earth leakage protection device with automatic periodic detection (Patent of the ROC)

Earth leakage protection device with automatic periodic detection - personnel safety 2022/6

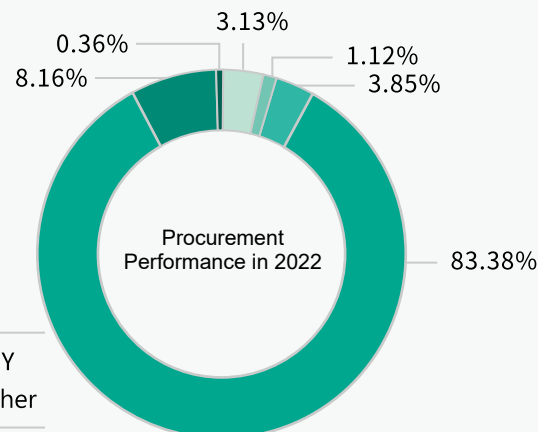


## 3.2 Supply Chain Sustainability Management



### Local Procurement

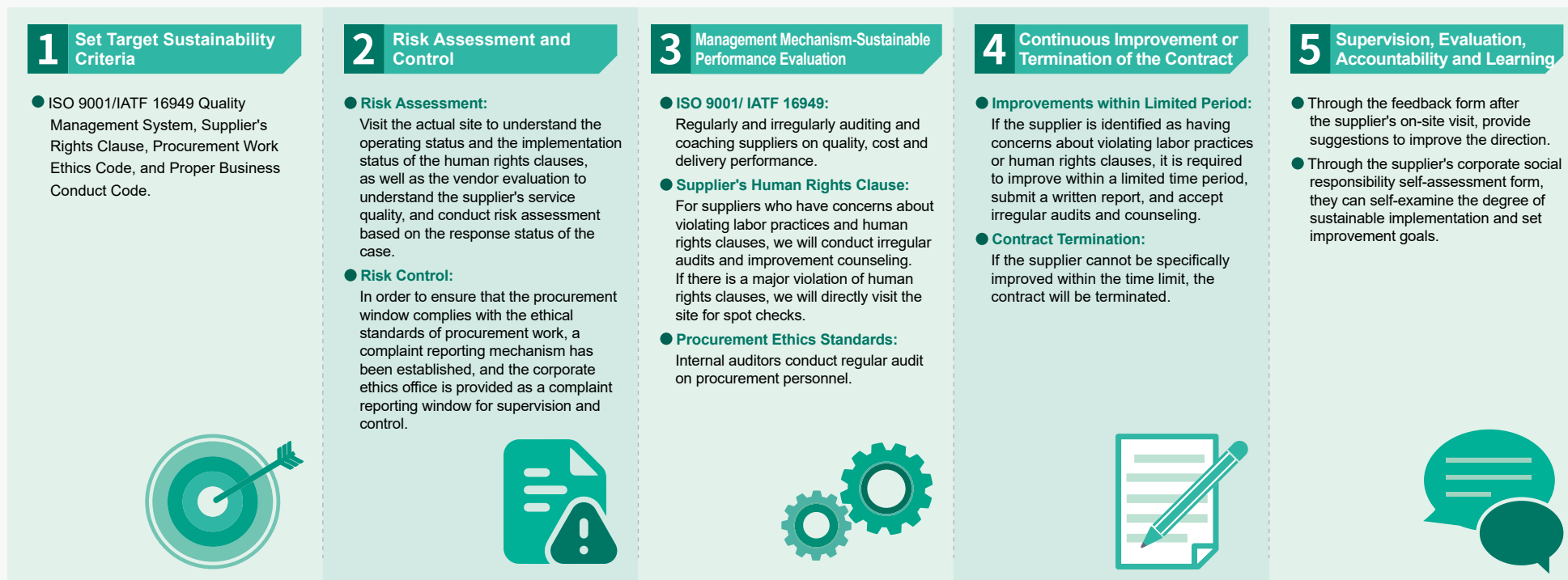
SEEC is fully committed to procure materials locally. Most of the suppliers have factories in cities near the production bases of the company, including Taiwan, Suzhou, Xiamen and Changzhou. Part of the purchases designated by customers are deployed and negotiated with customers to increase the proportion of local purchases, save transportation energy and time consumption, and reduce environmental pollution. Looking at the proportion of purchases in 2022, 83.38% of the purchases made by Taiwanese factories, which are based in Taiwan.



### Supply Chain Due Diligence

To fulfill the high-quality commitment, SEEC's selection of new suppliers is based on their ability to meet quality standards as the baseline selection criteria. Whether they are local manufacturers and whether they can cooperate in a long-term and stable manner is also included as criteria. At the same time, suppliers are invited to respond together to increase the emphasis on social, environmental and corporate governance. At present, we are adopting more incentives to obtain projects such as local environmental review or international certification such as ISO 14001, thorough implementation of 5S and clean production, efforts to implement energy conservation and emission reduction measures, and implementation of human rights protection and employee rights protection. In addition, in order to ensure that existing suppliers continue to maintain high-standard quality, the procurement unit, quality assurance unit, technical unit, and manufacturing unit jointly draft an audit plan and list every year, and conduct the review. The inspected manufacturers must propose improvement measures for unqualified items and complete them within a time limit. Only those who pass the inspection can continue to serve as cooperative suppliers. If they violate relevant regulations, we have the right to reduce the procurement ratio and quota, or even cancel their supplier qualifications.

## Sustainable Supply Chain Management Cycle



## Supplier Corporate Social Responsibility Code of Conduct

SEEC urges suppliers, cooperators and contractors must abide by the "Supplier Social Responsibility Commitment Letter", "Guarantee for Non-Use of Environmentally Hazardous Substances", "Environmental Safety and Health Policy", and "Supplier Management Measures". Since 2016, each business group has successively developed the "Supplier Social Responsibility Commitment" and the "Guarantee for Non-Use of Environmentally Hazardous Substances" to ensure that all SEEC suppliers can work together towards sustainable operation and environmental protection, and the products they produce can meet the specifications. As of 2022, 313 key suppliers have signed the "Supplier Social Responsibility Commitment Letter" and "Guarantee for Non-Use of Environmentally Hazardous Substances".

In addition to requiring suppliers to comply with the "Supplier Social Responsibility Commitment Letter", 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.



## Supply Chain Due Diligence Objectives



## Suppliers Grow Together-Apply for Environmental Carbon Footprint Project

The upsurge of corporate carbon reduction has been set off globally, and this topic will form new rules in the industry chain in the future. Products without carbon labels or carbon marks will be difficult to sell in the market; and the world includes Japan, the United Kingdom, the United States, Canada, Thailand, Australia and other countries have successively promoted carbon labeling implementation plans. The Environmental Protection Administration also announced in December 2009 that Taiwan become the 11th country in the world to promote a product carbon labeling system. In response to and focusing on the future trends, SEEC has completed the ISO 14067 carbon footprint verification and the Environmental Protection Administration's carbon label application for oil-immersed distribution transformer products in 2017, and plans to complete the carbon footprint and carbon label renewal of these two products in 2023. Key suppliers will be invited to apply together in the future. The mid- and long-term goals will counsel suppliers to formulate carbon reduction goals and carbon neutrality plans, implement carbon reduction projects, and support the government's "2050 Net Zero Carbon Emissions" goal.

## Supplier Environmental Safety and Health Management

For suppliers 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.



## Supplier Management

SEEC treats third party suppliers as a part of the production line and strives to improve their quality and management standards, and pursues the goals of high quality, short delivery time, no harmful substances, and low cost, so as to create a future for the business together. The company also requires suppliers meet the requirements of environmental protection, industrial safety and human rights, as well as the national regulations on the industrial safety qualifications of relevant manufacturers, sign environmental and safety and health commitments, cooperative factory contracts, and incorporate corporate social responsibility related issues into the selection criteria introduced by suppliers.

### New Supplier Evaluation

According to the product characteristics of each business group, SEEC classifies suppliers one by one (cooperating factories and cooperating suppliers). 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 suppliers are requested by the managers of the Procurement Department to fill in the "Suppliers 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 "Suppliers Survey Form" and follow the principle of tracking and revising once every three years.



#### The second stage: Field Assessment

Taking the procurement department as the operation center, convene personnel from related departments such as research and development, quality control, and technology to form an evaluation team to conduct the evaluation on the spot, and integrate the results of the on-site evaluation into a "supplier evaluation report" for relevant supervisor review.



### Existing Supplier Assessment

In order to help the cooperative factories to improve their operating capabilities and the overall management, SEEC conducts cooperative factory counseling, monthly evaluates and annual on-site assessments so as to provide our partners with better services. Investigate the supply chain's ISO 9001/IATF16949 acquisition status and internal audit implementation status, and confirm whether there is QC 08000 or its major factory GP certification (or its equivalent certificate). The assessment is aimed at the following:



#### Quality Control Capability

- RoHS Analyzer, Manufacturing 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 and collective bargaining rights, working hours, etc.



#### Production Technology

- Implementation status of safety, sanitation and environmental protection measures, etc.

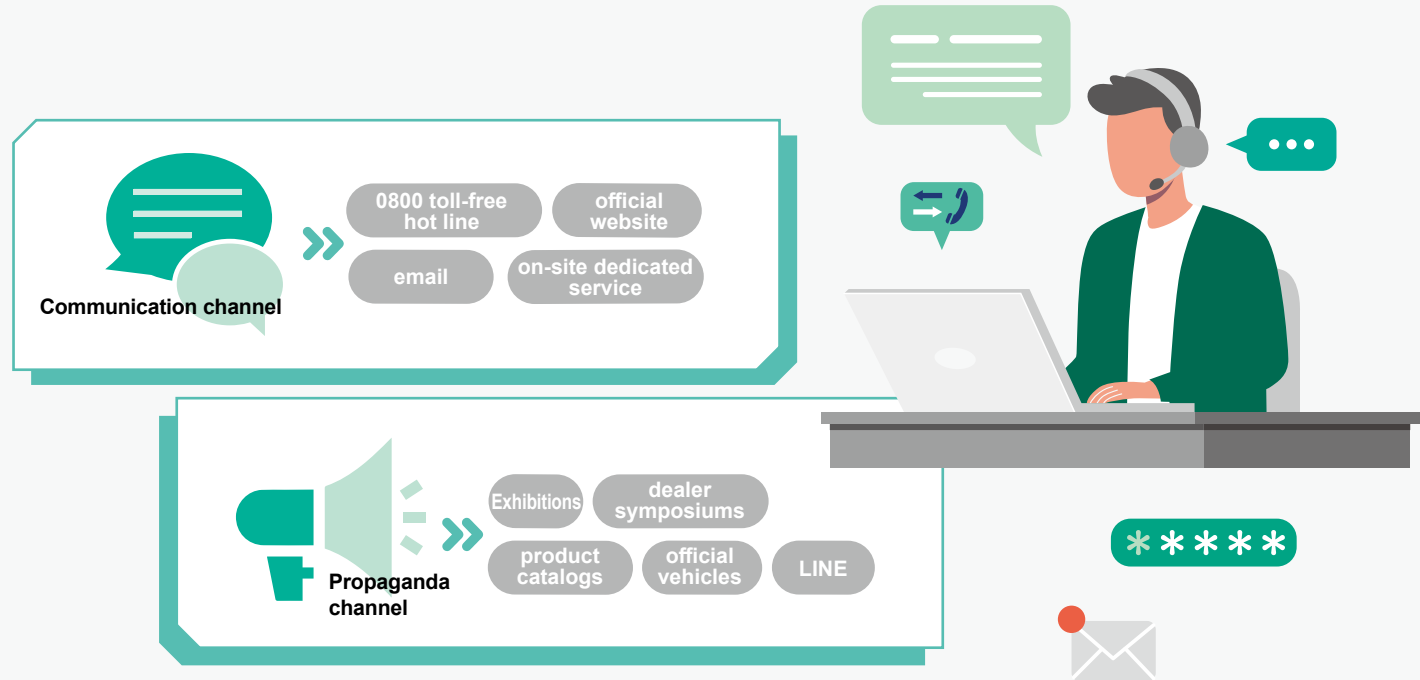
In response to third party supplier quality abnormalities and evaluation deficiencies, improvement actions and prevention measures are proposed in accordance with the requirements of the management procedure. Furthermore, an improvement implementation tracking table and quality management status evaluation 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 2022 supplier evaluation results, a total of 28 companies were evaluated, 13 were rated A, and 15 were rated B. Among them, the improvement matters opened for the lack of evaluation have all been closed, and the suppliers have proposed improvement and recurrence prevention measures within one month, which are all in line with the company's requirements.



## Customer Services

### Customer Communication and Service

SEEC has a wide range of customers. In order to pursue the best service for customers, from new product development, product sales to after-sales service, the business unit is the main contact window, and then according to different issues, we will directly visit or hold meetings with relevant units for discussion. In order to ensure that the needs, questions and feedback of customers when using the product can be fully collected, many channels have been planned, such as: 0800 hot line for free consultation by dedicated personnel, official website Q&A, consultation email mailbox, and dedicated on-site service. Furthermore, in product catalogues, official vehicles, official website, company business cards, exhibitions, symposiums, social media channel LINE, customer service sites, etc., clearly mark the consultation and contact information, so as to collect the needs reflected by customers in real time, and response customers with timely feedback and improvement, so that the voice of customers is properly conveyed to the company to achieve the goal of continuously improving customer satisfaction.



### Customer Consultation Process

Each business group is equipped with Field Application Engineer (FAE) personnel in each branch, and they can visit the customer's site to investigate and eliminate issues in the first place. After investigated, the customer feedback issue will be transferred to the dedicated department for analysis and further resolving. After the issue resolution, we will also track the subsequent usage status from customer. We maintain various customer problem-handling databases, conducts regular review of related issues and internal education and training, and continuously improves the efficiency of customer problem-handling.

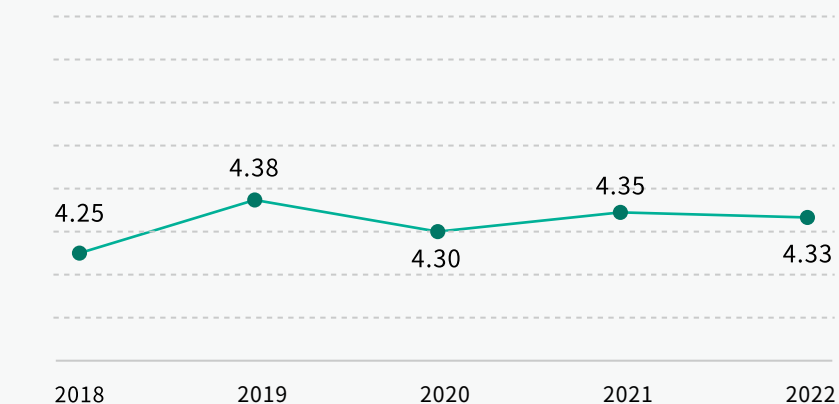


## Customer Satisfaction

Each business unit regularly conduct customer satisfaction surveys every year, and conduct surveys on four indicators of quality, delivery time, price, and service, and then prepare a "customer satisfaction survey form" and submit it to the top management for review. If the survey results are less than 3 score points (out of 5), a case-by-case review of this indicator will be conducted.

Overall, our customer satisfaction level is maintained at a certain level, and the average scores are maintained above 4 points. In 2022, the average total score of customer satisfaction in each business group is 4.33 points. The customer satisfaction with "delivery time" is relatively low. The main reason is that the shortage of raw materials and the impact of the epidemic caused the obstruction of freight and poor logistics, resulting in delays in delivery, furthermore, affecting customer satisfaction with the "delivery date" has declined. The subsequent improvement measures have been taken, including placing orders with the original factory in advance, increasing the stock, and directly requesting the original factory to advance the delivery date, and reflecting the customer's out-of-stock situation to deal with the out-of-stock problem.

## Customer Satisfaction Survey in Recent Years



# Climate Action and Environmental Management



## Major Issues

Clean Technology Opportunities

Energy and Emissions

## SASB

Energy Management

## Importance to SEEC

Climate change is a huge challenge facing the world, and companies must immediately take effective and specific strategic actions to ensure their sustainable development.

## Strategy/Goal

### Short-term 1-3 years

- Complete the greenhouse gas inventory and verification of the company and subsidiaries.
- Initiate science-based carbon reduction targets.
- Risk and opportunity assessments are conducted annually for TCFD.

### Medium/long-term 3-5 years

- The self-installed rooftop solar power plant starts to supply power.
- In 2030, the proportion of self-supplied green electricity will reach 15%.

## Sustainability Contribution in 2022

### Specific Actions

- The BOD regularly tracks the progress of the greenhouse gas inventory.
- Climate-related risk and opportunity assessments are regularly reported to the BOD.
- Promote factory solar power setup.
- The fresh air-conditioning box, chilled water host and outdoor unit of the headquarters building were updated.

### Performance Results

- In 2022, electricity saving measures account for 1% of the total electricity consumption, with a total energy saving of 255MWh and a target achievement rate of 255%.
- Greenhouse gas emissions were reduced by 129,947 kg CO<sub>2</sub>.
- A total of 610 tons of water consumption was reduced, and the target achievement rate was 102%.
- In 2022, 640 energy-saving lighting fixtures will be replaced, with a target achievement rate of 160%.
- In 2022, 159 tons of waste will be reused, and the target achievement rate is 103%.





## 4.1 Climate Change Countermeasures

The impact of extreme weather caused by global climate change is becoming more and more concerned at home and abroad. SEEC refers to the proposal, "Task Force on Climate-Related Financial Disclosures, TCFD", which is issued by the International Financial Stability Board, based on the disclosure frameworks such as "Governance", "Strategy", "Risk Management", and "Indicators and Targets", disclose information related to climate change and develop corresponding response measures.

### Governance

In 2022, the SEEC Sustainable Development Promotion Group setup a sustainability report compilation team and a greenhouse gas inventory team, which are responsible by Assistant General Manager / Mr. Shih, Chin-Yi, Chief Corporate Governance. He is responsible for promoting the formulation and supervision of the implementation of the plan, and regularly reports the operation status to the board of directors.

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 Sustainable Development Committee setup the Sustainable Development Department, with the Chief Operating Officer Yang, Tsun-Ching, concurrently as the Chief Sustainable Officer. Six working groups are set up in the three aspects of Environmental Protection (E), Social Participation (S) and Business Governance (G) to drive the ESG tasks.

[For more information, please refer to 1.1 Sustainability Practice and Management](#)

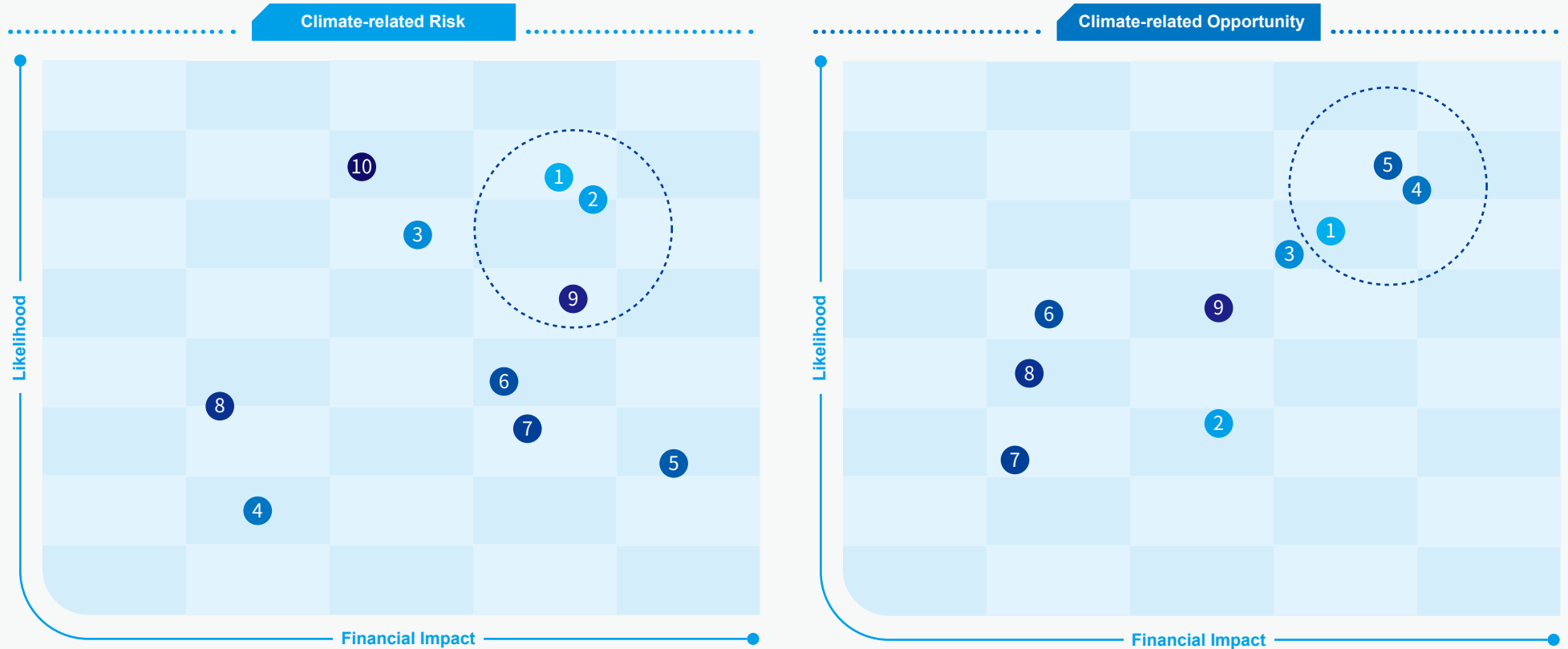
### Strategy and Risk Management

SEEC conducted an ESG kick-off meeting on November 29, 2022, and convened the top executives of each business group and key managers of various departments to jointly address the transformation risks (policies and regulations, technology, market, reputation) and entity risks (immediate, long-term) and sources of opportunities (resource efficiency, energy sources, products/services, markets, resilience) are discussed and evaluated, and then the Sustainable Development Sustainable Development Promotion Team holds another meeting to assess the risk level of SEEC climate change risks and sources of opportunities, and select more influential projects, and further discuss relevant coping strategies and their impact assessment on financial impacts, so as to further establish relevant management mechanisms for the financial impacts of climate change risk opportunities.



## Evaluation and Identification

SEEC refers to the climate-related risk and opportunity factors suggested by TCFD, evaluates the risk value and opportunity value by possibility (probability, frequency) and impact degree, and identifies priority projects.



- |   |   |
|---|---|
| 1 Border carbon tariff  | 6 Mandatory reporting requirements and carbon fees                |
| 2 2050 Net Zero Emissions   | 7 Low-carbon technology, product and service transformation needs |
| 3 Requirements of customers and major energy users (renewable energy 10%)                             | 8 Sustainable competitiveness of the company                      |
| 4 Requirements for major energy users (requirements for reporting chiller groups and air compressors) | 9 Flooded / lack of water   |
| 5 Water consumption levy  | 10 Fuel price rise  |

- |  |   |
|--|---|
| 1 Use more efficient production            | 6 Resource efficiency                       |
| 2 Increase recycling rate                  | 7 Build green factories                     |
| 3 Use low-carbon energy                    | 8 Make good use of public sector incentives |
| 4 Low carbon product service opportunities | 9 Financial institution incentives          |
| 5 Enter new markets                        |   |

## Coping Strategy

### Evaluation and Identification

Type	Category / Item	Narration	Estimated Time	Countermeasures	Financial Impact
Transformation risk	<b>Policies and regulations</b> Carbon border adjustment tax	The Automobile Equipment Business Group of the company is exported to Europe and North America, accounting for about 40% of the total sales. Although the products of the remaining business groups are mainly sold domestically, they are also exported to European and American markets. At present, the EU CBAM and the US CCA respectively impose carbon border adjustment taxes on specific products imported into the country from around the world, and there is a tendency to gradually expand the tax targets. If the regulations continue to become stricter and the scope of taxation is expanded in the future, it will have a considerable impact on the company's operating costs.	Medium-term	<ul style="list-style-type: none"> <li>● Implement carbon footprint verification, including products, production equipment, manufacturing processes, and extend to the entire supply chain.</li> <li>● Continue to pay attention to the content of carbon border taxes in European and American market to reduce operational impact.</li> <li>● Establish a cross-departmental carbon cost assessment team to review relevant business risks and plan to compile capital expenditure budgets related to energy conservation and carbon reduction in the coming years, such as replacing high energy-consuming equipment and building renewable energy equipment.</li> </ul>	Increased operating costs Increased capital expenditure
	<b>Policies and regulations</b> 2050 Net zero emissions requirements	In view of the global wave of net-zero emissions and the trend of carbon border adjustment mechanisms in Europe and the United States, net-zero transformation is not only an environmental issue, but also an economic issue that is critical to the company's competitiveness. To maintain the company's competitiveness, how to reduce carbon emissions will be the key to corporate sustainability. The company's future costs related to achieving net zero emissions, such as purchase certificates, renewable energy, etc., will have a considerable impact on the company's operating costs.	Long-term	<ul style="list-style-type: none"> <li>● SEEC has planned to complete the greenhouse gas inventory of the parent company by the end of 2023 and the external verification by the end of 2024. Subsidiary inspection and verification planning will also be completed by 2024 and 2026 respectively in accordance with the requirements of the Financial Supervisory Commission.</li> <li>● From 2022, it is planned to install solar panels in each factory area for use in the power plant. It is expected that the proportion of self-supplied green electricity will reach 15% in 2030.</li> </ul>	
Physical risk	<b>Immediacy</b> <b>Flooded/lack of water</b>	Although the company has not actually experienced flooding or water shortage, the lack of water resources may lead to a reduction in the production of crops and other raw materials, which in turn will affect the supply of raw materials to the factory. In addition, the suspension of water restrictions may also cause the production interruption of the factory, which will affect the production and supply chain, resulting in related operational losses.	Short-term	Reduce the impact of rising energy prices on water scarcity by reducing energy use, investing in renewable energy, and establishing water resource management programs to minimize water consumption and protect existing water resources. In case of water shortage in the factory area, it can be replenished by the groundwater supply of Xinfeng Factory (with own water rights). In addition, in order to prevent abnormal weather conditions such as heavy rainfall, the factory area has prepared multiple water pumps to guard against them, and has implemented a strengthened drainage system project. To ensure the hazards of abnormally heavy rainfall.	Increased operating costs

Remark: Short-term – 2023 ; Medium – 2024 ~ 2026 ; Long-term – 2027 ~ 2030

Type	Category / Item	Narration	Estimated Time	Countermeasures	Financial Impact
Opportunity	<b>Product and service</b> Low carbon product service opportunities	In response to the strategic goal of net-zero carbon emissions, the proportion of renewable energy in Taiwan will increase to 60% to 70% in 2050. Among them, the main installed capacity of solar photovoltaic, which is the main source of renewable energy, should be built to 40GW to 80GW, and the energy storage of renewable energy should be built. In 2030, the demand will reach 5.5GW. SEEC's various business groups produce various green energy products and services, including the increase in demand for electric vehicles, the promotion of charging piles, the integration and development of EV power systems, and the supply of power distribution products for green energy-related industries. Under the wave, more product service opportunities and new energy market switch business opportunities will be created.	Short-term	SEEC has successively launched green energy and energy-saving related products since twenty years ago. It has also made a comprehensive deployment in green energy applications and achieved remarkable results, and has gradually stepped into green energy projects. In the next stage, the company is also actively moving towards building its own solar power plants, energy storage plants, green energy projects, as well as the layout of power operation and power dispatching in the after-meter market, and finally aim to become a system provider of optical, storage and charging solutions. More information refers to in "Green Business Opportunities".	Increased operating costs Increased capital expenditure
	<b>Market</b> Enter new markets				
Opportunity	<b>Resource efficiency</b> Use more efficient production	With the increasing trend of policies, regulations, and customers' green requirements year by year, the use of higher-efficiency production (such as more energy-saving and improved process efficiency) can not only directly reduce the cost of energy and resource use, but also produce synergies related to green benefits.	Short-term	<b>Short-term</b> <ul style="list-style-type: none"><li>● Prevent leakage during production (compressed air, oil, air-conditioning, tap water...etc.).</li><li>● The aisle lighting is changed to an automatic sensor switch.</li></ul>	Increased capital expenditure Reduced operating costs
				<b>Medium and long-term</b> <ul style="list-style-type: none"><li>● Improvement of high energy consumption equipment (air conditioning equipment, air compressor, heating furnace, etc.).</li><li>● Switch to high-efficiency or amorphous transformers to reduce power loss.</li><li>● Integrated production and combined furnace production.</li><li>● Use high efficiency or variable frequency motors.</li><li>● Self-produced green electricity (solar, wind).</li></ul>	

Remark: Short-term – 2023 ; Medium-term – 2024 ~ 2026 ; Long-term – 2027 ~ 2030

## Green Business Opportunity

Under the trend of slowing global warming, rising awareness of energy saving and carbon reduction, and actively developing renewable energy, SEEC, as the leader of Taiwan's heavy electric industry, has launched green products and energy-saving related products since twenty years ago based on the protection of the earth's resources and the responsibility for the social environment, including high-efficiency energy-saving and environment-friendly transformers, amorphous energy-saving transformers, new-generation energy-saving transformers (green giant energy transformers), etc.. SEEC have also been fully deployed in green energy applications and have achieved remarkable results. In addition to the company's outstanding contribution to global environmental protection and energy conservation, it also reduces considerable operating and use costs for consumers.

In recent years, the government has comprehensively promoted the development of green energy. The company has fully cooperated with government policies and gradually stepped into green energy projects three years ago. At present, SEEC has equipped with the capabilities of solar booster stations, unit substations, solar module (PV) field sites, monitoring systems, the planning, design, civil engineering, motor, maintenance and operation of energy storage field, etc., In the next stage, the company also plans to build solar power plants and energy storage plants on its own, to operate and dispatch electricity in the after-meter market in the future, and finally aim to become a system provider of optical, storage, and charging solutions. In the scope of participation in green energy projects, whether it is the EPC of the entire project site or the provision of part of the projects, more than 12 projects have been completed and connected to the grid, and 12 projects are under construction, the actual results of the cases are distributed all over Taiwan (Figure 1), and the number of green energy equipment delivery cases is more than 50, including solar energy, wind power, energy storage, etc. The company's promotion and participation in the government's green energy policy is ahead of the industry. It started the layout of projects and related products three years ago, so it is conducive to the accelerated promotion in the past two years, and there will be more opportunities in the future Obtain green energy-related business opportunities in the next 5-10 years.



### Solar energy case

#### Case Name | MW | Case Location

Liqi Tianquan	99	Pingtung Jiadong
Microelectronics Tianquan	99	Pingtung Jiadong
Yongxin Taiwan Ship	16	Kaohsiung Xiaogang
Yongxin Xinyi	30	chiayi cloth bag
Hongde North Gate	25	Tainan North Gate
Baoxing Jinrong	100	Pingtung Fangliao
Urban forest edge	100	Linbian, Pingtung
Chengyi Taiyuan	204	Yunlin Taixi
Microelectronics Baihe	100	Tainan North Gate
Microelectronics Tingjie	300	Tainan Madou
Li Yi Yi Yang	99	Pingtung Fangliao
Yun Hao five days	500	Chigu, Tainan
Taiwan Sugar Yunlin	178	Yunlin Kouhu

### Energy storage case

#### Case Name | MW | Case Location

Daya Guan Temple	1	Tainan Guan Temple
Jiaxin Wanxing	5	Kaohsiung Sanmin
Collaborate with Hongming	5	Tainan Rende
United South Yanguang	15	Tainan General
Sheng Rui Changgeng	1	Taoyuan Guanyin
Chuangyang Pozin	2	Taoyuan Guanyin
Collaborative Security	4.5	Tainan Rende
Jiayu Douliu	5	Yunlin Douliu
Synergistic Lamborghini	2.7	Taoyuan Guanyin
Fuwei Tucheng	7	New Taipei Tucheng
Fu Xing Ge Malan	50	Yilan Suao

● Total 13 cases of solar energy

● Total of 11 cases of energy storage

What are the business opportunities and targeted customer groups for green energy? We simply divide them into three categories:

1

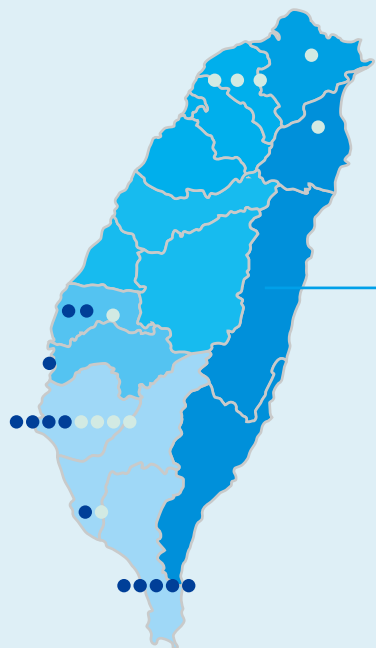
For power system companies, the government's target for renewable energy installation capacity in 2025 is 20GW for photovoltaics and 5.6GW for offshore. There are more and more power plants newly established or invested by existing enterprises.

2

Green energy-related equipment: As long as there are more and more power plants, our sales of power-related equipment will be more impressive. In particular, our strategy of "bringing materials to work" will be more conducive to the improvement of product performance.

3

Business opportunities in power management, power trading, and case maintenance and operation in the after-meter market are areas that we must accelerate our deployment.





## Metrics and Goals

To further implement the company's green business philosophy and actively respond to the government's net zero emission policy, SEEC conduct a greenhouse gas inventory in accordance with the ISO14064-1 standard in 2022. In the process of conducting greenhouse gas inventory, the measurement, monitoring and reporting of greenhouse gas emissions are carried out from the company's internal hardware equipment, raw material procurement, product manufacturing, logistics and transportation, customer use and waste disposal. It helps to understand the company's carbon emissions more clearly, grasp the hotspots of greenhouse gas reduction, formulate more effective action plans, and help achieve reduction goals.

In addition, in response to the government's policy of "Net Zero Transformation Goals and Actions", SEEC will take the following measures:

### Reduce greenhouse gas emissions

Make improvements in production, transportation and energy use, and adopt more energy-saving and low-carbon technologies and products, thereby reducing greenhouse gas emissions.



### Promote renewable energy



Actively promote the use of renewable energy, such as solar energy, wind energy, etc., to reduce the company's carbon footprint and further improve the company's green image.

### Establish green supply chain

Work with suppliers to establish a green supply chain, and incorporate environmental and social responsibilities into the entire supply chain management system, so as to achieve green and sustainable development of the entire value chain.



### Create a comprehensive solution for green energy systems



Continue to improve the research and development and innovation of green products, such as solar energy storage systems, turnkey projects, electric vehicle charging solutions, light/charging/storage systems, related charging software, APP and other supporting services, etc., to provide a variety of different green energy solutions to meet the different needs of different users for green energy needs.



Index	Target	Specific Actions	Performance
Use of renewable energy	<ul style="list-style-type: none"> <li>● Phase 1 (2022~2024) installed capacity: 1,790kW</li> <li>● Phase 2 (2025~2027) installed capacity: 1,682kW</li> <li>● Phase 3 (2028~2030) installed capacity: 1,595kW</li> </ul>	<ul style="list-style-type: none"> <li>● Starting from 2022, the solar energy installation project will be planned at the third factory, and it is expected to start the installation of solar power generation equipment and start power generation and supply in 2023.</li> </ul>	It accounts for about 15% of the annual power consumption of the factory area, and the comprehensive green energy benefit assessment is about NT\$9.6 million per year.
Water saving	<ul style="list-style-type: none"> <li>● 2023 target 630 tons</li> <li>● 2024 target 660 tons</li> <li>● 2025 target 690 tons</li> </ul>	<ul style="list-style-type: none"> <li>● The water injection volume of the washing equipment consumes 50 tons of tap water per month. Through the collection of paint slag and sewage filtration, the clean water is recycled back to the process for continuous use, effectively reducing the consumption of tap water and the generation of waste liquid.</li> </ul>	From 2020 to 2022, reduce water consumption by 1,750 tons and reduce CO <sub>2</sub> e emissions by about 0.28 tons.
Energy saving	<ul style="list-style-type: none"> <li>● 2023 target 125 MWh</li> <li>● 2024 target 150 MWh</li> <li>● 2025 target 175 MWh</li> </ul>	<ul style="list-style-type: none"> <li>● To improve the lighting of factories and plant perimeters (replacement of LED lamps) and energy saving of air compressors to: 113 MWh in 2020 102 MWh in 2021 255 MWh in 2022</li> <li>● Looking forward to the future, in addition to replacing the lighting (LED), we have also begun to plan to replace the air-conditioning system (cooling towers and separate air conditioners in each factory area). In addition, the equipment that consumes a lot of electricity in other factory areas can also use frequency converters to save electricity. Control.</li> </ul>	In 2022, 130 tons of CO <sub>2</sub> e have been reduced.
Waste reuse	<ul style="list-style-type: none"> <li>● 2023 target 165 tons</li> <li>● 2024 target 175 tons</li> <li>● 2025 target 185 tons</li> </ul>	<ul style="list-style-type: none"> <li>● Improvement of process technology, reduction of raw materials, and reuse of recycled materials.</li> </ul>	<ul style="list-style-type: none"> <li>● 139 tons in 2020</li> <li>● 151 tons in 2021</li> <li>● 159 tons in 2022</li> </ul>
Greenhouse gas inventory	<ul style="list-style-type: none"> <li>● Complete the greenhouse gas inventory of the parent company by the end of 2023, and complete the external verification by the end of 2024.</li> <li>● The consolidated statement of subsidiary company's inventory and verification planning will also be completed by 2024 and 2026 respectively in accordance with the requirements of the Financial Supervisory Commission.</li> </ul>	<ul style="list-style-type: none"> <li>● Following the "Taiwan's Pathway to Net-Zero Emissions in 2050", the company will conduct greenhouse gas inventory in accordance with the ISO 14064-1 standard in 2022 to fully grasp the direct and indirect emissions of greenhouse gases in the production plant and actively respond to the expectations of stakeholders.</li> <li>● By May 2023, the greenhouse gas inventory of the parent company in 2022 has been completed.</li> <li>● Aim at completing the confirmation of the parent company's greenhouse gas inspection and the inspection of its subsidiaries at home and abroad by 2024; the confirmation of its subsidiaries at home and abroad will be completed by 2026 at the latest; the overall inspection schedule is earlier than the legal regulations.</li> </ul>	Help the company more comprehensively grasp greenhouse gas emissions and management, and formulate effective carbon reduction strategies for locations with high emissions.

## 4.2 Energy and Greenhouse Gas Management

### Energy Use

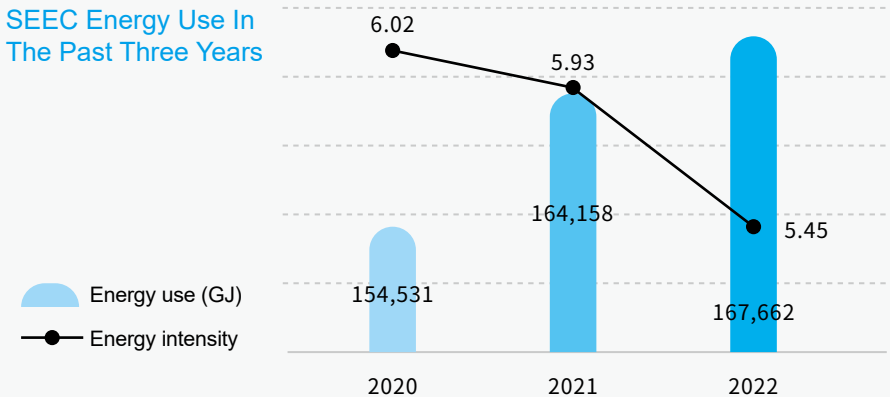
The main energy used by the company is diesel, liquefied petroleum gas (LPG) and electricity. The outsourced power comes from Taiwan Power Company. No renewable energy was used in 2022. It is expected to install solar power generation devices in 2023 to gradually increase the proportion of renewable energy used in the factory. The energy consumption of SEEC in 2022 will be 167,662.39GJ, and the energy intensity will be 5.45GJ/ NT\$ million, which is 1.5% lower than that in 2021.

Energy Consumption In The Past Three Years

Item/Year	2020	2021	2022
Diesel fuel	23,600.27	24,921.74	24,585.68
Liquefied Petroleum Gas (LPG)	4,232.14	3,345.88	5,984.39
Electricity	126,699.08	135,889.92	137,092.32
Total	154,531.49	164,157.54	167,662.39
Turnover (NTD million)	25,684	27,690	30,758
Energy intensity(GJ/ million)	6.02	5.93	5.45

Unit:GJ

SEEC Energy Use In The Past Three Years



### Greenhouse Gas Emissions

The company's greenhouse gas emission results are shown in the table below. In 2022, the total emissions were 20,295 tons of CO<sub>2</sub>e, and the greenhouse gas emission intensity was 0.6598 tons of CO<sub>2</sub>e/million\$. In order to strengthen the company's greenhouse gas management, SEEC conducted a greenhouse gas inventory in accordance with the ISO14064-1 standard in 2022. Taking this year as the base line, the company will further set the company's carbon reduction goals in the future.

Greenhouse gas emissions in the past three years

Item/Year	2022
Category one	1,230.87
Category two	19,064.61
total emissions	20,295.48
Turnover (NTD million)	30,758
Greenhouse Gas Emissions Intensity (tons CO <sub>2</sub> e/million\$)	0.6598

Unit: Ton CO<sub>2</sub>e

Note:

- The data in 2022 are checked according to ISO 14064-1:2018. The gases to be checked include: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF<sub>6</sub>), nitrogen trifluoride (NF<sub>3</sub>), the data has not been verified by a third party externally.
- The greenhouse gas inventory adopts the operation control method, with 2022 as the base year for greenhouse gas emissions.
- The 2022 Global Warming Potential (GWP) refers to the IPCC 2013 Sixth Assessment Report.
- Source of conversion factor: The latest Greenhouse Gas Emission Factor Management Table Version 6.0.4 published by the Environmental Protection Administration, Executive Yuan
- The purchased electricity refers to the electricity carbon emission coefficient announced by the Energy Bureau of the Ministry of Economic Affairs. The 2022 electricity carbon emission coefficient has not yet been announced, so the 2021 electricity carbon emission coefficient of 0.509 kg CO<sub>2</sub>e/degree is used for calculation.

## Energy Saving Measures and Performance

In 2022, in addition to lighting energy-saving improvements, SEEC also carried out an energy-saving improvement plan for the air compressor system, replacing fixed-frequency air compressors. After switching to the frequency conversion air compressor, it is estimated that 103,740 kWh of electricity can be saved each year, and the electricity cost can be reduced by around NT\$ 300,000 to 400,000, and about 52 tons of CO<sub>2</sub>e can be reduced. The company's 2022 energy-saving improvement measures saved a total of 255,300 kWh of electricity consumption, which is converted to approximately 919GJ of energy saved and approximately 130 tons of CO<sub>2</sub>e in terms of carbon reduction.

### Key Energy Saving Improvements in 2022

Item/Year	Manufacturing plant energy saving improvement		Air compressor energy saving improvement		Improvement performance		
	Before improvement	After improvement	Before improvement	After improvement	Total power saving (kWh)	Total energy saving (GJ/year)	Total carbon reduction (tons CO <sub>2</sub> e/year)
Improvement item	T8 tube	LED tube	Fixed frequency	Frequency conversion			
Annual electricity consumption (kWh)	217,440	65,880	237,120	133,380	255,300	919	130
Power saving (kWh)	151,560		103,740				

Note:

1. Converted greenhouse gas emission reduction (tons CO<sub>2</sub>e/year) = electricity saved (kWh/year) \* 0.509kgCO<sub>2</sub>e/kWh.

2. Power energy conversion factor = 3,600KJ/kWh



## New Permanent Magnet Variable Frequency Air Compressor

The company strives to improve the carbon footprint of products and services, and leverages more energy-efficient and efficient manufacturing processes to reduce carbon footprints. In accordance with the industry category standards set by the Environmental Protection Administration, the "Life Cycle Assessment (LCA)" is used to validate direct or indirect greenhouse gas emissions in the manufacturing process, to conduct green procurement, create low-carbon product service processes, and actively obtain the government's carbon footprint and carbon reduction certification labels for products, demonstrating SEEC determination to reduce carbon.

SEEC proactively promotes "high-efficiency" transformers and other related products, and uses more optimized designs and high-quality raw materials to manufacture products with higher efficiency and lower loss than ordinary transformers. The two products of "oil-immersed amorphous transformer" and "high-efficiency transformer" have completed the ISO14067 carbon footprint verification and the application for the carbon label of the Environmental Protection Administration in 2017. Furthermore, the company plan to complete the carbon footprint and carbon label update of these two products in 2023.

## Raw Material Use

The sources of raw materials for the company's four major business groups are not only direct purchases, but also outsourced manufacturing and component purchases. The main bulk raw materials are iron, copper, silver, aluminum, silicon steel, plastics, insulating oil, etc., The annual usage of 2022 is shown in the table on the right.

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 actions. Regarding the use of recycled materials, in the early stage, the Automobile Equipment Business Group mostly used technologies and materials such as bakelite, powder coating, and plastic injection. 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. The Breaker & Switchgear Business Group is allowed to use 10% recycled materials in the nylon casings of circuit breakers and contactors, and the rest of the business groups (Heavy Electric Business Group and Automation Business Group) do not use renewable materials.

Moreover, in the product design process, recyclable and environmentally friendly packaging materials are also considered for consumables and packaging, including wood, paper, iron boxes, etc., of which wood and paper are renewable raw materials, and when the supplier delivers, It also encourages the use of sustainable recycling plastic boxes for packing, and the pallets for transportation and loading are also reused to meet the company's mission of energy conservation and environmental protection.



## Main Raw Material Usage in 2022

Item	Unit	Breaker & Switchgear Business Group	Heavy Electric Business Group	Automobile Equipment Business Group
Copper	Ton	602	3,600	492
Silver	Ton	7.8	0	0
Iron (with silicon Steel)	Ton	1,220	9,952	5,064
Iron (without silicon steel)	Ton	0	31,131	0
Aluminum	Ton	0	0	545
Insulating oil	Kiloliter	0	5,203	0
Plastic	Ton	310	0	13.8

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

## Recycling and Disposal of Products and Packaging Materials After Use

Most of SEEC's products are recycled circuit boards, copper, iron, aluminum, plastic and other materials, which have high recycling value. For products and product packaging materials that have reached their lifespan, they can be recycled and reused to reduce the impact of products on the environment.

	Heavy Electric Business Group	Automobile Equipment Business Group	Breaker & Switchgear Business Group	Automation Business Group
 End-of-Life-Span Products	The interior is mostly recycled copper, iron, aluminum, insulating oil and other substances, therefore, will use resource recycling	When the customer intends to scrap the vehicle, the related electrical components will be disposed of at the vehicle professional resource recycling plant.	Since the product (low-voltage switch) is installed in the customer's equipment, power panels, and home appliances, if the product has reached the end of its life, the product can be recycled directly at the resource recycling plant because it meets the ROHS standard.	The automation products are installed on the customer's machinery, equipment, and control panels, and are processed in the resource recovery plant. The Automation Business Group continues to promote the design of easy recycling and easy disassembly of products. In addition to assisting customers to improve the reuse rate and recycling rate of waste electronic products and their materials, it complies with the relevant environmental protection regulations of the shipping area (such as the EU WEEE directive).
 Packaging Material Recycling	Take transformers as an example, they are mostly naked and do not need to be packaged (transportation / storage is covered with a reusable canvas cover)	Promote the use of sustainable recyclable plastic baskets for delivery to manufacturers, and deliver shipments in sustainable recyclable containers to reduce the use of cartons.	Use industrial bags with simple packaging and recyclable packaging boxes for continuous recycling. The packaging cartons, plastic baskets, plastic bags and wooden pallets used for transportation are well utilized and reused.	The products of the Automation Business Group are transported with green packaging materials (including corrugated paper, cardboard, cartons, wooden boxes, etc.), and the waste packaging materials can be recycled or reused.



## 4.3 Water Resource Management

### Utilization of Water Resources

The main water used by the company includes process water, service water, plant watering, etc. The water source is from Taiwan Water Company, and the water source is Touqian Stream. According to the "Water Risk Atlas" of the World Resources Institute, it shows that the water pressure in the region where the company is located is "Low - Medium risk (1-2)", and the water intake does not have a significant impact on local water sources. The use of water resources in the past three years is shown in the following table:

#### Water Use In Recent Years

Item	2020	2021	2022
Total water withdrawal (million liters) - piped water	204.30	208.60	222.10
Total water withdrawal (million liters) - groundwater	20.59	9.71	0.92
Total displacement (million liters)	93.19	99.32	92.01
Total water consumption (million liters)	131.70	118.99	131.01
Revenue (million NT\$ )	25,684	27,690	30,758
Water withdrawal intensity (million liters/million NT\$)	0.0088	0.0079	0.0073

Note:

1. Water consumption = water intake - water discharge.

2. The displacement is the actual statistical value of the flowmeter in the factory area.



## Water Pollution Prevention and Control

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 Wastewater Treatment Plant of the Industrial Zone Management Center sends personnel to the factory to sample and test the water quality every month. The test results from 2020 to 2022 are in line with and far below the emission standards.

### SEEC Wastewater Discharge Control In Recent Years

Water Pollution Detection Item	Management Standard	2020	2021	2022
Hydrogen ion concentration (pH)	5.0~9.0	7.40	7.35	7.50
Chemical Oxygen Demand (COD)	<480 (mg/L)	41.80	43.62	50.00
Suspended Solid (SS)	<400(mg/L)	18.27	18.79	23.00
Copper (Cu)	<3(mg/L)	ND	ND	ND
Zinc (Zn)	<5(mg/L)	0.15	0.16	0.41
Hexavalent Chromium (Cr)	<0.5(mg/L)	ND	ND	ND

Note: ND stands for not detector; means that the concentration is too low to be detected.

Wastewater specific treatment equipment



## Improvement Plan For Waste Liquid Reduction

In response to the international trend of energy saving and carbon reduction, and cater for the national energy saving policy to formulate factory environmental safety and health policies, with good energy efficiency, power saving, water saving, and pursuit of sustainable development, SEEC should actively respond to and promote various national measures, and further enhance the company's competitive edge. The company analyzes the improvement points of people, machines, materials and methods, analyses the problems and develops proposes improvement countermeasures. In 2015, it launched the improvement plan of the coating waste liquid, and the waste liquid produced in the coating process was converted efficiently into solid and liquid parts.

The original washing equipment used continuous water injection. Through the improvement plan, the clean water is recycled, which effectively reduces the consumption of tap water and the production of waste liquid, and the moisture content of the waste paint slag produced is reduced, which is also equivalent to the reduction of waste. The water injection of the washing equipment consumes 50 tons of tap water per month. Through the collection of paint residue and sewage filtration, the clean water is recycled back to the process for continuous use, effectively reducing the consumption of tap water and the generation of waste liquid. It is estimated that 600 tons of water consumption can be reduced a year. It is equivalent to reducing 96.6 kg of CO<sub>2</sub> equivalent. In 2022, the actual water consumption was reduced by 610 tons, and the CO<sub>2</sub>e was reduced by about 98.21 kg.

Note: The water carbon emission factor announced by the Taiwan Water Corporation is quoted. The data for 2022 has not yet been released, so the water carbon emission factor for 2021 is calculated as 0.161 kg CO<sub>2</sub>/cubic meter.

## 4.4 Pollution Prevention and Management

The company has set up industrial safety and health center in each business group to be responsible for promoting matters related to environmental management and industrial safety, and the subsidiaries are also managed by the general affairs unit. Strengthen the supervision of pollution prevention and management operations, and pay attention to the maintenance and repair of environmental protection equipment, improve the efficiency of equipment treatment, in order to comply with environmental regulations and standards, and promote as well as pass the environmental management system (ISO14001) verification.

### 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.

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 law, and reported online in accordance with the regulations of the Environmental Protection Administration.

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, through the proper waste disposal form and GPS global satellite positioning, we can monitor and verify the flow of waste removal and treatment, and conduct on-site audits on waste treatment plants from time to time to ensure that waste can be properly handled so as to ensure the legality of waste disposal.

In 2022, the total weight of waste generated is about 989 tons, and there is no waste for on-site disposal. Among them, the total amount of transferred waste during disposal is 159 tons, and the total amount of directly disposed waste is 830 tons, including 828 tons of general business waste, 2 tons of hazardous industrial waste.



## Waste Generation and Treatment

Hazardous Waste		
Waste Composition	Out Of Field	
Item	Waste Generation (Tons)	Processing Method
Waste liquid (flash point less than 60°C )	2	Incineration (including energy recovery)

Hazardous Waste		
Waste Composition	Out of field	
Item	Waste Generation (Tons)	Processing Method
waste oil mixture	50.39	Recycle
sludge	43.81	
scrap wire	0.05	
scrap metal	13.30	
waste wood	50.00	
waste electronic components, waste products and defective products	0.24	
metal-containing printed circuit board waste and its powder	0.24	Incineration (including energy recovery)
waste tin	1.00	
waste paper	9.15	
waste plastic	27.50	
household garbage	500.93	
waste wood mixture	129.56	
waste rubber mixture	31.18	
waste wood pallets	40.74	
waste solvent	78.17	
waste resin	2.83	
waste oil mixture	5.79	
grease-free waste transformers and waste capacitors	1.96	Physical treatment

## Environmental Expenditure

Adhering to social corporate responsibility, the company has invested a huge amount of pollution prevention equipment costs and operating costs, including water and electricity costs, activated carbon replacement, waste liquid, waste treatment costs, etc., and is committed to environmental protection. In air pollution control management, SEEC has introduced the latest air pollution control equipment, which has been recognized by the environmental protection agency. The coating process has been referenced by the other factory for many times. Paint and organic solvents are used in the coating process, which are easy to spill during spraying, which may affect operators and cause environmental pollution. In order to reduce the impact of air pollution, the latest fixed pollution source prevention and control facilities are used to reduce various pollutants. In addition, the air pollution prevention equipment of the original process uses activated carbon adsorption equipment to remove VOCs. Now we introduce the latest technology, activated carbon fluidized bed treatment method, which not only reduces the waste generated by the use of activated carbon, but also greatly improves the pollutant removal efficiency.

In 2022 include operating expenses for air pollution prevention and control, operating expenses for water pollution prevention and control, investment in the construction of pollution prevention and control hardware equipment, and various waste removal and treatment expenses, is NT\$16,937thousand in total.

# Labor-management Harmony and Safe Workplace



## Major Issues

Employee Rights and Welfares

Talent Development and Retention

Occupational Safety and Health

## Importance to SEEC

A good talent training and development plan has a great impact on attracting and retaining talents. Therefore, SEEC actively creates a friendly, diverse, happy and safe workplace, encourages employees' challenge and innovative spirit, and helps improve the company's productivity and pursue innovation.

## Strategy/Goal

### Short-term 1-3 years

- Supply appropriate talents to cater for strategic development of each BU.
- Continue to reduce occupational safety risks.

### Medium/long-term 3-5 years

- In line with the company's business policy and business transformation, recruit professional talents.
- Zero major occupational accidents.
- According to the mid-term growth strategy of each BU, promote organizational transformation and enhance efficiency.
- Implement education and training, eliminate the weak and retain the strong, and continuously improve the quality of talents.

## Sustainability Contribution in 2022

### Specific Actions

- The "Training and Development Committee" was established to meet quarterly to review the implementation results and work plans.
- A total of NT\$8.27 million has been invested in education and training.
- Conducted 16 occupational safety and health meetings.
- A total of 11,701.5 hours of occupational safety training programs.
- Fire drills are held twice a year.

### Performance Results

- The average education and training hours in 2022 is 19.12 hours.
- The implementation rate of the annual training hours for education and training in 2022 is 115%.
- In 2022, the new recruit rate is 18%, and the turnover rate is 12%.
- The percentage of employees who receive regular performance reviews in 2022 is 93%.
- In 2022, there is no cases of employees judging occupational diseases.
- In 2022, there is no work-related injuries among employees.
- By the end of 2022, a total of 148 colleagues have passed the initial qualification certification of CPR and AED operation.



## 5.1 Human Rights Management

### 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 2022.

### 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 2022, 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

### 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

#### Implement workplace bullying prevention promotion

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 2022, there is approximately 4,300 hours of training in courses related to human rights protection, with a total of 1,122 participants. In the future, we will continue to pay attention to issues of human rights protection and promote relevant education and training to increase awareness of human rights protection and reduce the possibility of related risks.

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	137	947
Occupational Safety Personnel	Occupational Safety and Health Personnel On-The-Job Training	Occupational Safety Series Training	15	227
General colleagues	Labor Safety and Health Education	Labor Safety and Health	429	1,659
General colleagues	Fire Safety Training	Fire Safety	95	386
General colleagues	First Aid Training	Emergency Care	132	521
General colleagues	Civil Defense Training	Civil Defense Training	61	244
General colleagues	Health Lecture	Health Care Knowledge	69	98
General colleagues	Promotion Of Legal Knowledge	Sexual Harassment and Workplace Bullying Prevention, Human Rights Protection	184	218
Total			1,122	4,300

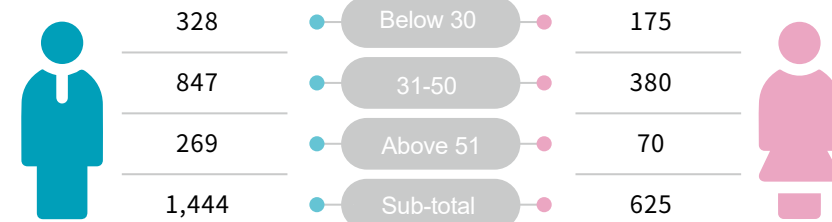
## 5.2 Harmonious Labor Relations

### 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 2022, the total number of employees is 2,069, of which 1,444 males (69.8%) and 625 females (30.2%) are full-time employees. There are a total of 511 supervisory staff (57 senior executives, 195 mid-level managers, and 259 junior supervisors), and a total of 1,558 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 2022, there is a total of 153 non-employee workers, including 16 labor contractors (6 males and 10 females), engaged in security and cleaning operations. 137 temp works (64 males and 73 females) were dispatched to work on the production line.

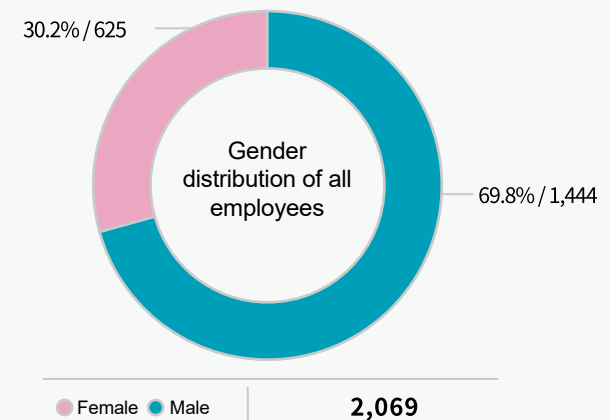
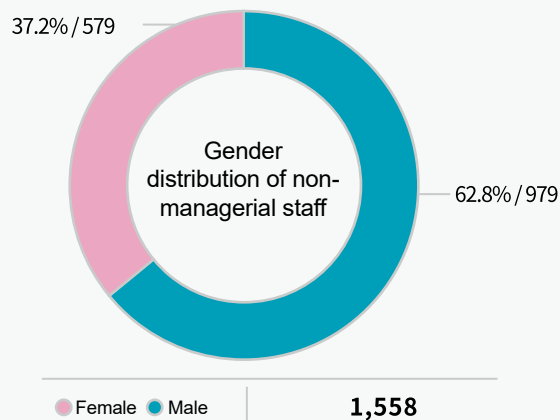
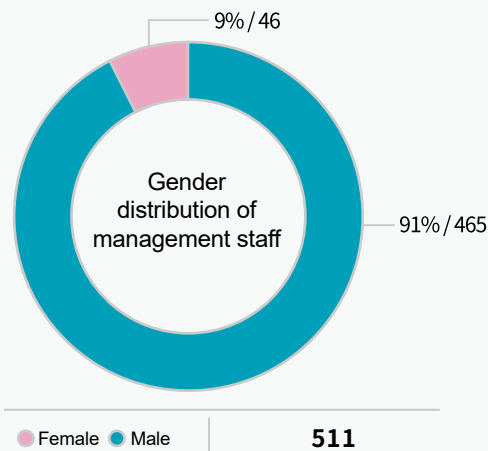
#### SEEC 2022 Employee Structure Statistics



Total 2,069

Note:

1. The above information is calculated based on the current employees as of December 31, 2022.
2. The company has no part-time, temporary or unlimited hours guarantee employees.
3. The headcount statistics in the above table do not include directors serving in the company.
4. In the past 5 years, 100% of the senior managers above the associate level are employees of their own nationality



## 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 the job opportunities of the physically and mentally handicapped and indigenous people and other disadvantaged groups, the company complies with laws and regulations. In terms of providing equal employment opportunities for disadvantaged groups, the company employs people with disabilities according to law. In 2022, 14 people with disabilities are hired, accounting for 0.68% of the total employees. As for the shortfall, the company will subsidize regularly to the "Employment Fund for the Disabled" of the local labor authority in accordance with the "Law on the Protection of the Disabled".

Year	2018	2019	2020	2021	2022
Total number of local employees in Taiwan	1,967	1,981	1,919	1,955	2,069
Number of employees with disabilities	23	22	15	14	14
Number of aboriginal employees	11	13	16	16	18
Proportion of employees with disabilities	1.17%	1.11%	0.78%	0.72%	0.68%
Proportion of aboriginal employees	0.56%	0.66%	0.83%	0.82%	0.87%

## New Hire and Resigned Profiles

In 2022, the new recruitment rate of SEEC is 18%, and the turnover rate is 12%. The turnover rate of all age segments is similar to last 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.

2022 New Hire Rate							2022 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	155	47.3%	71	8.4%	18	6.7%	 Male	69	21.0%	60	7.1%	38	14.1%
 Female	73	41.7%	60	15.8%	0	0.0%	 Female	38	21.7%	32	8.4%	8	11.4%
<b>Total</b>	<b>288</b>	<b>45.3%</b>	<b>131</b>	<b>10.7%</b>	<b>18</b>	<b>5.3%</b>	<b>Total</b>	<b>107</b>	<b>21.3%</b>	<b>92</b>	<b>7.5%</b>	<b>46</b>	<b>13.6%</b>

- Note:
1. New hire rate (%) = the number of new hires in this category (gender, age) in the current year / the total number of employees in the category at the end of the current year.
  2. Turnover rate (%) = the number of employees who leave the category (gender, age) in the current year / the total number of employees in the category at the end of the current year.
  3. The number of new hires does not deduct those who leave midway; the number of departures includes voluntary or dismissed and retired employees.
  4. 293 foreign employees are not included in the calculation of the new recruitment rate and turnover rate of all employees.

## Rights Protection and Labor-Management Communication

### Labor Union and Group Agreement

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 2022 is 99.99% (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 2022, a total of 68 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.



## Retirement Plan and Re-employment System

SEEC allocates labor retirement reserves in accordance with the law to protect the rights and interests of employees to apply for pensions in the future. In addition, the company 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.

Retirement System	Appropriation Status	Implementation Status in 2022
<b>Old system</b> 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.	Every January, after the settlement of the previous year, professional actuaries conduct actuarial calculations of retirement reserves to confirm the full appropriation of vested benefits. As of the end of 2022, the fair value of planned assets is NT\$1,388,909 thousand; the amount that needs to be appropriated according to the Labor Standards Act in the future is estimated to be included in accrued pension liabilities, and the balance as of the end of 2022 is NT\$1,126,988 thousand.
<b>New system</b> 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.	In 2022, the new system pension expense is NT\$67,386 thousand.

## 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.

#### Compensation Structure

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 110% 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.

#### Female / Male Salary Ratio

Rank	2020			
	Total Salary		Monthly Salary	
	Female	Male	Female	Male
Senior executive	0.90	1	0.81	1
Middle and junior managers	0.86	1	0.87	1
Employee	0.82	1	0.83	1

Rank	2021			
	Total Salary		Monthly Salary	
	Female	Male	Female	Male
Senior executive	0.90	1	0.84	1
Middle and junior managers	0.87	1	0.87	1
Employee	0.83	1	0.83	1

Rank	2022			
	Total Salary		Monthly Salary	
	Female	Male	Female	Male
Senior executive	0.77	1	0.79	1
Middle and junior managers	0.85	1	0.87	1
Employee	0.82	1	0.83	1

Note:

1. Senior executives are directors above the director level, and middle/junior managers are supervisors above the section chief level.
2. In 2022, the gap between the total salary and monthly salary of high-level male and female is larger than that of the previous year. This is due to the fact that the total salary and monthly salary of the newly promoted female executives in the second half of 2022 have not yet fully reflected in the annual statistics.



## 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 2022, the implementation rate of performance appraisal is 93.28%, and those who have not accepted the appraisal are less than six months old (another appraisal for new hire will be conducted) or they will stay without pay for the current year.

The number and ratio of employees who receive regular performance appraisal

Rank / Gender		Employee Number	Number Of Employees Receiving Regular Performance and Career Development Reviews	Ratio
Manager	Male	465	465	100%
	Female	46	46	100%
Employee	Male	979	882	90.10%
	Female	579	537	92.75%
Total		2,069	1,930	93.28%

Note: Management position: section chief 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:

### 1 Basic benefit

- 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.



### 2 Employee stock ownership trust

- A certain amount is withdrawn from salary every month, and the company will give a certain proportion of rewards according to the amount withdrawn.



### 3 Employee rewards

- 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.



### 4 Insurance/Medical care

- Group insurance: accident insurance, riders for accident & hospitalization medical treatment, overseas emergency assistance services.
- Regular company-wide health checks.
- Occasional health and medical lectures.



### 5 Welfare activities

- The Welfare Committee organizes employee tours from time to time and provides various welfare-related subsidy measures such as weddings, funerals, 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.



### 6 Employee training

- 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.



## Happiness Canteen: Complement the daily essence, energy and spirit of employees

Creating a bright, novel and energetic modern happy canteen, not only make employees eat well, eat with peace of mind, and eat happily, but also improve the productivity and cohesion of employees. The basic equipment of a happy company is to provide employees with high-quality dining space to supplement the essence, energy and spirit of the day.

Under the guidance of Chief Operating Officer, Mr. Yang, and supervisors at all levels, the construction details, from plan & design, material selection, environmental color matching, of the restaurant of the Heavy Electric plant are discussed and finalized on a case-by-case basis. There are many bright spots, such as bright and comfortable glass windows and soft lighting tones, clean and hygienic dining table with stone countertops, noble and elegant stone wallpaper, ingenious imitation wood grain floor and vibrant overall space color matching, coupled with healthy and delicious delicacies, what a restaurant-level dining environment.

Stepping into the staff restaurant, elegant Pleasant space whets the appetite whets the appetite. Whether it is visual or taste, it has been upgraded to a higher level. The mood of eating is relaxed and joyful. After excellent food and a good rest will make employees more energetic and efficient to fight again at work.



## 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.

Year	2020			2021			2022		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of people eligible for parental leave (A)	5	48	53	4	49	53	7	61	68
The actual number of applications for parental leave in the current year (B)	1	14	15	0	13	13	6	21	27
Number of people who should be reinstated from parental leave in the current year (C)	0	7	17	1	13	14	4	18	22
The actual number of people who have been reinstated from parental leave in the current year (D)	0	11	11	1	12	13	4	13	17
The actual number of people reinstated from parental leave in the previous year (E)	1	7	8	0	11	11	1	12	13
Number of people who continued to work for one year after parental leave in the previous year (F)	0	6	6	0	9	9	1	10	11
Parental leave reinstatement ratio in the current year % (D/C)	—	65%	65%	100%	92%	93%	100%	72%	77%
Parental leave retention ratio in the current year % (F/E)	0%	86%	75%	—	82%	82%	100%	83%	85%

Note: Eligibility for parental stay application (A) is redefined as employees who have taken maternity leave or paternity leave within the previous three years of the year. For example, those eligible for application in 2022 are employees who have taken maternity leave or paternity leave within past three years, from January 1, 2019 to December 31. The data for 2020 and 2021 will be revised simultaneously.

Statistics on parental leave without pay in the past three years

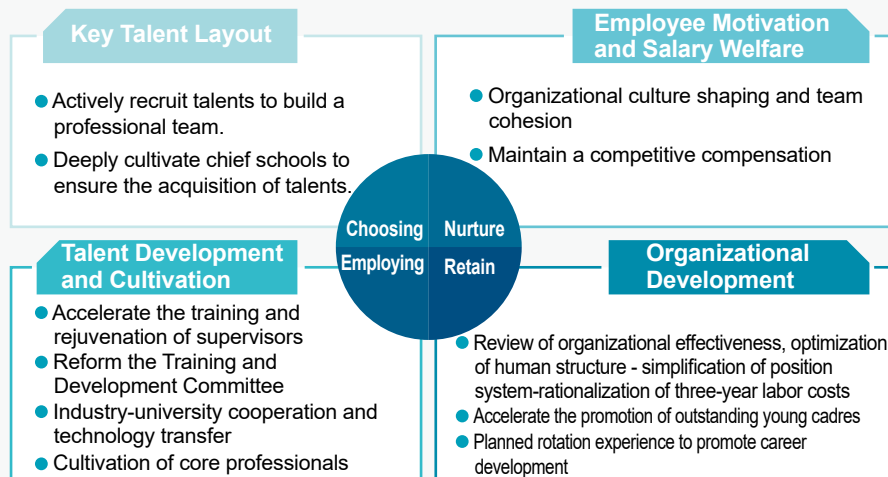


## 5.4 Talent Training and Development

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.

At the same time, the CP (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.



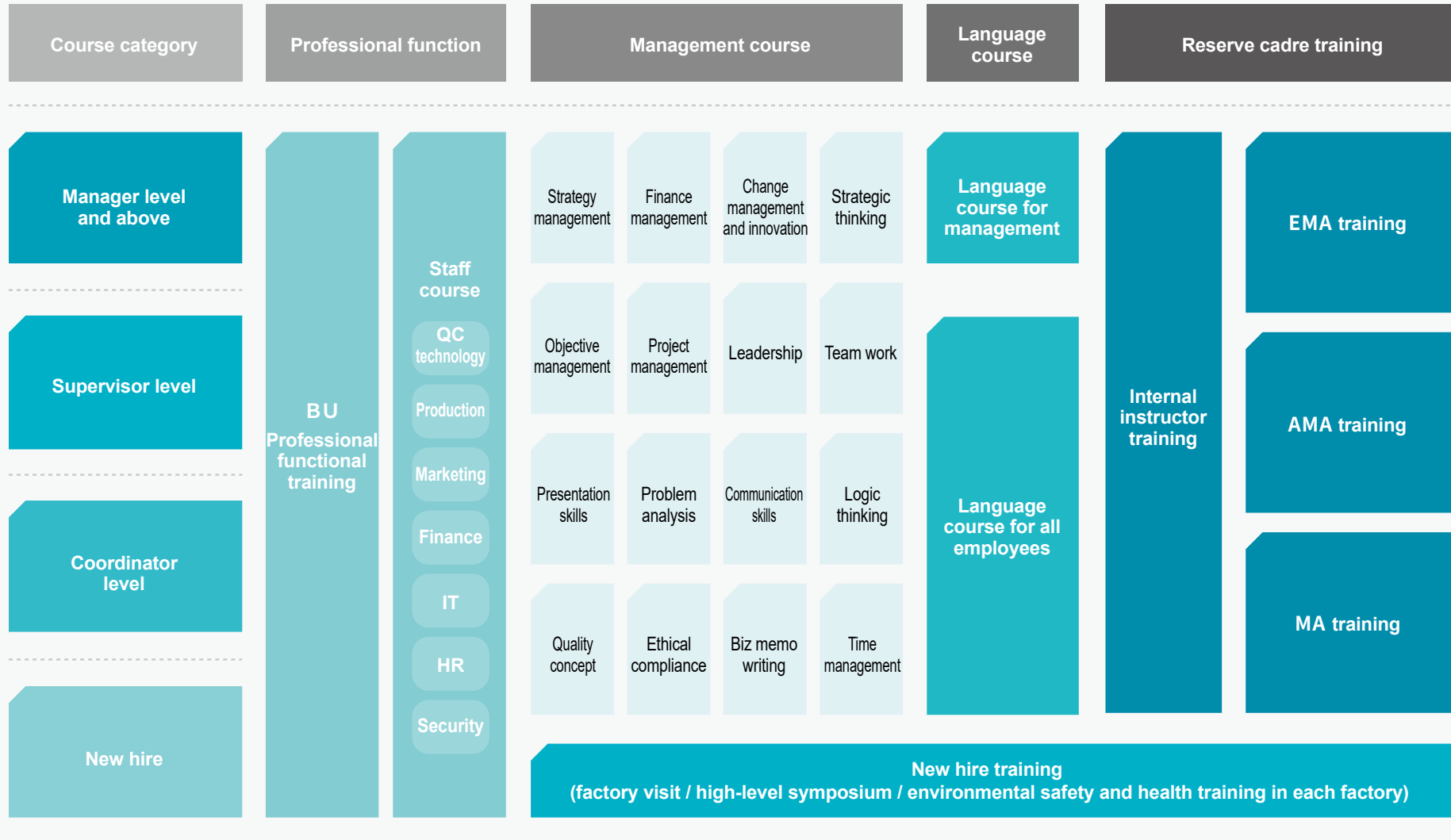
### Training Program and Career Development

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 has 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.

Category	Narration
 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.

## Training Program and Learning Development System







Group photo before factory visit

### 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.

### Curriculum By Function And Hierarchy

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.



Senior executive presentation skills course



The on-site supervisor introduces the production line



Business group colleagues introduce products



## 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. Starting from 2019, the company further established training systems such as E-MA (Executive-MA) and A-MA (Advanced-MA), with the goal of cultivating mid-to-high-level executives from professionals to "generalists" so as to establish a perfect talent cultivation system for the benefit of long-term business growth.



CIAO!

¡OYE!

## 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 BUs and senior executives, special short-term intensive language classes are set up to strengthen the business language ability of colleagues through external professional instructors.

HELLO



Supervisor AMA training of 2022



## 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. In 2022, a total of BT\$8.27 million is invested in education and training. The average training hours for all employees is 19.12 hours per person, and the average number of training sessions is 3.35 times per person. The implementation rate of the annual budget and annual training hours reach 78% and 115% respectively. The annual training budget and annual training hours have increased significantly due to the gradual recovery of on-site courses. Furthermore, the company actively dispatches training, and colleagues actively participate in relevant internal and external training courses. In addition, the average training hours for male management positions (supervisor level and above) is 25.9 hours, and the average training hours for female management positions is 21.1 hours. The average number of training hours for male employees is 22.8 hours, and the average training hours for female employees is 7.4 hours.

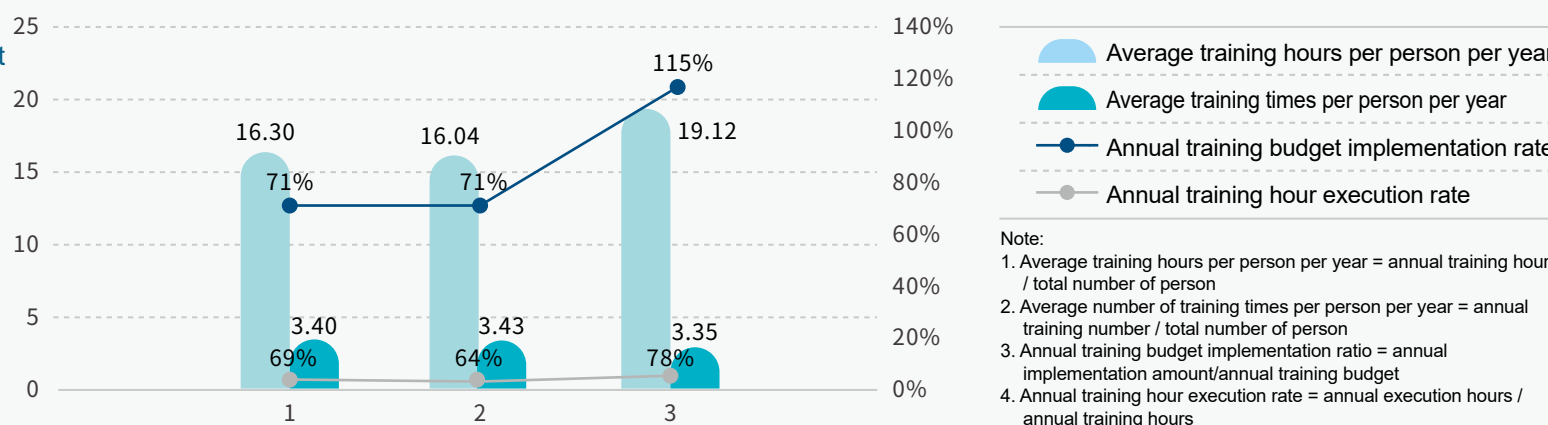
### Types Of Employees Trained, Gender and Average Hours Of Training

Item	Gender	2020			2021			2022		
		Total people	Total training hours	Average training hours	Total people	Total training hours	Average training hours	Total people	Total training hours	Average training hours
Management	Male	479	9,662	20.2	473	10,949	23.2	465	12,033	25.9
	Female	37	850	23.0	42	814.5	19.4	46	970	21.1
Non-management	Male	851	17,971	21.1	863	16,153.5	18.7	979	22,273	22.8
	Female	552	3,899	7.1	577	3,450.5	6.0	579	4,293	7.4

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. Female non-supervisors are mainly on-site direct personnel. The training content focuses on the operation process, and the training time is relatively low.

### Education and Training Development Indicators



## 5.5 Workplace Health and Safety

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 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 153 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 to be in line with international management systems, SEEC invested various resources in safety management. In June 2020, it successfully transferred from OHSAS 18001 to ISO 45001, and obtained ISO 45001:2018 and CNS 45001:2018 Occupational Safety Certificate of Hygiene Management System Validation. Implement and strive to maintain the effectiveness of ISO 45001 (Occupational Safety and Health Management System) and TOSHMS (Taiwan Occupational Safety and Health Management System). Combined with the "safety management cycle" mechanism formed by factors such as laws and regulations, management system construction, policy goal formulation, countermeasure plan formulation, incentive rewards and punishment assistance, and implementation effectiveness review, the goal of zero disasters is implemented.

### Occupational Safety and Health Management System Verification



**Heavy Electric Plant**  
Certificate Validity: 2023/7/30

**Automobile Equipment Plant**  
Certificate Validity: 2023/5/11

**Xinfeng Plant**  
Certificate Validity: 2023/4/23

## Occupational Safety and Health Management

### 1

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.

### 2

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.

### 3

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.

### 4

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.

### 5

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 2022, 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:

1

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.

3

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.

5

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.

7

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

4

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.

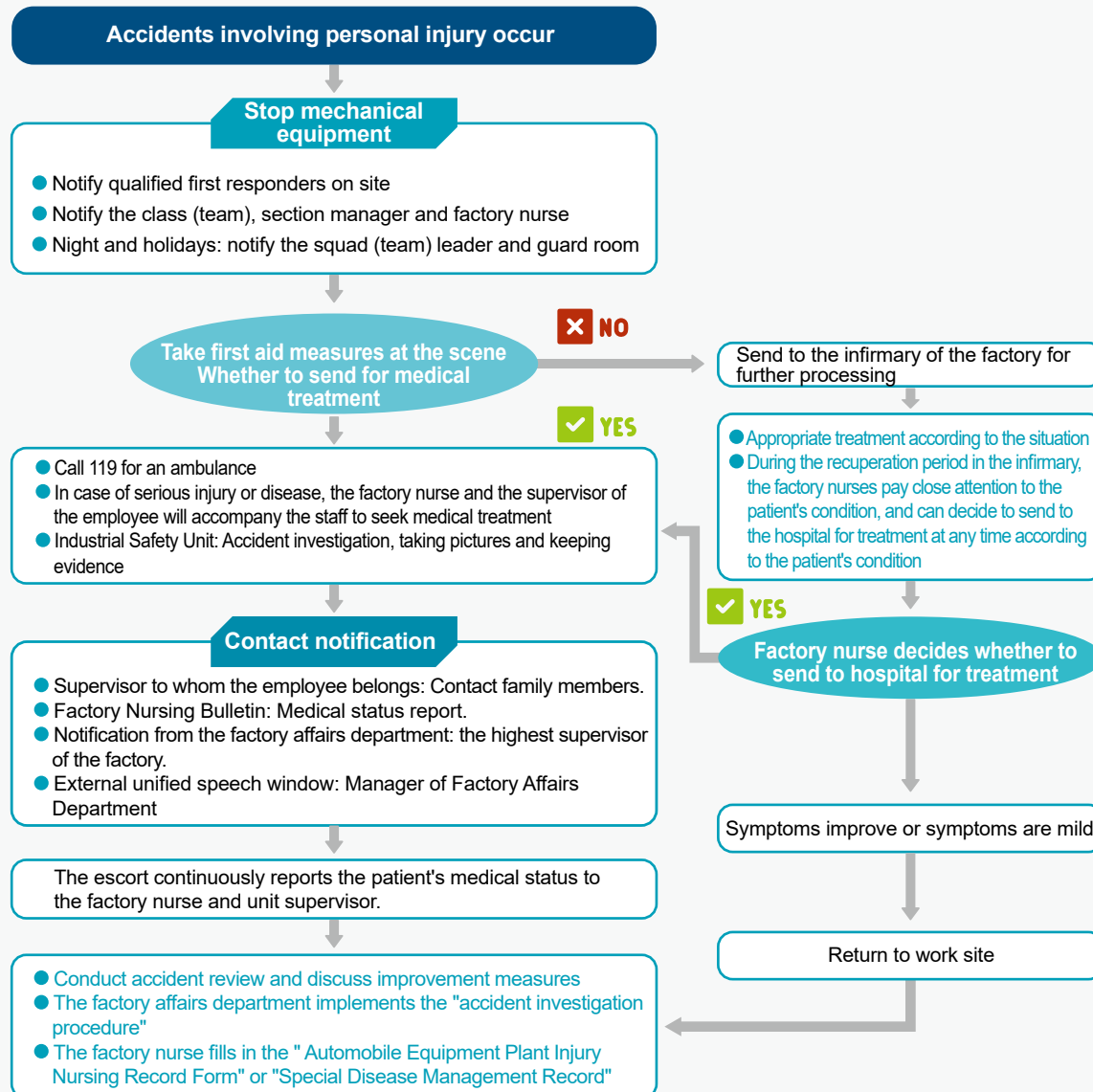
6

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

2

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.

## Accident Injury Emergency Procedures



## 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.



Three ton crane operation training (foreign employees)



Employee safety and health 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.



Fire rescue drill



Fire drill



Fire hydrant operation training



Fire emergency response training and drill organization

## 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. From 2020 to 2022, according to the statistics of the frequency of disability injuries among factory workers, only one occupational accident occurred in February 2020. The reason was that the materials carried by the forklift were not properly fixed, and the center of gravity of the loading room was unstable due to shaking. One employee was going to help, however the device still fell, causing the employee's leg was injured. In response to this incident, the company has formulated improvement measures to prevent related incidents from happening again. In addition, during the period of 2021-2022, there is no worker disability injuries for employees and non-employees.

### Occupational Safety Performance Statistics of Employees In The Past Three Years

Item		2020	2021	2022
Total working hours	Male total worked hours	2,448,972	2,502,195	2,652,317
	Female total worked hours	1,039,876	1,062,476	1,147,990
	Total worked hours	3,488,848	3,564,671	3,800,307
Occupational injury mortality rate	Male mortality rate due to occupational injury	0	0	0
	Female mortality rate due to occupational injury	0	0	0
	Mortality rate	0	0	0
Serious occupational injury rate (excluding fatalities)	Male serious occupational injury rate	0	0	0
	Female serious occupational injury rate	0	0	0
	Total serious occupational injury rate	0	0	0
Recordable occupational injury rate (including fatalities and serious occupational injuries)	Male occupational injury rate	0.408	0	0
	Female occupational injury rate	0	0	0
	Total occupational injury rate	0.286	0	0

Note:

1. The industrial safety data does not include employees' commuting traffic accidents.
2. Mortality rate due to occupational injury = (number of fatalities due to occupational injury / working hours) \* 1,000,000.
3. Serious occupational injury rate = (number of serious occupational injuries (excluding fatalities) / hours worked) \* 1,000,000, serious occupational injury means disability due to occupational injury, or unable to recover from injury within six months Damage from previous health status.
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. During 2020 to 2022, there was no occupational injury incident 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.



Blood pressure measurement activity in employee canteen



Blood pressure health lecture

1

The company conducts free health checkups for all employees every year. For employees operating 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.



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.

2

3

Referring to the guidelines of the Occupational Safety and Health Administration of the Ministry of Labor, formulate a plan including (1) illegal infringement in the performance of duties (2) maternal health protection technology in the workplace (3) disease prevention caused by abnormal workload (4) human-induced hazard prevention plan, and implement accordingly.



## 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.



### 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 three-hypers prevention, healthy metabolism - bid farewell to lower body obesity, 5 minutes of good exercise - simple office stress relief exercise, enjoy life after work, smoking prevention activities, balanced diet & breakfast options for diners, etc. In 2022, Dr. Wu Chengxue from Taipei Veterans General Hospital, was specially invited to the company to conduct a lecture on "Prevention and Care of Coronary Artery Disease", so as to urge colleagues to enhance their understanding of the disease and achieve the effect that prevention is more important than treatment.



### 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.



### Supervisor's health check above manager-level

- (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 head supervisor-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

Under the ravages of mutant viruses all over the world, not only business operations are affected, but also the health of the epidemic or the sequelae of the epidemic is greatly affected. Therefore, the company pays more attention to the health of all employees. Talent is the most valuable asset of an enterprise, and the health of employees is regarded as the key to corporate sustainability. For this reason, SEEC conduct health checkup every year from 2021, which is better than industry and regulatory requirements, to help employees maintain a healthy body. When there is an abnormality in the employee's health examination, the occupational doctor and occupational nurse will conduct hierarchical management and improvement tracking, implement medical referral and promote multiple health promotion activities, to achieve sustainable management of a healthy workplace.

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 2022, the abnormal personnel with human hazards, maternal protection and overload management have all been intervened and improved and tracked by occupational doctors.

In 2022, a total of 1,955 employees have completed general health checks, and 114 employees have been confirmed to have completed special health checks. In this year's special operation health checkup, one employee was classified as Level 4 noise management. After the evaluation by the assessing doctor, he has no hearing deterioration in recent years. He is temporarily suitable for the current job, but he needs to track the hearing changes in the annual health checkup. Moreover, general health checks were also conducted for 167 non-employee workers in the factory. In 2022, no worker is identified as an occupational disease.



Health checkup



Handle the Health Bureau's visit to the factory for health inspection services



### 2022 health checkup information

#### General Health Checkup

Checkup items General physical examination, doctor consultation, routine urine test, routine blood test, liver check, kidney check, cardiovascular examination, diabetes, cardiovascular disease risk assessment, inflammatory response screening, X-ray check, tonometry, **thyroid ultrasound** NEW

Number of people	Employee	Non-employee worker
	1,955	167
Amount(NT\$)	8,210,240	

#### Special Health Checkup

Checkup items Noise, ionizing radiation, lead work, dust work, n-hexane

Number of people	Employee	Non-employee worker
	114	0
Amount(NT\$)	48,800	

## AED "Automated External Defibrillator" First Aid Course

AED, Automated External Cardiac Defibrillator, currently the company has installed 18 AEDs in each plant and dormitory. The purpose of the deployment is to ensure every employee can get an AED nearby to save lives and give peace of mind.

In order to enable everyone in the company to operate, staff from the human resources and property management department, according to the (CPR+AED) operating manuals, prepare training material to train employees in the factory to CPR and operate AED, and at the end of each training course, they will test employee one by one, and the qualified ones will be registered in the file list. As of the end of 2022, the number of employee who have passed the initial qualification certification is 148. Not only can we build a healthy and safe living environment for our colleagues, but we can also quickly find the nearest AED position, creating SEEC as a happy and healthy working workplace for employees.

In addition, in order to highlight the importance of CPR and AED life-saving techniques for employees, and enable them be familiar with the operation, the Chairman specially invited Captain Mu Haojie of the Shilin Squadron of the Taipei City Government Fire Department and Li Guozhang of the Songjiang Branch to attend the meeting on April 20 in 2022, to visit the Yeang Der Building and conduct a 3-hour CPR+AED first aid course training, guided the participating supervisors and colleagues actually perform CPR and AED operations, simulating how to implement CPR and AED at the first time when encountering an emergency, so that the heart can resume beating on its own as soon as possible, and the patient's survival rate can be nearly doubled so as to save precious lives.



Lecturer from Fire department perform demonstration.



Thyroid ultrasound

## New in 2022 - Thyroid Ultrasound Examination Item

The thyroid gland is an endocrine organ in the body, shaped like a butterfly covering the front of the trachea of the neck, secretes thyroxine, and controls the metabolism of the whole body, including: skin, heart, muscles, eyes, bones, and mental and emotional organs or functions. Thyroid ultrasound is a non-invasive and non-radioactive examination. Thyroid ultrasound uses the difference in the density of thyroid tissue by sound waves, and converts the depth of reflected sound waves into tissue images to check whether there is any abnormality in the thyroid gland.





# Public Welfare Care and Social Participation



## Major Issues — Social Participation

**Importance to SEEC** — Adhering to the corporate mission of "Taken from the Community, Giving Back to Society", SEEC is active in public welfare care, industry-university cooperation, sports promotion, community participation and feedback, etc. We hope that through communication and cooperation with non-profit organizations, we can contribute to academic, sports, police and firefighting organizations or disadvantaged groups, so that the society can move forward on the road of prosperity together.

## Strategy/Goal — Short-term 1-3 years

- Encourage employees to care for socially disadvantaged groups.
- Combining the resources of Memorial Foundation of Mr. Ching-Teh Hsu of the group to help the community and the disadvantaged.

## Medium/long-term 3-5 years

- Promote the concept of sustainability through the company's energy-saving and carbon-reduction technologies.
- Leverage the influence of enterprises and join hands with value chain partners to expand the synergy of social participation.
- Integrate resources to achieve low-carbon transformation; create corporate sustainable value influence.

## Sustainability Contribution in 2022 — Specific Actions

- Cooperated with the Department of Mechanical Engineering of National Taiwan University of Science and Technology on "production-study-training" program.
- Conducted charity concert.
- Sponsored Hsinchu Street Siege Lions activity.
- Sponsored the Taipei Lantern Festival "Taiwan Dream Special Zone".
- Donated the mobile stretcher of the Fourth Fire Rescue Brigade to the Yangmingshan disaster rescue service.

## Performance Results

- In 2022, the "Memorial Foundation of Mr. Ching-Teh Hsu" spent a total of NT\$33,654 thousand on public welfare care and social participation.
- In 2022, SEEC public welfare care and social participation expenses are about NT\$16,859 thousand.



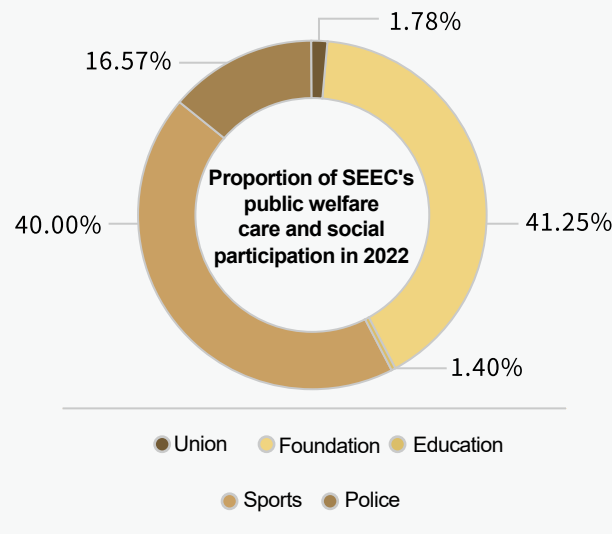
## 6 Public Welfare Care and Social Participation

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 is active in public welfare care, industry-university cooperation, sports promotion, community participation and feedback, etc. Nowadays, the Virtue Park, which is like an urban emerald, is donated by the company to provide a green environment and high-quality recreational space for residents in Shilin District. Since the donation in 2008, nearly NT\$600,000 has been invested every year to assist the local people to jointly maintain the park, looking forward to contributing to social welfare.

In addition, 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 "Memorial Foundation of Mr. Ching-Teh Hsu" for a long time. The "Memorial Foundation of Mr. Ching-Teh Hsu" 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. Every year, the funds donated by the group are effectively used in various public welfare, community promotion, and cultural and artistic activities. The continuous investment has never stopped, so as to fulfill the corporate social responsibility.

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 2022, the company's public welfare care and social participation expenses are about NT\$16.9 million. In the future, it will continue to feedback to the society, promote public welfare activities, and commit to mission of

### Public Welfare Care and Social Participation of SEEC



2022 SEEC expenses  
 NT \$16.9 million  
 on public welfare

### Yeang Der Group / Memorial Foundation of Mr. Ching-Teh Hsu

Key projects of the foundation in 2022 include: donations to the medical system, sponsorship of sports competitions, scholarships and book donations, police and firefighting donations, etc. The cost of public welfare care and social participation is about NT\$33.65 million.

Donation object type	Donation content	Amount ( NT\$,0000)
Medical research system	Medical research, medical resources, etc	1,555
Religion and culture system	Temple repair and maintenance	1,404
Community charity support	Medical research, medical resources, etc.	154
Children education and project research	Sponsor disadvantaged groups; grant scholarships to poor students	140
Police and firefighting	Sponsor the police alumni association, donate firefighting clothing and shoes	100
Sports event	Support baseball, volleyball, golf and other sports; rewards for winners of the high school game	12
Total	Medical research, medical resources, etc.	3,365

## Education Industry-University Cooperation

### SEEC works with the National Taiwan University of Science and Technology to improve development capabilities and efficiency

Thanks to the advancement of power electronics technology and the promotion of green energy concepts, wind power and solar power, which were shunned due to their instability in the past, have become the focus of attention; Coupled with the long-established frequency conversion control equipment, the power supply and load ends of the power system are more flexible and changeable. If the transformer that bears the brunt cannot adapt to changes in the environment, it will be eliminated from the market. To this end, SEEC initiated an industry-university project working with the Department of Electrical Engineering of National Taiwan University of Science and Technology, which is well-known in the electric power industry, hoping to combine the theoretical knowledge of the school with the practical experience of SEEC to improve development capabilities and efficiency.



#### Summary of key industry-university cooperation achievements in 2022

- Applying Maxwell software analysis technology, successfully developed CIP 350 MVA three-phase integrated transformer.
- Energy storage system design and planning Learn the overall structure and control logic of energy storage systems and microgrids and participate in Taiwan Power Company energy storage system bidding, gradually cultivating energy storage system design talents.
- The EMTP software simulates a 24-pulse rectifier and assists in the development of a 24-pulse rectifier transformer.

### SEEC donated equipment to the Mechanical Engineering Department of Daye University to help students connect with the industry

In order to help students narrow the gap between their learning in the university and the employer's expectations in workplace, SEEC donated five programmable logic controllers AX3GAS5 and five human-machine interface HMI-EC200 to the Department of Mechanical and Automation Engineering of Daye University, so that students can get in touch with industrial control components during their studies, Improve automation technology through implementation.

The Mechanical Engineering Department of Daye University focus three major fields: vehicle technology and green energy, micro-electromechanical and precision machinery, and electromechanical integration. In the future, the two parties will have closer cooperation, such as special research and full-time internships. The industry cultivates more high-quality talents, integrates with the workplace, and creates employability.



## The Disadvantaged Care

### Charity concert

A charity concert was held in Yeang Der Building at 3:00 pm on 2023/1/15 Sunday, and the "All-round Band" was invited to perform in the atrium of Yeang Der Building. The chairman and deputy executive director led the group colleagues and family members. Everyone enthusiastically enjoy and appreciate their performance.

"All-round Band" was established in 1995 by Xiao Huangqi, one of the best male singer of the "Golden Melody Award ". Although the members have changed gradually, they are still mainly visually impaired musicians. Handicapped singer Zhang Yuxia, with the performance of the All-round Band, sang several beautiful songs, which brought a lot of warmth to this winter afternoon.





## Sports Promotion

### P. LEAGUE+ Hsinchu JKO Lions Contest Events

P. LEAGUE+ is a newly established professional basketball league in 2020. The purpose of the establishment of the team is to unite the emotions of everyone, combine cultural context and technological development, and embody the values that Hsinchu is most proud of. This year has officially entered the second season. The Hsinchu Jiekou Siege Lions team is a local team. It is hoped that the team will become a positive force linking Hsinchu and establish a team spirit of "building culture with sports and becoming famous internationally with technology". SEEC is also thriving in Hsinchu and the Hsinchu Jiekou Siege Lions team has the same philosophy as the company, so since the first season, we have sponsored the Hsinchu Siege Lions. The company used practical actions to support sports events.

The second season of the Hsinchu Siege Lions competition is from 2021/12/11 to 2022/4/29, and the third season is from 2022/11/19 to 2023/5/14, which are jointly sponsored by SEEC and Hsinchu Logistics as a group. We also provide tickets for home games to colleagues in various business groups to watch the games, so that everyone can go to the basketball court to watch exciting games with colleagues in the department after busy work, and improve internal team cohesion (Team Bonding). Encourage colleagues to participate in sports, improve health and vitality, and let everyone who loves basketball come to the scene to experience the enthusiasm and shock of the game.



Hsinchu Siege Lions Season 2 Opening Roar Conference



The opening game of the first game of the second season (12/11) at the Hsinchu County Gymnasium attracted 7,207 people to enter the stadium. On the same day, Deputy Chief Executive Officer Hsieh, Han-Chang also personally led colleagues from the Heavy Electric Business Group and the Automobile Equipment Business Group to watch the game together, and came to the scene to cheer for the Siege Lions.



Siege Lions home game scene

## Sports Promotion

### 2022 Asian Tour - Yeang Der TPC Championship

The Yeang Der Group has hosted the Yeang Der TPC Championship since 2010. After being forced to suspend the tournament for two years due to the impact of the global epidemic, the Yeang Der TPC Championship will host the first Asian Tour in Taiwan again this year. Total prize for the game increased from US\$500,000 to US\$700,000 for the first time. A total of 144 local and foreign players from 21 countries competed for the championship trophy. It is also an international golf event with the most countries and foreign players participating in Taiwan in the past three years. The "Yeang Der TPC Championship" and the "ThreeBond Taiwan Tour golf" are tied for the only two Asian tours in Taiwan



● The chairman of SEEC (right) presented the champion cup of "Yeang Der TPC Championship 2022" to the current champion Australian player Travis Smyth (left).

Over the past 10 years, it has attracted high attention from Asian and international golf circles, and has continuously promoted Taiwanese players to the international stage. Yeang Der Group adheres to the persistence of holding international competitions in order to provide Taiwanese players with more honing experience in international competitions. During the four-day event, from September 22, 2022 to September 25, 2022, although players from various countries competed in the wind and rain in the last two days, they still made outstanding achievements and showed a high level of performance. It also let the world understand the growth and prosperity of golf in Taiwan





## Community Involvement

### SEEC participates in the sponsorship of the Taipei Lantern Festival "Taiwan Dream Zone"

The 2022 Taipei Lantern Festival plans three major exhibition zones including the MRT "Jiantan Station", "Shilin Station" and "Zhishan Station". SEEC participates in sponsoring the Taipei Lantern Festival this time. The "Transformer Robot" donated at the end of last year acts as the host of the Shilin District. Together with Taiwan Mitsubishi Electric Co., Ltd. and Xinwu Co., Ltd., we plan the "Taiwan-Japan Dream Special Zone" on the square next to Tianmu SOGO, and set up large Japanese-style lamp and robot wishing light boxes. The strong exotic atmosphere not only relieves the pain of not being able to go abroad in recent years, but also allows people to watch lanterns and make wishes

Many people came here to check in during the event. In addition to watching the lanterns and the show to experience the atmosphere of the local festival, they also scanned the QR CODE on the blessing light box of the "Taiwan-Japan Dream Special Zone", and after completing the input, the wishes made will be collected by the staff and sent to outer space through the main light spaceship TAIPEI40 so as to look forward to the future!

Through these rich Lantern Festival activities, everyone can come here to experience the atmosphere of local festivals, and at the same time light up the entire Shilin and Tianmu areas so that participants can feel the unique charm of Taipei Lantern Festival activities.



- SEEC created the "Taiwan-Japan Dream Special Zone" in Tianmu Sogo Plaza, making lantern viewing audiences feel as if they were in Japan.



- The participating people made a wish here, and the wish was sent to outer space through the main light spaceship TAIPEI 40 so as to look forward to the future!

### Donated the mobile stretcher of the Fourth Fire Rescue Brigade to the Yangmingshan Mountain Disaster Rescue Service

The Fourth Ambulance Brigade is under the jurisdiction of Shilin, Beitou, and Datong administrative districts. Among them, Shilin and Beitou are mostly mountainous areas. They are often limited by the mountainous terrain and cannot be reached by vehicles. Stretchers must be used to carry them. Given that the active rescue stretcher weighs 30 kg, it will affect the handling efficiency. As the rescue is like a race against time, it is necessary to update it.

Yeang Der Group adheres to the mission of "Taken from the Community, Giving Back to Society". The chairman is sympathetic to the firefighters. In order to enable them to perform disaster relief duties more efficiently, we donate the titanium alloy basket stretcher light push wheel system to the Fourth Ambulance Brigade of the Taipei City Government Fire Department. The advantages of this system are light weight, high safety protection, and simple and fast assembly. When used in mountain rescue, it can not only reduce the long-distance burden of firefighters, save transportation manpower, but also increase transportation speed and shorten rescue time.

Taipei City Government Fire Department, appreciate the chairman for donating the titanium alloy basket stretcher light push wheel system to the Fourth Ambulance Brigade. With the disaster relief tool donated by the chairman, the firefighters can play an excellent handling effect when carrying out mountain rescue, which can reduce the loss of physical strength of firefighters when carrying patients, and at the same time take into account the safety of patient handling, improving firefighters The speed of handling in mountainous areas

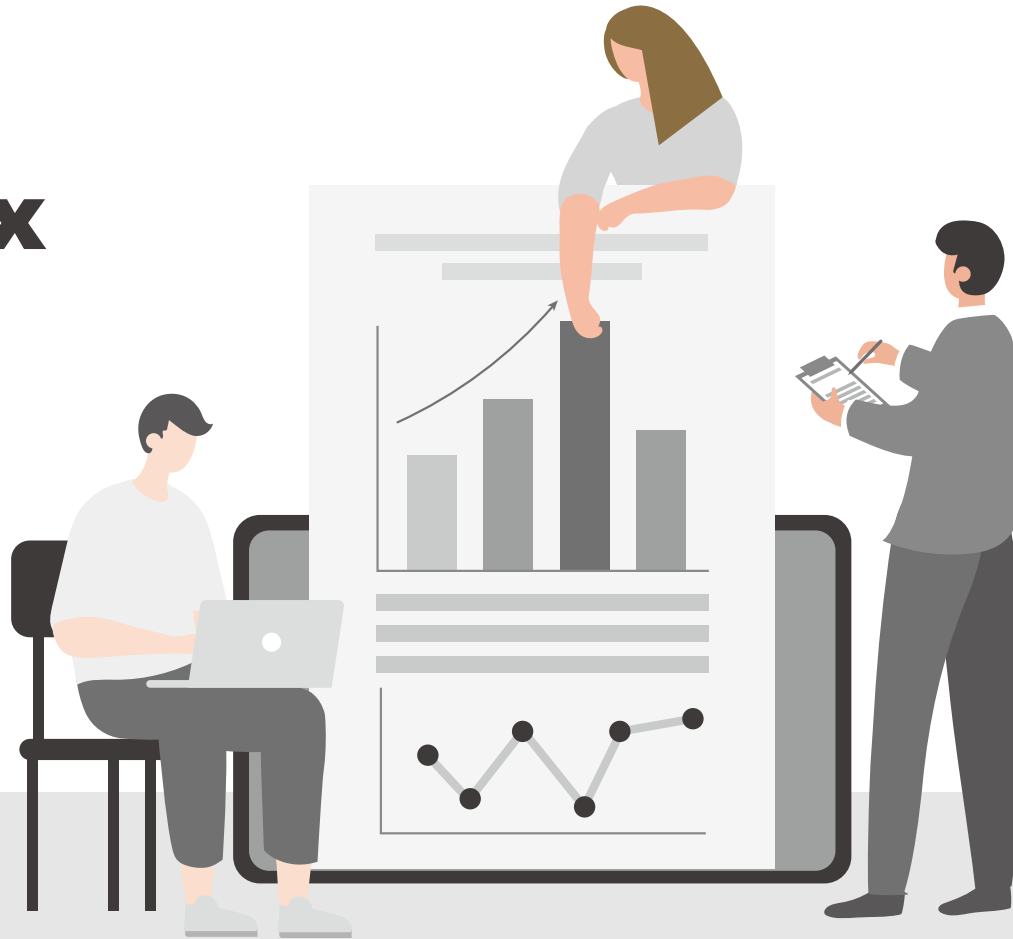


Chen Mingzheng, a senior consultant representative of Yeang Der Group, attended the ceremony of donating rescue equipment to the fire station



Chapter

# Appendix



## Appendix I : GRI Content Index

Statement of Use	The report period is from January 1, 2022 to December 31, 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
GRI 2 : General Disclosure 2021				
Organization and Reporting Practices				
2-1	Organization details	2.1 Company Profile	23	
2-2	Entities organization included in sustainability reports	About this Report	02	
2-3	Reporting period, Frequency and contact person	About this Report	02	
2-4	Information reorganization	About this Report	02	
2-5	External verification / Assurance	About this Report Appendix 4	02 128	
Activities and Workers				
2-6	Activities, value chains and other business relationships	1 Company Profile 2.2 Operation Overview	23 30	
2-7	Employee (Hireling)	5.2 Harmonious Labor Relations	88	
2-8	Non-employee worker (Non-Employee)	5.2 Harmonious Labor Relations	88	
Governance				
2-9	Governance structure and composition	2.3 Corporate Governance	34	
2-10	Nominating and selecting of the highest governance unit	2.3 Corporate Governance	34	
2-11	Chair of the highest governance unit	2.3 Corporate Governance	34	
2-12	The role of the highest governance body in overseeing impact management	1.1 Sustainable Management	08	
2-13	Head of shock management	1.1 Sustainable Management	08	

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
<b>Governance</b>				
2-14	Highest governance body's role in sustainability report	About this Report 1.1 Sustainable Management	08	
2-15	Conflicts of interest	2.3 Corporate Governance	34	
2-16	Communicating critical concerns	1.1 Sustainable Management	08	
2-17	Collective knowledge of Highest governance unit	2.3 Corporate Governance	34	
2-18	Evaluating the highest governance unit's performance	2.3 Corporate Governance	34	
2-19	Remuneration policies	2.3 Corporate Governance	34	
2-20	Process for determining remuneration	2.3 Corporate Governance	34	
2-21	Annual total compensation ratio	—		Data statistics have not yet been carried out, and it is expected that relevant information will be disclosed in the 2023 report
<b>Strategy, Policy and Practice</b>				
2-22	Statement of sustainability strategy	Chairman's Expectation	06	
2-23	Policy commitment	5.1 Human Rights Management	86	Human rights risk assessment not yet implemented
2-24	Incorporate policy commitments	5.1 Human Rights Management 3.2 Supply Chain Sustainability Management	86 64	
2-25	Procedures for remediating negative shocks	2.4 Integrity Management	38	
2-26	Mechanisms for seeking advice and raising concerns	2.4 Integrity Management	38	
2-27	Legal compliance	2.4 Integrity Management	38	
2-28	Membership of public associations	2.1 Company Profile	23	
<b>Stakeholder Negotiation</b>				
2-29	Stakeholder negotiation policy	1.3 Stakeholder Negotiation and Communication	18	
2-30	Collective bargaining agreements	5.2 Harmonious Labor Relations	88	

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
GRI 3: Material Topics 2021				
3-1	Process for determining material topics	1.2 Materiality Analysis	12	
3-2	List of material topics	1.2 Materiality Analysis	12	
Material Topic: Legal Compliance				
3-3	Major topics management	1.2 Materiality Analysis	12	
2-27	Legal compliance	2.4 Integrity Management	38	
Major Topic: Employee Rights and Welfare				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 202: Market Status 2016	202-2 Proportion of local residents employed as senior management	5.2 Harmonious Labor Relations	88	
GRI 401: Employment Relations 2016	401-1 New employee hires and employee turnover	5.2 Harmonious Labor Relations	88	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3 Employee Compensation and Benefits	92	
	401-3 Parental leave	5.3 Employee Compensation and Benefits	92	
GRI 401: Employment Relations 2016	402-1 Minimum notice period for operational changes	5.2 Harmonious Labor Relations	88	
GRI 407: Freedom of Association and Collective Bargaining 2016	407 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	5.1 Human Rights Management	86	
GRI 408: Child Labor 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	5.1 Human Rights Management	86	
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	86	
Material Topic: Legal Compliance : Product Quality and Safety				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 416 : Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	3.1 Product Safety and Responsibility	59	
	416-2 Incidents of violation of health and safety regulations concerning products and services	3.1 Product Safety and Responsibility	59	



GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
GRI 417 : Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	3.1 Product Safety and Responsibility	59	
	417-2 Incidents of non-compliance with product and service information and labeling regulations	3.1 Product Safety and Responsibility	59	No related situation
	417-3 Incidents of non-compliance with marketing communications regulations	3.1 Product Safety and Responsibility	59	No related situation
Material Topic : Talent Development and Retention				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 401 : Employment 2016	401-1 New employee hires and employee turnover	5.2 Harmonious Labor Relations	88	
GRI 404 : Training and Education 2016	401-1 Average hours of training per year per employee	5.4 Talent Training and Development	96	
	404-3 Percentage of employees receiving regular performance and career Development reviews	5.3 Employee Compensation and Benefits	92	
Material Topic : Business Performance				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 201 Economic Performance 2016	201-1 Direct economic value generated and distributed	2.2. Operational Overview	30	
	201-4 Financial assistance from the government	2.2. Operational Overview	30	
Material Topic : Corporate Governance				
3-3	Major topics management	1.2 Materiality Analysis	12	
Material Topic : Energy and Emissions				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	4.2 Energy and Greenhouse Gas Management	78	
	302-3 Energy intensity	4.2 Energy and Greenhouse Gas Management	78	
	302-4 Reduction of energy consumption	4.2 Energy and Greenhouse Gas Management	78	
GRI 305 : Emissions 2016	305-1 Direct (scope 1) GHG emissions	4.2 Energy and Greenhouse Gas Management	78	
	305-2 Energy indirect (scope 2) GHG emissions	4.2 Energy and Greenhouse Gas Management	78	
	305-4 GHG emissions intensity	4.2 Energy and Greenhouse Gas Management	78	
	305-5 Reduction of GHG emissions	4.2 Energy and Greenhouse Gas Management	78	



GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
Material Topic : Product Lifecycle Management				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 302: Energy 2016:	302-5 Reduce energy demand for products and services	Special Edit: Shihlin Electric Green Power Project	49	
Material Topic : Risk Management				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 201: Economic Performance 2018	201-2 Financial implications and other risks and opportunities due To climate change	4.1 Climate Change Countermeasures	71	
Material Topic : Occupational Health and Safety				
3-3	Major Topics Management	1.2 Materiality Analysis	12	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	5.5 Workplace Health and Safety	102	
	403-2 Hazard identification, risk assessment, and incident investigation	5.5 Workplace Health and Safety	102	
	403-3 Occupational health services	5.5 Workplace Health and Safety	102	
	403-4 Worker participation, consultation, and communication on occupational health and safety	5.5 Workplace Health and Safety	102	
	403-5 Worker training on occupational health and safety	5.5 Workplace Health and Safety	102	
	403-6 Promotion of worker health	5.5 Workplace Health and Safety	102	
	403-7 Prevention and mitigation of health and safety impacts directly linked by business relationships	5.5 Workplace Health and Safety	102	
	403-8 Workers covered by an occupational health and safety management system	5.5 Workplace Health and Safety	102	
	403-9 Work-related injuries	5.5 Workplace Health and Safety	102	
	403-10 Work-related Ill health	5.5 Workplace Health and Safety	102	
Material Topic : Innovative R&D and Patents				
3-3	Major topics management	1.2 Materiality Analysis	12	



GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
Material Topic : Clean Technology Opportunities				
3-3	Major topics management	1.2 Materiality Analysis	12	
Material Topic : Social Participation				
3-3	Major topics management	1.2 Materiality Analysis	12	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	6 Public Welfare Care and Social Participation	113	
GRI 413:Local Communities 2016	413-2 Operations with significant actual and potential negative impacts on local communities	6 Public Welfare Care and Social Participation	113	

## Voluntary Disclosure Indicators

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
GRI 201: Economic Performance 2016	201-3 Defined benefit plan obligations and other retirement plans	5.3 Employee Compensation and Benefits	92	
GRI 202: Market status 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	5.3 Employee Compensation and Benefits	92	
GRI 204 : Purchasing Practice 2016	204-1 Proportion of spending on local suppliers	3.2 Supply Chain Sustainability Management	64	
GRI 205:Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	2.4 Integrity Management	38	Never happened
GRI 206 :Anti-competitive Behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.4 Integrity Management	38	Never happened
GRI 301 : Materials 2016	301-1 Weight or volume of material used	4.2 Energy and Greenhouse Gas Management	78	
GRI 303 :Water and Effluents 2018	303-2 Management of water discharge-related impacts	4.3 Water Resource Management	81	
	303-3 Water withdrawal	4.3 Water Resource Management	81	
	303-4 Water discharge	4.3 Water Resource Management	81	
	303-5 Water consumption	4.3 Water Resource Management	81	

GRI Topic	Disclosed Item	Corresponding Chapter	Page Number	Omit Reason / Remark
GRI 306 : Waste 2020	306-2 Management of significant waste-related impacts	4.4 Pollution Prevention and Management	83	
	306-3 Waste generated	4.4 Pollution Prevention and Management	83	
	306-4 Waste diverted from disposal	4.4 Pollution Prevention and Management	83	
	306-5 Waste directed to disposal	4.4 Pollution Prevention and Management	83	
GRI 308 : Supplier Environmental Assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	3.2 Supply Chain Sustainability Management	64	
GRI 405 : Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	2.3 Corporate Governance	38	
		5.2 Harmonious Labor Relations	48	
GRI 414 : Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	3.2 Supply Chain Sustainability Management	64	
GRI 415 : Public Policy	415-1 Political contribution	2.3 Corporate Governance	34	Never happened
GRI 418 : Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.2 Supply Chain Sustainability Management	64	

## Appendix II SASB Index

### ● (Electrical & Electronic Equipment)

Topic	Code	Accounting Metric	Category	Units of Measurement	Responded
Energy Management	RT-EE-130a.1	(1)Total energy consumed (2)Percentage of grid electricity (3)Percentage of renewable	Quantitative	Gigajoulee (GJ), Percentage (%)	(1)167,662.39 GJ (2)81.77% (3)0%
Hazardous Waste Management	RT-EE-150a.1	Hazardous waste generation and recycling percentage	Quantitative	Metric ton (t) Percentage (%)	2 metric tons %
	RT-EE-150a.2	The number of leakage incidents, the total amount of re-mediation 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		None Please refer to 3.1 Product Safety and 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 (%)	Not applicable
	RT-EE-410a.2	The product meets the ENERGY STAR standard, and its revenue as a percentage of total revenue for the category	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
Purchase	RT-EE-440a.1	Describe risk management for the use of critical materials	Discussion and Analysis	None	Please refer to 2.5 Risk Management, 3.2 Supply Chain Sustainability Management
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 2.3 Integrity Management
	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 Listed Companies

Items	Execution Status
1. Description on the Board and Management's oversight and governance on climate-related risks and opportunities.	4.1 Climate Change Countermeasures
2. Description on how the identified climate risks and opportunities impact the company's business, strategies, and finance (short, mid, long-term).	4.1 Climate Change Countermeasures
3. Description on the impact extreme climate events and transitional actions have on finance.	4.1 Climate Change Countermeasures
4. Description on how the climate risk identification, assessment, and management process is integrated in the overall risk management system.	4.1 Climate Change Countermeasures
5. Should scenario analysis is used to assess the Company's resilience in face of climate change risks, explanations on the scenario, parameters, hypothesis, analysis factors and major financial impacts should be provided	N/A
6. Should there be transitional programs in response to managing climate-related risks, please explain the program's content and metrics and targets used to identify and manage physical and transitional risks.	N/A
7. Should the internal carbon pricing is used as the planning tool, the pricing mechanism should be explained.	N/A
8. Should climate-related targets are in place, information such as their scope of action, GHG emissions, planned timeline, and yearly achieved progress should be stated; for targets achieved through carbon offset and RECs, the source of offset amount and number of RECs should be stated.	N/A
9. Carbon inventory and assurance efforts.	SEEC is a listed company with a paid-in capital of more than NT\$ 5 billion but less than 10 billion. It will complete the confirmation of individual companies from 2027 and the confirmation of consolidated subsidiaries from 2028. At present, it is planned to complete the greenhouse gas inventory of SEEC's individual parent company by the end of 2023, and complete the external verification by the end of 2024. In the future, relevant certainty will be disclosed in accordance with laws and regulations.



## Appendix IV: Third Party Verification Statement



**士林電機**  
**Shihlin Electric**

Shihlin Electric & Engineering Co., Ltd.  
Address / (111) 16F., No.88, Sec.6,  
Zhongshan N. Rd., Shihlin Dist. Taipei City  
Tel / +886-2- 2834-2662

Fax/ +886-2-2836-6187  
Website/ [www.seec.com.tw](http://www.seec.com.tw)  
Tax ID Number / 11039306