

# 2021 ESG Report

## 永續報告書





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## About this Report

This report, 2021 Sustainability Report, is the sixth sustainability report issued by SHIHLIN ELECTRIC & ENGINEERING CORPORATION (herein after referred to as "SEEC"). It covers information on Corporate Governance, Economy, Environment and Society, and focuses on chapters such as "Corporate Governance", "Product Responsibility and Safety", "Employee Care", "Environmental Protection" and "Social Care", including information on management and execution performance, risk management, and ESG sustainability strategies of major themes, showing the performance and results of the company in all aspects.

### Scope of Report and Calculation Basis

The information disclosed in this report covers the company's operating area in Taiwan and the Mr. Hsu, Ching-Teh Memorial Foundation of Yeang Der Group. The environmental information mainly includes the Automobile Equipment Plant, Xinfeng Plant, and Heavy Electric Plant, excluding the Taipei Headquarters. The information disclosure period of the report is from January 1, 2021 to December 31, 2021, and some of the contents also cover the cases before and after 2021, and some of the performances are considered for comparability, so the data of the past three years are disclosed. The statistical data disclosed in this report comes from the survey and summary results of each operating unit of the company. The financial information is mainly in the consolidated statement. Unless otherwise specified, the currency is in New Taiwan Dollars. Compared with the "2020 Shihlin Electric Sustainability Report", if there are some reorganizations of historical data, it will also be explained in the text.

In addition, as for 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., conduct internal audits every year, and cooperate with external verification mechanism to ensure the correctness of data and information.

### Compilation of Reference Standard Basis

This report complies with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" and refers to the Sustainability Reporting Standards (GRI Standards): Core Option (Core) framework issued by the Global Sustainability Reporting Initiative, and echoes the 17 Sustainable Development Goals (SDGs) of the United Nations. The GRI content index is detailed in Appendix 1

### Report Release Date

SEEC issues a sustainability report every year, uploads it to the Financial Regulatory Commission Public Information Observatory in accordance with the law, and publishes it on the company's official website at the same time.

Last release version: June 2021

Current release version: June 2022

Next release: expected June 2023

### Report Management and Review

The preparation of this report complies with the "Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies". The responsible person of each plant provides information, which is reviewed by the department head, and is compiled and reviewed by the ESG editing team. The data and information are provided after reviewed and approved by the financial department. This year, a impartial third-party verification agency was also entrusted to adopt the AA1000AS v3 Type 1 Moderate Assurance Level, aiming at the Inclusivity, Materiality, Responsiveness and Impact of the information disclosed in the report. guarantee. After the report is confirmed and finalized, it will be issued after approval by the Chairman of the board.





## Contact Information

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## Annual Report Over the Years



## Chairman's Expectation

SEEC was founded in 1955 and has been in business for more than 60 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, we cooperate with the government's energy conservation and environmental protection policies, actively promote greening, environmental protection and carbon reduction in factories and offices, use energy-saving appliances, and use green environmental friendly materials, and require third-party manufacturers to cooperate in implementation. We have passed ISO 14001, RoHS and other factory verification or product certification, continue to effectively use resources, educate all employees, suppliers and customers, etc., to jointly contribute to energy conservation and environmental protection.

### Adhere to the Concept of Environmental Protection and Continue to Introduce Environmentally Friendly Green Energy Products

We launch high-efficiency and energy-saving transformers to provide customers with power distribution products with high stability and low energy consumption. We promote the development of green energy and environmentally friendly electric vehicle industry through the development and manufacture of electric vehicle motors and related products; we optimize miniaturized low-voltage switch products to reduce material usage energy and save space for customers; we adhere to the concept of "For energy-saving, carbon-reduction and loving the earth, SEEC work hand in hand with you", and continue to launch various environmentally friendly and energy-saving products.

### Pursue Green Manufacturing

In order to fulfill the responsibility of green manufacturing, we continuously promote the green activity policy in R&D and manufacturing, and actively invest in the green energy-saving industry, solar energy industry, and electric vehicle industry. In terms of material application, it is also designed with low-polluting and recyclable materials. The raw materials, dyes, solvents, packaging and manufacturing processes used in the products are absolutely free of harmful substances so as to comply with the environmental protection regulations, and reduce the impact on the environment during the operation of the enterprise.

### Promote Green Building

The SEEC Yeang Der Building was awarded the first "Smart Building" mark in Taiwan. The internal facilities are equipped with modern smart functions and an energy-saving system, which can meet the demands of energy saving, environmental protection, safety and a comfortable working environment.

### Create a Sustainable Green Supply Chain

Suppliers have always been strategic partners that SEEC relies on, and under the business philosophy of sustainable enterprise development, we are committed to building long-term cooperative relationships with partners. In addition to taking into account product quality, we also hope that by building a sustainable supply chain, we will fulfill our corporate social responsibilities together with our partners, and work together for environmental protection.

Shihlin Electric & Engineering Corp.  
Chairman

Emmet Hsu





## ESG Performance and Highlights



▲ The 2021 KWANG YANG MOTOR CO., LTD. (KYMCO) Value Engineering Merit Award



▲ The "Gold Award of 21st Public Construction Category" (Special award for design and construction double special Category)

### Corporate Governance



- ◆ Consolidated revenue in 2021 increased by 7.8% compared to 2020.
- ◆ Consolidated pre-tax benefits in 2021 increased by 12.7% compared to 2020.
- ◆ The average attendance rate of the board of directors in 2021 is 100% (including proxy attendance).
- ◆ The 2021 Board performance evaluation result is 4.78 out of 5.
- ◆ In 2021, there will be no corporate governance, environmental or social violations.
- ◆ In 2021, there is no incidents that endanger human rights in the company, and there is no related complaints.
- ◆ There were no leakage of customer privacy and violation of relevant regulations on information security In 2021.
- ◆ A total of 90 patent certificates were obtained (including 17 inventions and 73 new models) from 2019 to 2021.
- ◆ There were 97% passed rate of colleagues' information security drill in 2021.
- ◆ In 2021, the proportion of local procurement amount was 82%.

### Environmental Performance



- ◆ Reduce energy use by 1.5% in 2021 compared to 2020.
- ◆ 1% reduction in GHG emissions in 2021 compared to 2020.
- ◆ In 2021, water consumption is reduced by a total of 560 tons, with a target achievement rate of 112%.
- ◆ A total of 380 energy-saving lighting fixtures is replaced in 2021, with a target achievement rate of 190%



## Environmental Performance



- ◆ In 2021, the energy saving measures will save a total of 102MWh, the converted energy saving is about 366.77GJ, the converted carbon reduction is about 51.86 TCO<sub>2</sub>e, and the target achievement rate is 102%.
- ◆ It is estimated that high-efficiency products can save 15,673.02 MWh of energy in 2021, and the converted carbon reduction is about 7,867.86 TCO<sub>2</sub>e.

## Social Performance



- ◆ There is no occupational injury incident for workers in 2021.
- ◆ In 2021, no workers are judged as occupational diseases.
- ◆ By the end of 2021, a total of 125 colleagues have passed the initial certification of CPR and AED.
- ◆ By the end of 2021, 213 key suppliers have signed the "Supplier Social Responsibility Commitment".
- ◆ A total of 31 suppliers were assessed on-site in 2021, with a pass rate of 100%.

# Sustainable Operation and Management

## Five sustainable spirits

SEEC's corporate goal is to "fulfill corporate social responsibility and provide environmentally friendly and energy-saving advanced products and services." The company also takes "classic inheritance" as its professional ambition, and continue to spread the sustainable, environmentally friendly, harmonious and safe operating power to make our company and society better. Moreover, the Yeang Der Group has always embraced the corporate mission of "taken from the community, giving back to society", and "uphold corporate social responsibility, marching towards the world market" as the business goal, and look forward to achieving the vision of symbiosis and co-prosperity with the entire society.

"Innovative Industry" Starts the Future

"Talents" are the company's biggest resource

"To do the right thing"

"Energy saving and carbon reduction"  
Resource Utilization

Supply Chain Management of "Growing Together"

SEEC formulated the "Articles of Association of the Corporate Social Responsibility Committee of SEEC" in June 2017 to assist the company in practicing corporate social responsibility and to promote economic, environmental and social progress. We adhere to the three major goals of corporate social responsibility, "Economy, Society, and Environment", and establish a sound corporate governance strategy for sustainable operation; obtain reasonable benefits; take care of the responsibilities of individual employees and their families, and maintain social welfare so that disadvantaged groups have been taken good care. We also save energy and reduce carbon so as to reduce environmental impact. The corporate social responsibility policies are:

1. Embrace the corporate mission of "taken from the community, giving back to society".
2. Adhering to the business philosophy of "inheriting classics and innovation for sustainability".
3. Adhere to the core corporate values of "Integrity", "Teamwork", "Innovation" and "Feedback".

The company shall continue to operate, continue to give back to the society, and save energy and reduce carbon to keep the earth alive. In order to continue to promote the implementation of corporate social responsibility, members of each group regularly promote various management indicators in accordance with the relevant issues of concern to each group.



## Organizational Structure of CSR Committee



## Committee Member Responsibilities

Governor	ESG Group	Goup Convener of Implementation Committee
<ol style="list-style-type: none"> <li>1. Formulate corporate social responsibility policies and goals</li> <li>2. Hold meetings to review ESG plans</li> <li>3. Supervise the implementation of ESG Implementation</li> </ol>	<ol style="list-style-type: none"> <li>1. Manage the tasks of the committee and carry out the PDCA</li> <li>2. Follow up on matters resolved in committee meetings</li> <li>3. Review the execution performance and report it in the meeting</li> <li>4. Ensure continuous improvement activities</li> <li>5. Control the production process and schedule project control of the annual report</li> </ol>	<ol style="list-style-type: none"> <li>1. Promotion, maintenance and improvement of ESG systems</li> <li>2. Carry out various ESG management projects of research and improvement</li> <li>3. Implement the social responsibility policy of high-level executives</li> <li>4. Oversee the executive committee and team members to achieve the ESG short-term and long-term goals</li> </ol>






## Committee Functions

Corporate Governance	Employee Care	Environmental Sustainability
<ol style="list-style-type: none"> <li>1. Sustainable organization strategy</li> <li>2. Operational risk management</li> <li>3. Legal compliance</li> <li>4. Protection of shareholders' rights and Interests</li> <li>5. Internal audit management</li> </ol>	<ol style="list-style-type: none"> <li>1. Cultivate outstanding talents</li> <li>2. Employee education and training</li> <li>3. Reasonable salary and performance appraisal</li> <li>4. Workplace health and safety</li> <li>5. ESG internal advocacy</li> </ol>	<ol style="list-style-type: none"> <li>1. Promote sustainable environmental policies</li> <li>2. Implement energy conservation and carbon reduction management plans</li> <li>3. Waste management</li> <li>4. Resource usage and management</li> <li>5. Pollutant emission management</li> </ol>
Social Welfare	Supply Chain Management	Customer Service
<ol style="list-style-type: none"> <li>1. Community management</li> <li>2. Public welfare feedback</li> <li>3. Promotion of employee public welfare activities</li> </ol>	<ol style="list-style-type: none"> <li>1. Supplier evaluation</li> <li>2. Supplier audit and risk management</li> <li>3. Raw material traceability management</li> </ol>	<ol style="list-style-type: none"> <li>1. Product safety and service</li> <li>2. Handling of customer complaints</li> <li>3. Customer contact and communication</li> <li>4. Customer satisfaction survey</li> </ol>





## Sustainability Goals and Actions

SDGs	Target Plan	Corresponding Chapter
 Clean Water and Sanitation	<p>◆ <b>Process wastewater recycling</b></p> <p>Through the collection of paint slag and sewage filtration, the clean water is recycled back to the process for continuous use, which effectively reduces the consumption of tap water and the generation of waste liquid. In 2021, the actual water consumption is reduced by 560 tons.</p>	4.3 Water Resource Management
 Affordable and Clean Energy	<p>◆ <b>Invest in the development of green energy industry</b></p> <p>Provide solar booster stations, wind power and other renewable energy projects, through product development, actively move forward to the green energy market such as solar energy, wind power, energy storage, etc., from the original single product sales, into a one-stop shopping manufacturer.</p>	1.1 Company Profile
 Industry, Innovation and Infrastructure	<p>◆ <b>Invest system public works integration project</b></p> <p>Actively participated in the integration of system public projects, and won the government's public works gold medal.</p>	1.1 Company Profile
 Sustainable Cities and Communities	<p>◆ <b>Development of electric vehicles</b></p> <p>Focus on green product development, develop and manufacture electric vehicle motors and related products, Actively participate in the development of the green energy and environmental protection electric vehicle market.</p>	2.3 Safety Product Development
	<p>◆ <b>Transportation system engineering participation</b></p> <p>Actively invest in the construction of rail projects.</p>	1.1 Company Profile
 Responsible Consumption and Product	<p>◆ <b>Recycling and disposal of products and packaging materials after use</b></p> <p>For products that have reached the end of their lifespan, they are recycled at a specific resource recycling plant.</p>	2.3 Safety Product Development
	<p>◆ <b>Waste liquid reduction improvement plan</b></p> <p>Through the improvement plan, the clean water is recycled and used continuously, effectively reducing the consumption of water. Water consumption and waste liquid generation.</p>	4.4 Pollution Prevention and Management





## Stakeholders Communication

### Stakeholders Negotiation and Communication

Paying attention to the opinions of stakeholders helps to draw a clear vision and identify the roles that the company should play at different levels, thereby promoting sustainable strategies and creating shared value. Through stakeholder discussions, topics with risks, opportunities, and major impacts are selected from a wide range of issues, so that managers can allocate resources most effectively under limited resources, and plan short, medium and long-term sustainable development strategies, and transparently disclose positive and negative information.



The ESG editorial team discuss internally with the heads of various departments, referring to the five principles of "Dependency, Responsibility, Influence, Multiple Viewpoints, and Tension" in the AA1000 Stakeholder Engagement Standards (SES) to identify those powerful stakeholders that have an important impact on the company, including employees, customers, shareholders/investors, suppliers, financial institutions, communities and government agencies, etc., and then communicate and negotiate through multiple channels to understand the expectations of stakeholders.

Stakeholder	Topics Concerned	Communication Channels	Frequency
 Employee	<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</li> <li>♦ Union meetings</li> <li>♦ Occupational safety and health committee</li> <li>♦ Employee welfare committee</li> <li>♦ Symposium for newcomers and senior executives</li> <li>♦ Symposium for people at all levels</li> <li>♦ Human resources service mailbox, appeal system</li> <li>♦ Stakeholder questionnaire</li> <li>♦ SEEC bi-monthly magazine</li> </ul>	Quarterly Every two months Quarterly Quarterly Every six months  Irregular Immediate  Once a year Every two months
 Customer	<ul style="list-style-type: none"> <li>♦ Innovative research and development</li> <li>♦ Information security and management</li> <li>♦ Economic performance</li> <li>♦ Integrity management</li> <li>♦ Socioeconomic</li> <li>♦ Regulatory compliance</li> </ul>	<ul style="list-style-type: none"> <li>♦ Customer service line / After-sale service line</li> <li>♦ Satisfaction questionnaire</li> <li>♦ Official website, product selection media (APP, product CD, catalog)</li> <li>♦ Dealer seminars and education training</li> <li>♦ Stakeholder questionnaire</li> </ul>	Irregular  Once a year Irregular  Irregular Once a year
 Share holder / Investor	<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 regarding environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>♦ Shareholders' meeting</li> <li>♦ Corporate information session</li> <li>♦ Public information observatory</li> <li>♦ Company website investment area</li> <li>♦ Extraordinary shareholders meeting</li> <li>♦ Shareholder hotline, shareholder mailbox</li> <li>♦ Stakeholder questionnaire</li> </ul>	Once a year At least once a year Immediate Instant Irregular Immediate Once a year
 Supplier	<ul style="list-style-type: none"> <li>♦ Innovative research and development</li> <li>♦ Economic 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, annual supplier re-evaluation</li> <li>♦ Annual supplier assessment</li> <li>♦ Supplier coaching</li> <li>♦ Purchasing contact</li> <li>♦ Stakeholder questionnaire</li> </ul>	Irregular  Once a year Quarterly Immediate Once a year
 Financial institution	<ul style="list-style-type: none"> <li>♦ Economic performance</li> <li>♦ Product quality and safety</li> <li>♦ Risk management</li> <li>♦ Innovative research and development</li> <li>♦ Socio-economic compliance</li> </ul>	<ul style="list-style-type: none"> <li>♦ Stakeholder questionnaire</li> <li>♦ Corporate Information session</li> <li>♦ Company website investment area</li> <li>♦ Corporate interview sessions</li> <li>♦ Financial Institutions seminar</li> </ul>	Once a year At least once a year Immediate Irregular Irregular



Stakeholder	Topics Concerned	Communication Channels	Frequency
 Community	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Legal compliance regarding environmental protection</li> <li>Socio-economic compliance</li> <li>Workplace safety and hygiene</li> </ul>	<ul style="list-style-type: none"> <li>Telephone / grievance Line</li> <li>Industrial P service center</li> <li>Regional joint defense of industrial areas</li> <li>Set up a communication mailbox on the company website</li> <li>Volunteer activities / charity activities</li> <li>Stakeholder Questionnaire</li> </ul>	Immediate From time to time Quarterly Immediate  From time to time Once a year
 Government Agencies	<ul style="list-style-type: none"> <li>Legal compliance regarding environmental protection</li> <li>Socio-economic compliance</li> <li>Risk management</li> <li>Economic performance</li> </ul>	<ul style="list-style-type: none"> <li>Government symposiums / training courses</li> <li>Exchanges related to environmental safety at the industrial park service center</li> <li>Stakeholder questionnaire</li> <li>Official correspondence</li> </ul>	Irregular  Irregular  Once a year Irregular

## Identification of Major Topics

Based on GRI standards, AA 1000 SES stakeholder engagement standards, and AA 1000 AP accountability standards, SEEC develops a material analysis framework to identify major sustainability issues. This analytical framework is not only used in the compilation of this report, but also serves as a reference basis for developing long-term sustainability goals and strategies. During the compilation of the 2021 Sustainability Report, we collected feedback from 170 stakeholders and senior executives to understand their concern and operational impact on the company's sustainability issues. Finally, 18 major themes were decided as the priority topics for the company to promote corporate sustainability, and short- medium- and long-term sustainability management goals were formulated.

### Step 1 Inclusive

To fully consider E (Environment), S (Social) and G (Governance) issues, in identifying issues of relevance and importance to the organization, refer to international standards and norms, sustainable investment evaluations, peer benchmarks and stakeholder expectation, a total of 38 corporate-related sustainability issues were collected as the basis for the questionnaire.

11 Economic Issues

10 Environmental Issues

17 Social Issues

#### International Standards and Rating Organizations:

Sustainability Reporting Standards (GRI Standards), Sustainability Accounting Standards Board (SASB), United Nations Sustainable Development Goals (SDGs), Morgan Stanley ESG Indices (MSCI).

#### Benchmarks in the industry:

For peers included in the MSCI, collect sustainable information to disclose the content and practices.

#### Stakeholders' expectations:

Collect feedback from stakeholders on sustainable issues from regular and irregular communication and interaction with stakeholders, as well as online media reports.

### Step 2 Materiality

SEEC follows the requirements of GRI Standards, and divides the importance of issues into "stakeholders' concern level" and "organizational operation impact level". Collects feedback from stakeholders through the communication questionnaires. At the same time, urges the senior management to decide the impact of the issues on the operation of the organization, and determines the significance and relevance of the issues.

170 ESG Questionnaires

The level of concern of stakeholders is one of the principles that determines the importance of issues. Through a questionnaire survey, we learned about the level of concern of 165 stakeholders on sustainable issues. At the same time, we invited 5 senior executives to conduct a materiality analysis, measure the impact of each sustainability issue on the company's revenue, risk and customer satisfaction, rank the impact of each sustainability issue and the company's operations, and determine the importance of the issue.



### Step 3 Responsiveness

According to the materiality analysis results, based on the GRI and indicators, to expand the needs and disclosure expectations of different stakeholders for sustainable information, the company strengthens the transparency of sustainability issues on different communication platforms such as non-financial reports, company annual reports and company websites, including policies, organizations, practices, results, and goals.

#### 18 Major Themes

Considering the degree of concern of stakeholders and the impact of issues on sustainable operations, 18 issues of significant importance were identified, which were used as the basis for disclosure in the 2021 SEEC Sustainability Report, and then as a priority consideration in the development of sustainable management goals within the organization.

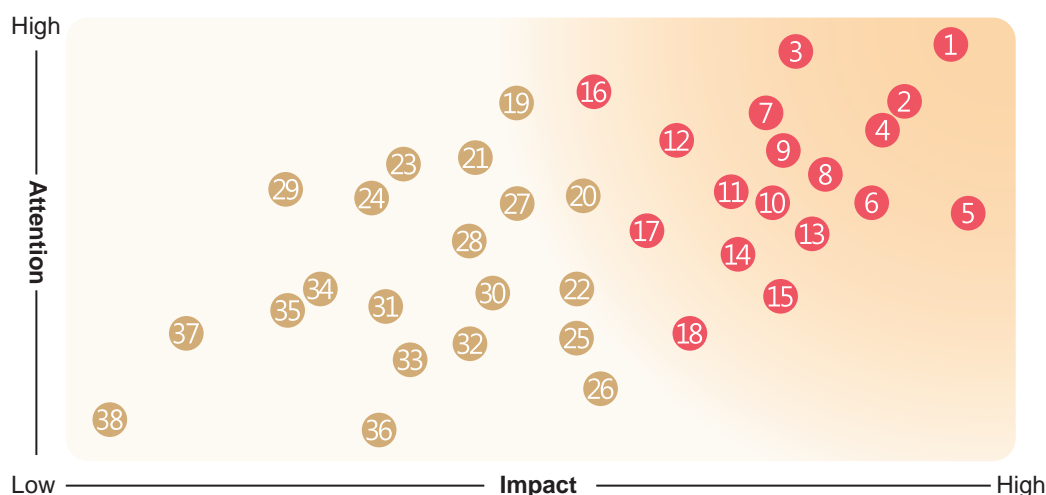
### Step 4 Impact

Commitment is the key to enabling an enterprise to show its influence in a sustainable manner. The company sets short, medium and long-term sustainable goals, and regularly monitors and measures the achievement status of the goals.

#### Set Sustainable Goals

In order to expand the influence of promoting corporate sustainability, the company makes commitments on major issues, formulates sustainability goals, and promotes the implementation of projects and actions year by year.

### Sustainability Issue Matrix



### 2021 Sustainability Issue

1. Innovative R&D	2. Operational Performance	3. Information Security and Management
4. Talent Development and Retention	5. Occupational Safety and Health	6. Product Quality and Safety
7. Energy Management	8. Waste Management	9. Supplier Environmental Assessment
10. Financial Implications of Climate Change	11. Supplier Social Assessment	12. Patents
13. Labor Management	14. Training and Education	15. Cleantech Opportunities
16. Water and Exiled Water	17. Greenhouse Gas Emissions	18. Employee Diversity and Equal Opportunity
19. Corporate Governance	20. Risk Management	21. Compliance with Environmental Protection Regulations
22. Integrity Management	23. Anti-competitive Conduct	24. Taxation
25. Marketing and Labeling	26. Socioeconomic Compliance	27. Chemical Safety
28. Nondiscrimination	29. Market Position	30. Indirect Economic Shocks



## 2021 Sustainability Issue

31. Anti-corruption	32. Human Rights Management	33. Freedom of Association and Group Consultation
34. Local Communities	35. Materials	36. Public Policy
37. Procurement Practices	38. Biodiversity	

Note :

1. Major themes for 2021 in red.

2. Compared with the major themes in 2020, five new topics are added in 2021: innovative research and development, patents, product quality and safety, clean technology opportunities, water and water release; regulatory compliance, marketing and labeling, and corporate governance are listed as secondary sustainable themes Continuous tracking management. In order to make the theme closer to the company, some theme names have also been adjusted this year.

## List of Major Topics

Major topics	Management policy	Impact levels and boundaries							Responding to sustainability Principles	Chapter
		Employee	Customer	Share holder / Investor	Supplier	Financial institution	Community	Government agencies		
Innovative research and development	R&D and Product Management								GRI 416 Customer Health and Safety GRI 417-1	2 Product Liability and Safety
Patent		●	★	▲	★			▲		
Product Safety Management										
Business Performance	Business Performance	●	★	▲	★	▲			GRI 201 Economic Performance	1.2 Operational Overview
Climate Change Financial Impact	Climate Change Financial Impact	●		●		●			TCFD	1.4 Risk Management
Information Security and Management	Information Security and Management	●	●	●					GRI 418 Client Privacy	2.5 Customer Privacy and Information Security Management
Clean Technology Opportunities	Environmental Sustainability Management								GRI 302 Energy GRI 303 Water and Runoff Water GRI 305 Emissions GRI 306 Waste Management	4 Environmental Protection
Energy Management										
Waste Management		●	★	▲	★		▲	▲		
Water and Runoff										
Emission of Greenhouse Gases										
Supplier Environmental Assessment	Supplier Management				●				GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	2.6 Supply Chain Management
Supplier Social Assessment										
Talent Development and Retention	Staff Training and Development								GRI 401 Employment Relations GRI 404 Training and Education GRI 405 Employee Diversity and Equal Opportunity	3 Employee Care
Training and Education		●			★					
Employee Diversity and Equal Opportunity										
labor Management										
Occupational Safety and Health	Occupational Safety and Health	●			★		▲		GRI 403 Occupational Safety and Health	3.5 Workplace Health and Safety

● Direct impact ▲ Indirect impact ★ Business impact



# Management Policy

## R&D and Product Management

Major Themes	Innovative R&D / Patent / Product Safety Management
Importance to the company	The company has cultivated high-quality R&D talents for a long time, and is committed to the development of strategic products such as automotive and locomotive electrical components, low-voltage switches, heavy electrical products, and automated industrial control. Through each stage of reliability verification, we continue to accumulate innovative technology and energy. Promote the establishment of R&D centers, construction of cross-strait R&D teams for better work division, resource integration, cross-business group cooperation, patent layout, reliability verification technology, and international certification practices. Continuous improvement to ensure product competitiveness and product safety, based on Taiwan and more successful marketing in the international market, so that the company's brand has become synonymous with customer safety and security.
Boundaries and disclosure limitations	It mainly focuses on information related to innovation and R&D, patents, product safety management, etc. in the Taiwan operating area of the company.
Policies and commitments	<ul style="list-style-type: none"> <li>• Accelerate own product development to meet market demand</li> <li>• Strengthen investment in the electric vehicle market and grasp market opportunities</li> <li>• Actively invest in rail engineering construction and green energy products</li> <li>• Improve R&amp;D technical capabilities and expand the depth and breadth of product lines</li> </ul>
Goals and targets	<ul style="list-style-type: none"> <li>• <b>Invest in green energy products:</b> electric vehicle motors and controllers, wind CGIS, high-efficiency TR</li> <li>• <b>Expansion of systems engineering:</b> power, rail, solar EPC, system integration</li> <li>• <b>Japanese partners to expand cooperation:</b> overseas cooperation, creating a win-win situation</li> </ul>
Responsibility	The responsible window for innovation and R&D is the R&D unit of each business group of the company; the responsible window for patent layout is the technology R&D department of each business group; the responsible window for product safety management is the quality assurance center of each business group.
Invest in resources and actions	<ol style="list-style-type: none"> <li>1. Invest NT\$566,899,000 in research and development expenses in 2021.</li> <li>2. Use environmentally friendly materials and comply with product safety requirements (REACH/RoHS).</li> </ol>
Management evaluation mechanism	<ol style="list-style-type: none"> <li>1. Follow the internal procedures of ISO 9001 and IATF 16949 to evaluate the effectiveness of PDCA.</li> <li>2. Conduct company-wide business meetings and new product development meetings for business groups every month.</li> <li>3. Handle company-wide key results (OKR) project meetings and company-wide R&amp;D management meetings on a quarterly basis.</li> </ol>
Performance and adjustment	<ol style="list-style-type: none"> <li>1. From 2019 to 2021, a total of 90 patent certificates (including 17 inventions and 73 new models) were obtained, 12 were related to product safety, and a total of 286 patents were continuously valid.</li> <li>2. In 2021, R&amp;D expenses account for 2.05% of operating income.</li> </ol>

## Business Performance

Major themes	Operating Performance / Financial Impact due to Climate Change
Importance to the company	In order to ensure the sustainable operation of the company, pursue steady growth and operating profit, create higher value for all shareholders, and enhance the trust of investors.
Boundaries and disclosure limitations	It mainly focuses on the operating performance information of the company's Taiwan operating area.
Policies and commitments	<ul style="list-style-type: none"> <li>• Strengthen core advantages and expand market share in Taiwan</li> <li>• Committed to the pursuit of sustainable management, implementation of ethical compliance, and strengthening of risk management</li> <li>• Strengthen the export of private brands and continue to strengthen the Japanese partnership</li> </ul>
Goals and targets	<b>Short term goals:</b> <ol style="list-style-type: none"> <li>1. Consolidate core strategic products, expand domestic market share and actively expand overseas markets.</li> <li>2. Identify corporate risks and opportunities due to climate change in accordance with the TCFD framework.</li> </ol>



## Business Performance

<b>Goals and targets</b>	<b>Medium and long term goals:</b> 1.Create stable and abundant operating cash flow, and pursue steady growth and operating profit.
<b>Responsibility</b>	Financial department compiles operating results and reports to the management on a regular basis.
<b>Invest in resources and actions</b>	1.Improve R&D and application capabilities, strive to develop a competitive product portfolio, and enhance the profitability of enterprises. 2.Committed to reducing manufacturing costs and improving production efficiency. 3.Continue to pay attention to greenhouse gas issues and assess the financial impact of climate change.
<b>Management evaluation mechanism</b>	1.Follow the internal procedures of ISO 9001 and IATF 16949 to evaluate the effectiveness of PDCA. 2.Conduct company-wide business meetings and new product development meetings for business groups every month. 3.Handle company-wide key results (OKR) project meetings and company-wide R&D management meetings on a quarterly basis.
<b>Performance and adjustment</b>	1.Consolidated revenue in 2021 is NT\$ 27690 million, an increase of 7.8% over 2020. 2.The combined profit before tax in 2021 is NT\$ 2473 million, an increase of 12.7% over 2020.

## IT Security Management

<b>Major themes</b>	<b>IT Security Management</b>
<b>Importance to the company</b>	With the advancement of technology, corporate information security issues are becoming more and more important. The company attaches great importance to information security and customer privacy management. Through the introduction of international IT security standards, an information security management framework is established, and management standards are formulated to manage and control various IT security risks, reduce the possibility and impact of risks, and strengthen the company's capability of business continuity.
<b>Boundaries and disclosure limitations</b>	Mainly focus on IT security management information in the Taiwan operating area of the company.
<b>Policies and commitments</b>	Implement IT security management and strengthen service quality; strengthen IT security training to ensure continuous operation; well plan DRP to improve organizational resilience.
<b>Goals and targets</b>	<b>Short-term goal:</b> revise relevant standards for IT security management and optimize the IT security management structure. <b>Medium and long-term goal:</b> fully introduce the management structure of international IT security standards, strengthen IT security through risk assessment and audit, Rehearse and improve corrective measures to reduce IT security risks.
<b>Responsibility</b>	The IT Center is responsible for the maintenance and construction of IT security, and strengthens IT security protection to ensure that the company and customer data are not leaked.
<b>Invest in resources and actions</b>	1.In 2021, the investment on IT security accounts for 27% of the total IT budget. 2.In 2021, a total of two 1-hour "IT Security Education" courses and three 5-hour "Information Security-Related International Standards" courses were conducted. 3.Plan budgets yearly to build, improve, maintain and strengthen IT security and network systems. 4.Regularly publicize IT security protection training and perform drills.
<b>Management evaluation mechanism</b>	Measure the effectiveness of PDCA in accordance with ISO 27001 management framework.
<b>Performance and adjustment</b>	1.The number of completed information security optimization and improvement in 2021 is 3. 2.There is no customer privacy breaches in 2021. 3.In 2021, a company-wide "Anti-phishing drill" is implemented, with a pass rate of 97%.



## Environmental Sustainability Management

<b>Major themes</b>	<b>Energy Management / Waste Management / Water and Released Water / Greenhouse Gas Emissions / Clean Tech Opportunities</b>
<b>Importance to the company</b>	Environmental management such as energy, discharge, water and discharge water, and waste is an important issue for the company's sustainable operation. If there is no strict management and control, it may directly affect the operation and production, and even face the risk of illegality, which will directly affect the company's performance, operation and profit. The company strictly controls the use of energy resources in the factory, and actively invests in the research and development of clean technology and industrial co-operation, hoping to contribute to the environment through its own energy control and energy technology innovation.
<b>Boundaries and disclosure limitations</b>	Focus on energy management, waste management, water and discharge water, greenhouse gas emissions, and clean technology opportunities in the company's Taiwan operating area.
<b>Policies and commitments</b>	All employees jointly support the concepts of "pollution prevention" and "risk control", fulfill corporate responsibilities, and continuously improve the performance of environmental safety and health to achieve the goal of sustainable operation.
<b>Goals and targets</b>	<b>Short term goals:</b> <ul style="list-style-type: none"> <li>• 145 tonnes of waste to be reused in 2022</li> <li>• Replacing 200 lighting fixtures in 2022</li> <li>• Reduced water consumption by 500 tons per year</li> <li>• A total of 100Mwh of annual energy saving improvement measures</li> </ul> <b>Long-term goal:</b> Continue to complete the annual energy saving, carbon reduction and cost saving goals
<b>Responsibility</b>	The the Human Resources and General Affairs Office is responsible for environmental management.
<b>Invest in resources and actions</b>	1. Each factory has gradually introduced the ISO 14001 environmental management system from 1998 to 2000, and completed the transition verification in 2017 2. The total cost of environmental protection in 2021 is NT\$ 14,799,000 3. A total of NT\$ 1,520,000 is invested in energy conservation measures in 2021
<b>Management evaluation mechanism</b>	Measure the effectiveness of PDCA in accordance with ISO 14001 management framework
<b>Performance and adjustment</b>	1. In 2021, water consumption is reduced by a total of 560 tons, with a target achievement rate of 112%. 2. A total of 380 energy-saving lighting fixtures is replaced in 2021, with a target achievement rate of 190%. 3. In 2021, a total of 102MWh is saved, with a target achievement rate of 102%.

## Supplier Management

<b>Major themes</b>	<b>Supplier Environmental Assessment / Supplier Social Assessment</b>
<b>Importance to the company</b>	Actively implement supply chain management, develop long-term and efficient cooperative relationships with suppliers, and ensure that suppliers jointly fulfill corporate social responsibilities through environmental, social and governance-oriented risk assessment and audit verification, thereby strengthening supply chain resilience and reducing operational costs. risk, and ensure sustainable operation.
<b>Boundaries and disclosure limitations</b>	It mainly focuses on supplier environmental assessment and supplier social assessment information in the Taiwan operating area of the company.
<b>Policies and commitments</b>	Corporate social responsibility, risk management policy, building a sustainable supply chain, pursuing green manufacturing, high efficiency, energy saving, green environmental protection mission.
<b>Goals and targets</b>	<b>Short-term goal:</b> 100% of key suppliers' commitments are signed <b>Medium and long term goals:</b> <ol style="list-style-type: none"> <li>1. Work with suppliers to meet social and environmental assessment standards and fulfill corporate environmental responsibility; incorporate social and environmental assessment into supplier assessment projects, and provide guidance and assistance for those who fail to meet them</li> <li>2. Coach suppliers to formulate carbon reduction targets and carbon neutrality plans, implement carbon reduction plans, and support the government's "2050 Net Zero" carbon emissions goals</li> </ol>

## Supplier Management

<b>Goals and targets</b>	3.Promote the supply chain to comply with ESG policies and practice the environmental protection mission of “energy saving, carbon reduction, and loving the earth”.
<b>Responsibility</b>	The responsible department for supplier management of the company is the procurement department of each business group.
<b>Invest in resources and actions</b>	1.Establish and require suppliers to sign the “Supplier Social Responsibility Commitment”. 2.Require suppliers to abide by the “ Guarantee of no use of environmentally hazardous substances “, “Environmental Safety and Health Policy”, “Supplier Management Measures” and other specifications. 3.Implement an annual on-site assessment of the cooperative factory. 4.Conduct on-site visits to suppliers, and require suppliers to complete a corporate social responsibility self-assessment form.
<b>Management evaluation mechanism</b>	In accordance with the supplier management procedure, regularly conduct supplier evaluation.
<b>Performance and adjustment</b>	1.As of 2021, 213 key suppliers have signed the “Supplier Social Responsibility Commitment”. 2.The supplier evaluation results in 2021 are A-level manufacturers accounting for 52% and B-level manufacturers accounting for 48%. 3.A total of 31 on-site assessments were conducted in 2021, with a pass rate of 100%.

## Employee Cultivation and Development

<b>Major themes</b>	<b>Talent Development and Retention / Training and Education / Employee Diversity and Equal Opportunities / Labor Management</b>
<b>Importance to the company</b>	The major management principles of the company are “Strengthening Capabilities”, “Sustainability”, and “Innovative Growth”. Talents are the most important asset of the company and the key to competitiveness. In response to the needs of global layout and development, diversified human resource management strategies are the major focus. Giving potential and cultivable “high-quality talents” the opportunity to develop is the only rule for our recruitment and talent promotion.
<b>Boundaries and disclosure limitations</b>	It mainly focuses on information about talent cultivation and retention, training and education, employee diversity and equal opportunities, and labor management in the company's Taiwan operating area.
<b>Policies and commitments</b>	Optimize organizational efficiency and strengthen talent acquisition and cultivation.
<b>Goals and targets</b>	<b>Short-term goal:</b> To cooperate with the company's management policy and business transformation, recruit professional talents. <b>Medium and long-term goals:</b> According to the medium and long-term growth strategy of each business group, promote organizational transformation and efficiency; implement education and training, eliminate the weak and retain the strong, and continuously improve the quality of talents.
<b>Responsibility</b>	HR Department is responsible for employee development. The company has established “Sexual Harassment Prevention Measures, Employee Complaints and Disciplinary Rules” to promote labor-management harmony, safeguard labor rights and interests, and assist employees in resolving issues related to personal rights or unfair treatment at work.
<b>Invest in resources and actions</b>	1.Establish the “Training and Development Committee” to conduct quarterly meeting to review the implementation results, work plans and directions. 2.The total investment in education and training in 2021 is NT\$7.1 million.
<b>Management evaluation mechanism</b>	The company sets the direction of education and training in accordance with our strategies and the operation plan of each business group, and reviews the training results through the planning and implementation of various courses with reference to the spirit and principles of TTQS.
<b>Performance and adjustment</b>	1.The average educational and training hours in 2021 is 16.04 hours. 2.The implementation rate of annual training hours for education and training in 2021 is 71%. 3.In 2021, the new hire rate is 10.4% and the turnover rate is 9%. 4.The percentage of employees receiving regular performance reviews in 2021 is 94%.



## Occupational Safety and Health

<b>Major themes</b>	<b>Occupational Safety and Health</b>
<b>Importance to the company</b>	Employees are an important asset of the company, and we spare no effort in investing resources in occupational safety and health.
<b>Boundaries and disclosure limitations</b>	Mainly focus on occupational safety and health information in the Taiwan operating area of the company.
<b>Policies and commitments</b>	<ul style="list-style-type: none"> <li>• Comply with government laws and regulations related to environmental safety and health and other requirements.</li> <li>• Improve the working environment and production equipment, provide safe and healthy working conditions, and ensure the safety and health of workers.</li> <li>• Implement management system promotion, instill employees' responsibilities and awareness of environmental safety and health, strengthen self-management capabilities, achieve the goal of full participation, and enhance occupational safety and health culture.</li> <li>• Properly control safety and health risks and opportunities, and continue to prevent and improve safety and health.</li> <li>• Continuously improve environmental safety and health management performance through regular audits and management reviews.</li> <li>• Maintain open communication channels with employees, customers, suppliers, contractors and other stakeholders, so that they can work together for the environment, safety and health.</li> </ul>
<b>Goals and targets</b>	In view of the hazards arising from the working environment and process, occupational safety risks are reduced through continuous improvement.
<b>Responsibility</b>	A safety and health management committee is set up in accordance with the law, and the director of the factory's top management serves as the chairman.
<b>Invest in resources and actions</b>	<ol style="list-style-type: none"> <li>1. 16 Occupational Safety and Health Committees are conducted in 2021.</li> <li>2. A total of 7,597 hours of occupational safety education and training in 2021.</li> <li>3. A total of 14 AEDs are installed in each factory area and staff dormitory.</li> <li>4. Conduct fire related incident drills twice a year. (Self-defense fire marshalling or emergency response organization event drills. The purpose of regular drills is that before firefighters arrive at the fire scene, through the self-defense fire marshals in the site, on the premise of ensuring their own safety, they can quickly judge the situation according to the fire situation. , take effective self-defense firefighting activities to truly play the initial response function of early warning, timely fire extinguishing, and effective guidance of evacuation)</li> </ol>
<b>Management evaluation mechanism</b>	Conduct ISO 45001 internal audit and external verification to ensure the effectiveness of management every year.
<b>Performance and adjustment</b>	<ol style="list-style-type: none"> <li>1. In 2021, no employee was diagnosed with occupational disease.</li> <li>2. In 2021, no non-employee workers was injured at work.</li> <li>3. By the end of 2021, a total of 125 colleagues have passed the initial qualification certification of CPR and AED operations.</li> </ol>







# 1. Environmental Sustainability

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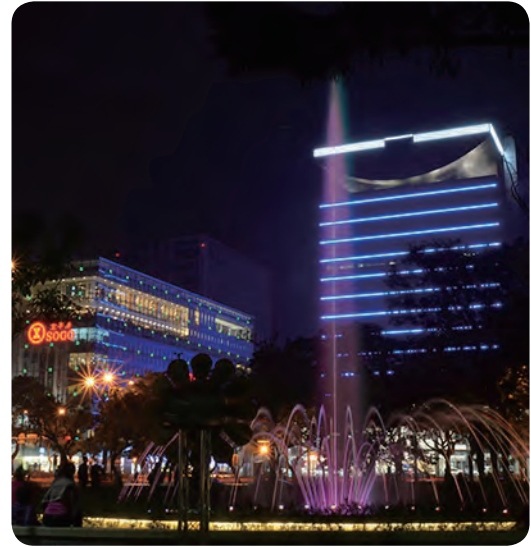




## 1.1 Company Profile

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.

Looking forward to the future, the Company will adhere to the concept of international integration and innovation, and pursue the lofty goals of high growth and high profit with a global perspective and local deep cultivation.



### Company Information

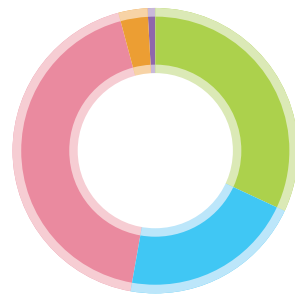
<b>Company Name</b>	Shihlin Electric & Engineering Corporation	
<b>Established Date</b>	November 03, 1955	
<b>Chairman</b>	Emmet Hsu	
<b>Main products and services</b>	Electricity distribution products, automobile components (for two-wheeled / four wheeled Vehicles), low-voltage switches, industrial control products, industrial equipment, automation equipment and parts products, digital home appliances (agent)	
<b>Location of eadquarter</b>	16F., No.88, Sec.6, Zhongshan N. Rd., Shihlin Dist. Taipei City	
<b>Operating Base</b>	<div> <div> <p>Taiwan:</p> <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> </div> <div> <p>Southeast Asia:</p> <ul style="list-style-type: none"> <li>• Vietnam Shihlin Electrical Engineering Ltd.</li> <li>• Shihlin Electric &amp; Engineering Equipment Vietnam Co., Ltd.</li> <li>• Philippines Branch</li> </ul> </div> <div> <p>U.S.A:</p> <ul style="list-style-type: none"> <li>• U.S.A Branch</li> </ul> </div> </div> <div> <p>China:</p> <ul style="list-style-type: none"> <li>• Changzhou Shihlin Auto Parts Co., Ltd.</li> <li>• Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd.</li> <li>• Changzhou Shihlin Auto Parts 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> </div>	
<b>Paid-up capital</b>	5.2 billion	
<b>Consolidated revenue</b>	27,690 million(NT\$)	
<b>Employee</b>	<p>Total number of employees :</p> <p>3,972 (Including overseas regions)</p> <p>1,955 (Taiwan area)</p> <p>Average age: 36.8 years old</p> <p>Education: More than 63% are university degree</p>	





### Shareholder structure

As of April 26, 2022



Government agency	0.12%
Financial institution	3.34%
Other legal persons	44.12%
Individual	20.40%
Foreign institution and foreigner	32.02%

### ◆ Business Philosophy

The Company's business philosophy is: "Continuous improvement, to contribute to society with superior quality and dedicated service."

#### Forge Ahead, Strive for Excellence, Changes for The Better, Create The Future

Facing the wave of global competition, it is the most important business strategy of the Company to fully develop overseas markets. From a foothold in Taiwan to moving forward in China, the company will then market globally and accelerate the expansion of overseas business.

To actively cater for the trend of globalization, apart from continuing to strengthen the establishment of partnerships with major Japanese international manufacturers, the Company also plans to increase international visibility, streamline the collection of the latest industry trends, and enhance the international talent cultivation through participation in international exhibitions, so that it will lay a solid foundation for the implementation of the company major projects and strengthen the execution of the global layout by implementing the Management Associate (MA) plan to cultivate cadres. The deployment of global production and sales bases has also taken place for more than ten years. It has continued to cultivate local talents, rooted in the regional market with technology, and is closer to the market to provide customers with the timely service.

In order to enhance the competitive advantages of products for global development and meet customer needs, the company leverages the R&D talents in Taiwan and China, together with partners in the strategic alliance, to make more effective use of resources, and strive to achieve the goal of "Time to market". Effectively supported by network technology and the CRM and ERP information systems, the company can make seamless integration of location and personnel information in various places so as to understand the customer needs and complaints better. As a result, the company grasps business opportunities more effectively.

From focusing on R&D, manufacturing, and marketing, to brand management, and leap to the international stage, it is the common desire of all employees to make the brand of the Company successfully gain a foothold in the international market. The company shall uphold the spirit of "Changes for The Better, Create The Future", and move toward the goal steadily and down-to-earth.

#### Corporate Vision



##### Innovation and Growth

Invest in green energy products (Electric vehicle motor and controller, Wind CGIS, High performance TR)  
 Systems Engineering Expansion (Power, Rail, Solar EPC, Integrated Systems)  
 Japanese partners expand cooperation (overseas cooperation, creating a win-win situation)

##### Sustainability and Soundness

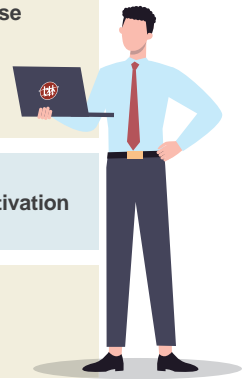
Practice Sustainable Management (ESG)  
 Enhanced risk management (exchange rate, AR, inventory, cash management)  
 Implement ethical compliance

##### Strengthen Core Competence

Enterprise process efficiency improvement (sales, manufacturing, supply chain, financial processes)  
 Promote intelligent production to implement ethical compliance  
 Select centralized and optimal management



Guidelines for Management	
1	<b>Strengthen core advantages and expand market share in Taiwan:</b> Consolidate core strategic products Expand domestic market share
2	<b>Actively participate in green energy industry and public works such as rail construction:</b> Invest in system integration talents Strengthen turnkey engineering capabilities
3	<b>Leverage brand and channel advantages to develop new product business:</b> Strengthen the product planning organization and talents, and deploy a complete product line
4	<b>Strengthen the export of private brands and continue to consolidate Japanese partnerships:</b> Strengthen the export of private brands (with ASEAN and North America as the main expansion markets) Continued consolidation and strengthening of Japanese partnerships
5	<b>Optimize organizational efficiency and strengthen talent acquisition and cultivation</b>
6	<b>Committed to the pursuit of sustainable management (Environment, Social, Governance)</b> Implement ethical compliance (Compliance) Strengthen risk management (Risk Management)



## ◆ Main Products and Services

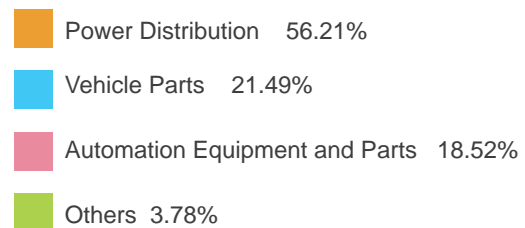
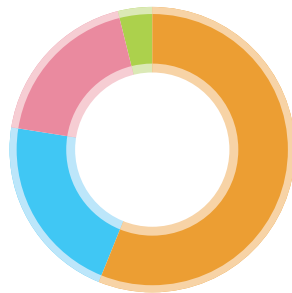
The Company's four business groups are heavy electric business group, automobile equipment business group, breaker & switchgear business group and automation business group. The main products are heavy electrical products, automotive electrical equipment, low-voltage switches, industrial control products, engineering integration equipment, digital home appliances (agents), etc.

Main product categories	Intended purpose
Power Distribution	<ul style="list-style-type: none"> <li>The power supply voltage of the power plant can be raised and lowered to the voltage required by itself. It is often used in high-voltage places, such as substations, factories and high-rise buildings, green energy power generation, energy storage, etc.</li> <li>Ensure the safety and reliability of various facilities in the entire power supply system. The operation control function is common in various types of factories, hospitals, and MRT systems.</li> <li>It can monitor and calculate the power consumption of the load from a distance, and can control various equipment. It is often used in the control and monitoring of incinerators, generators, factories, and public facilities.</li> <li>High-voltage power switches and high-voltage line protection devices are commonly found in high-voltage lines and switchboards.</li> <li>It is used to improve power factor and improve the quality of electricity consumption. It is commonly used in high-voltage lines and machines.</li> <li>For loads that consume a large amount of electricity, the transmission line can use the bus bar to transmit the power required by the load.</li> <li>Low voltage distribution appliances               <ol style="list-style-type: none"> <li>1.It is a power switch, which is also an overload and protection device. It is often found in the distribution box of residential buildings and factories.</li> <li>2.The automatic control device on the machine, motor or pump has the functions of starting and overload protection.</li> </ol> </li> </ul>
Vehicle Parts	<ul style="list-style-type: none"> <li>Used for alternators, starter motors, wiper motors, fan motors, tailgate motors and power window switches in automobiles.</li> <li>Used for alternator, starter motor, fuel pump and other parts on fuel locomotives.</li> <li>Used for drive motors and controllers on electric locomotives.</li> <li>Drive shaft motors and gear motors for electric scooters and wheelchairs.</li> </ul>


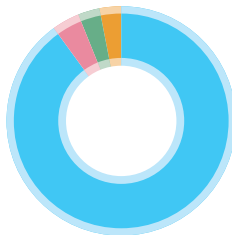


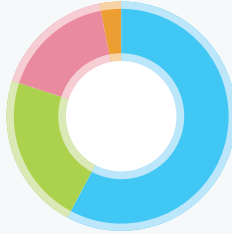



Main product categories	Intended purpose
Automation Equipment and Parts	<ul style="list-style-type: none"> <li>Automated equipment can save direct labor costs, circulate production information, improve yield, and increase competitiveness.</li> <li>Programmable controller is an indispensable control tool for automation, and it is also the command system of automated machinery. It is applicable from stand-alone control to whole-plant automation.</li> <li>Inverter is an induction motor drive with stepless speed change, which is suitable for the drive part of industrial machinery and machine tools.</li> <li>Servo system has functions such as positioning control, speed control, torque control, etc. It is suitable for the drive part of industrial machinery and machine tools.</li> <li>The sensor is an induction device, which is used for detection and judgment with automatic machinery.</li> </ul>

Proportion of each product's revenue


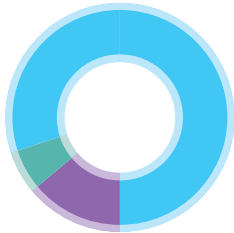


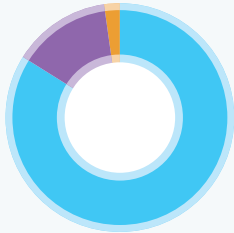



### ◆ Core Business Group

Business group category	Main business description	Main sales area	Business group introduction
<div></div> <div>Heavy Electric Business</div>	<ul style="list-style-type: none"><li>• Comprehensively manage the research and development, production and manufacture of substation, power distribution appliances and capacitor products.</li><li>• Comprehensively manage the sales of substation, distribution equipment and capacitor products.</li><li>• Comprehensive substation turnkey, system engineering project business.</li></ul>	<div></div> <div>Taiwan 90%   Philippines 3% North America 4%   Others 3%</div>	
<div></div> <div>Automobile Equipment Business Group</div>	<ul style="list-style-type: none"><li>• Comprehensively manage the research and development, production and sales of electrical components and special motor products for automobiles and locomotives at home and abroad.</li></ul>	<div></div> <div>Taiwan 58%   Europe 22% North America 17%   Others 3%</div>	





Business group category	Main business description	Main sales area	Business group introduction
 <p>Breaker &amp; Switchgear Business Group</p>	<ul style="list-style-type: none"> <li>Comprehensively manage the R&amp;D and manufacturing of non-fuse circuit breakers and electromagnetic switches.</li> <li>Comprehensively manage the sales of non-fuse circuit breakers, electromagnetic switches, and other products.</li> <li>Comprehensive management of digital and security industry product sales.</li> </ul>	 <p>Taiwan 80%   China 14%   Export 6%</p>	
 <p>Automation Business</p>	<ul style="list-style-type: none"> <li>Comprehensively manage the research and development, production and sales of PLC, human-machine interface, inverter, servo motor, sensor, linear motor, DD motor, robotic arm, thermostat, and other products.</li> <li>Comprehensively manage the design, planning and production of automation equipment and integrated electronic control system, CIM connection integration, preventive maintenance software and other services.</li> </ul>	 <p>Taiwan 84%   China 14%   Others 2%</p>	

## ◆ All-Round Solution Integrator

### Automobile Electric Products

Established alliance partnerships with Japanese major manufacturers, such as Mitsubishi Electric and Mitsuba Electric, so as to deepened technology and possessed excellent customization capabilities. The company has become a major electrical equipment supplier In the motorcycle market around the world. Recently, it is more active in the electric vehicle industry and has become. an important supplier of customers' motors and controllers.

### Heavy Electric System

In addition to producing the highest level of 345 kV1260MVA nuclear-level ultra-high voltage transformers, the company has also successively invested in important engineering system integration projects, including power system of the Wansong substation project, railway engineering of the South-Link Railway project, and the EMU500 Electric Multiple Unit case. The company has won the Public Construction Golden Quality Award, hence earns high recognition from all walks of life in terms of technology and engineering quality.

### Switch Products

The company provide various low-voltage switches for factories, buildings, housing construction, machinery plants and public works to ensure the safety of electricity use, and build smart production process to achieve the goal of "Total Solution".

### Automated System

In addition to providing important automation products such as inverters, server motors, sensors, etc., the company also provides automated integration systems that can be applied to panels, semiconductors, and conventional industries production lines, and can be used to strengthen quality control, efficiency improvement, and system integration management to upgrade as the best factory total solutions.



## ◆ Advantage Integration

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.

## ◆ Innovative / R&D

Promote the continuous improvement of "the establishment of R&D centers, the construction of cross-strait R&D teams, the research and development in close cooperation, resource integration, cross-business group cooperation, patent layout, reliability verification technology, international certification acquisition, etc.". to ensure product competitiveness. In addition to being based in Taiwan, successfully gain a foothold in the international market, so as to make the "SEEC" brand synonymous with customer safety and trust.

## ◆ Core Manufacturing Capabilities

In response to the trend of customized, small-scale, and multi-model production, combined with the latest manufacturing/processing technology and inherent manufacturing capabilities, combined with process design/quality assurance engineering/standardized planning and other management methods, such as: creation technology (ものづくり) refined subjects and core technologies (Skill worker) certification, key process automation (Automatic) manufacturing and inspection, high-precision molds, process Knowledge Management KM digitalization (Digitalization), professional grading certification and allowance awards, TAF laboratory certification, etc., to strengthen the manufacturing and quality assurance technology.

Encourage innovation, development, and inheritance, so that everyone in the Company upholds the spirit of "There is no best, only the better. Continuous to improve and demand the satisfaction of customers ". It is expected to become a model enterprise, with superior quality and dedicated service, to make concrete contributions to the positive force of society's upward advancement.

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



## Automobile Equipment Business Group



The Automobile Equipment Business Group was established in 1965, mainly engaged in the R&D, manufacturing, and sales of electrical components for automobiles and locomotives and DC motors. Our premium products are sold at home and abroad, and are highly recognized by customers. In order to strive for the international competitiveness of our products, we are constantly pursuing the enhancement of quality, cost, delivery time, development, operation management and service, to strengthen the development of technology and core manufacturing capabilities, and strategic alliances with many Japanese technology manufacturers, not only in terms of product technology cooperation, but also setting up joint ventures overseas or conducting division of labor and collaboration to jointly deploy overseas markets and create a win-win strategic partnership. We swear to follow the company's operating policy and take customer demand as the guide to create a more brilliant future.

### The Main Products Include:

#### Two-wheel Electric Vehicles :

Starter Generator (ISG)   AG Generator  
Starter Motor   Fuel Pump  
Ignition Coils   EPS Motor  
Electric locomotive motor and controller  
2EV Power Train & Controller



#### Four-wheel Electric Vehicles :

Starter motor   Alternator  
Fuel Pump   Integrated Starter-Generator



#### DC product series :

Transaxle Motor  
Gear Motor ... etc.







## Green Energy Products Development

With the rising awareness of environmental protection, governments of various countries have enacted or vowed 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 from major automakers have been mass-produced, which will accelerate the pace of global electrification. In the foreseeable future, electric vehicles will gradually replace fuel vehicles and become the mainstream of the market, consequently, many engine-related electrical products will also disappear. Recognizing this irreversible trend, the automobile equipment business group began in 2002 to invest in the research and development of the power system of electric cars. As for the automotive part, we will work closely with the long-term partner, the Mitsubishi Electric, to follow its development steps in the future and research or cooperate with the development of electric vehicle related components. Besides, we will also invest in our own research and development resources. As for the locomotive part, we has established ourselves in Taiwan's electric locomotive market with self-developed power systems, and has become a partner of major locomotive manufacturers in the world with the active promotion of ODM and OEM approach.

## Production Base of Automobile Equipment Business Group

SEEC (Taiwan)  
Electric Equipment for Two /  
Four-wheeled Vehicles / DC Motor



Mitsuba Shihlin Electric (Wuhan)  
Electric Equipment for Four-  
wheeled Vehicles



Shihlin Electric & Engineering  
Equipment Vienam (North-Vietnam)  
Electric Equipment for  
Two-wheeled Vehicles



Shihlin Electric & Engineering  
Equipment Vienam (South Vietnam)  
Electric Equipment for  
Two-wheeled Vehicles



Changzhou Shihlin Mitsuba Electric  
& Engineering  
Electric Equipment for  
Two-wheeled Vehicles



Changzhou Shihlin Mitsuba  
Electric & Engineering  
Electric Equipment for Two-wheeled  
Vehicles

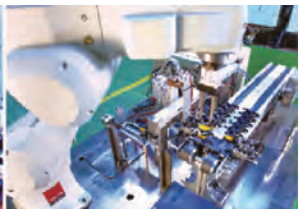


Changzhou Shihlin Auto Parts  
Die-casting and machined of  
auto parts



Wuxi Shihlin Electric & Engineering  
Electric Equipment for  
Four-wheeled Vehicles

## Breaker & Switchgear Business





Since 1973, the Breaker & Switchgear Business group has been focusing on the R&D, production, and sales of low-voltage switches and becomes the leading brand in Taiwan with the largest market share. Based on decades of a solid foundation, the company is actively expanding into overseas markets. At present, the company has successfully established a vast and dense sales network and distribution channels in mainland China, the ASEAN, the Middle East, Central and South America, West Africa, and Western Europe. We are moving forward steadily and firmly towards the goal of global deployment.

In order to build a world-class supply chain and promote high-quality products made in Taiwan to the world, the company not only set up a production base with cross-strait integration of labor resources and continuous improvement of development capabilities, but also set up a short-circuit laboratory in the precision mold & automation department, which has certified by the International Electrotechnical Commission, to accelerates the development of new products and models as well as develops the core manufacturing process with both quality and efficiency. Our products have passed the strict test standards of CCC, KEMA, TUV, cULus, CSA, SIRIM, SNI, etc. international and local certifications, which proves that our product specifications, quality, and performance have reached international standards.

To strive for excellence and strengthen the core competitiveness, the company actively cooperate with Mitsubishi Electric and General Electric Company in strategic alliance to carry out technical cooperation and integration of advantages, and enter the international market together.

With cross-strait resource allocation and R&D integration, the company provides various low-voltage switches for factories, buildings, housing construction, machinery plants, public works, and greenery to ensure the safety of electricity consumption, and build a smart production and supply electric vehicle industry chain. Achieve all-round Total Solution goals.

### Low-voltage Switch Series Products



### Develop DC Products in Response to the New Energy Policy to Meet Market Demand

Due to the global warming issues, many countries are actively developing renewable energy sources for energy conversion. In recent years, the cost of solar energy construction has been reduced and many countries are actively constructing solar power stations. According to Taiwan's energy policy, the company plans to achieve a cumulative capacity of 20GW of solar energy installations in 2025, with an annual power generation of 25 billion KWh.



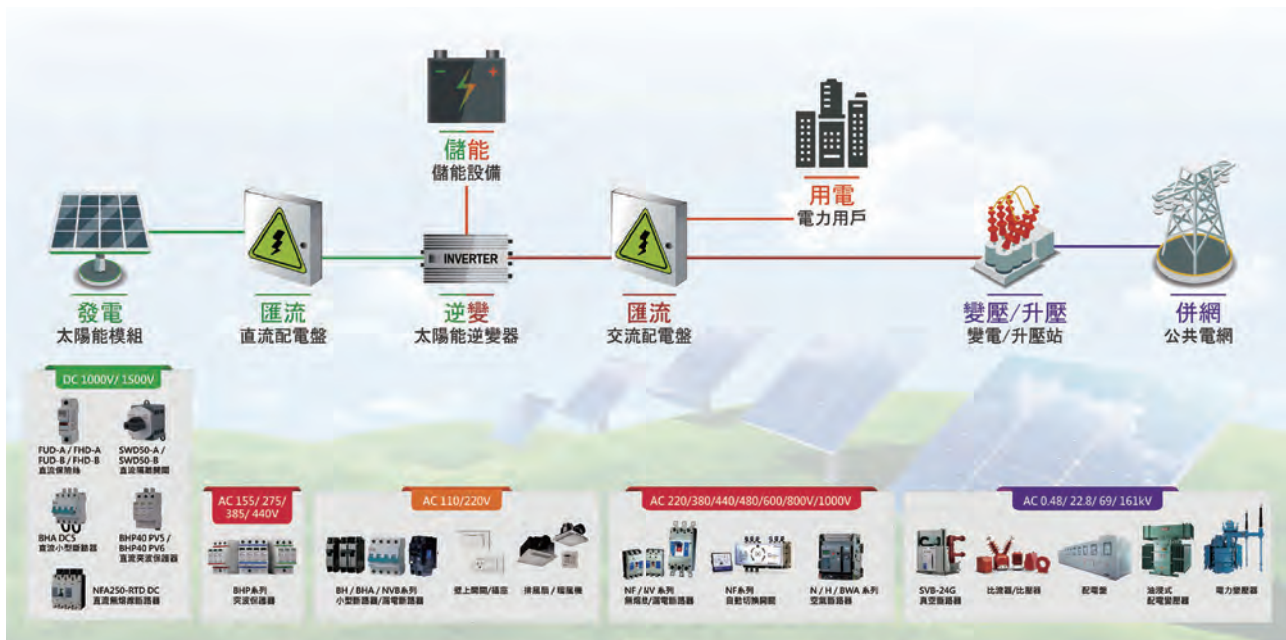
### DC Low Voltage Switch Products for DC Power Distribution

- All series have obtained TUV certification and CE declaration.
- Suitable for DC systems below DC 1500V and DC 1000V. Example: DC systems, such as solar energy, wind power, energy storage, etc.

### Pictures of DC Low Voltage Switch Products for DC Power Distribution



### Application Diagram of Solar Power System and Protection Switch



[https://www.mrpv.org.tw/Article/PubArticle.aspx?type=policy\\_promote&post\\_id=825](https://www.mrpv.org.tw/Article/PubArticle.aspx?type=policy_promote&post_id=825)

[https://www.moeaboe.gov.tw/ECW/populace/web\\_book/WebReports.aspx?book=M\\_CH&menu\\_id=142](https://www.moeaboe.gov.tw/ECW/populace/web_book/WebReports.aspx?book=M_CH&menu_id=142)



## Concerned About the Safety of Electricity for All Citizens

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. In the future, it will continue to carry out related electric safety promotion, take electricity safety as its own responsibility, and become the patron saint of households and ensure safe use of electricity.

According to statistics from the Ministry of the Interior, 30-year-old houses have broken through 4 million, accounting for 46% of the total number of houses in Taiwan. This issue is more and more severe year by year. Generally speaking, even if old houses are refurbished and replaced with new furniture and household appliances, they often neglect to inspect the old electricity distribution boxes and pipelines. According to Taipower data, 25 years ago, most households had few high-power appliances, and the average electricity consumption per household was about 150 kilowatt-hours (kWh), which has doubled to 300 kilowatt-hours today. In addition to power overload, humid environments such as bathrooms, kitchens, and balconies in homes can easily age electrical equipment enclosures, leading to reduced insulation performance, deterioration or damage, and it is the main factor that causes electrical hazards, leakage, and even fires.

There are hidden dangers in household appliances, especially for houses over 20 years old. It is recommended that all old pipeline switches should be updated to avoid leakage and jumps caused by obstruction, damage, and exposure, which may cause casualties and property loss.

Please refer to "Electricity Knowledge School" <https://www.seec.com.tw/breaker/knowledge.aspx>, as shown below



▲ Electricity Safety Website

Welcome to visit the electric safety website of SEEC, and for more household electric safety products, please see <http://www.seec.com.tw/breaker>



▲ Knowledge of Electricity Safety





## Heavy Electric Business Group



In 1955, when the Company was transferred from public enterprises to private enterprises, the Company had already begun to produce transformer products. After decades of accumulated experience and active research and development, the Company has produced the highest-level 345Kv 1260MVA ultra-high voltage transformer, used in operation of nuclear power plants.

In 2017, it's granted the KEMA242kV 200MVA short circuit and type test certification. In addition to being used by the domestic Taiwan Power Company, the products are also supplied to major customers around the world through the global marketing network. The Company also has sound sales performance in the United States, Canada, Australia, the Philippines, and the ASEAN.

Recently, the Company has actively invested in public system construction integration projects, including the power system of the Wansong substation project, railway construction of the South-Link Railway project, and the EMU500 Electric Multiple Unit case. The Company have won the Public Construction Golden Quality Award, hence earns high recognition from all walks of life in terms of technology and engineering quality.

The Company focuses on quality and is the first unit to pass TAF certification. In 2014, the Company developed a surge-resistant spike-wave transformer (SK TR) to meet the needs of various special loading.

### Products and Capacity

Produce the highest-level 345Kv 1260MVA nuclear-level ultra-high voltage transformer, a full range of various transformers and power distribution equipment, and supply large domestic and foreign large power plants, large technology factories, department stores, collective buildings, mansions, and public constructions, playing the key role to the power transmission and distribution system.

### The Main Products of Heavy Electric Business Group

- Power Transformer below 345kV / 1300MVA
- Mold-cast high-efficiency distribution transformer below 36kV / 15MVA
- Oil-immersed high-efficiency distribution transformers below 36kV / 5MVA
- High and low voltage distribution panels, motor control centers, monitoring panels, control panels, and distribution boxes below 36kV
- Current ratio device / voltage ratio device below 36kV
- High and low voltage capacitors / reactors below 27kV
- SCADA and power quality improvement

### Green Energy Industry Development

Green Energy Technology is one of the "Five Plus Two Industrial Innovation" plans listed by the government. The Executive Yuan first approved the promotion plan on October 27, 2016. Among them, solar photovoltaic and wind power are the most critical development projects. As a pioneer in domestic power transformation and distribution equipment, the Company cannot be absent from the supply chain of the green energy industry. We successively supply products to the solar energy industry that the government has begun to promote in recent years and the wind power industry that has been actively evaluated and developed by the government. Hence, the company silently acted as the unsung heroes behind the green power industry.



## Solar Energy

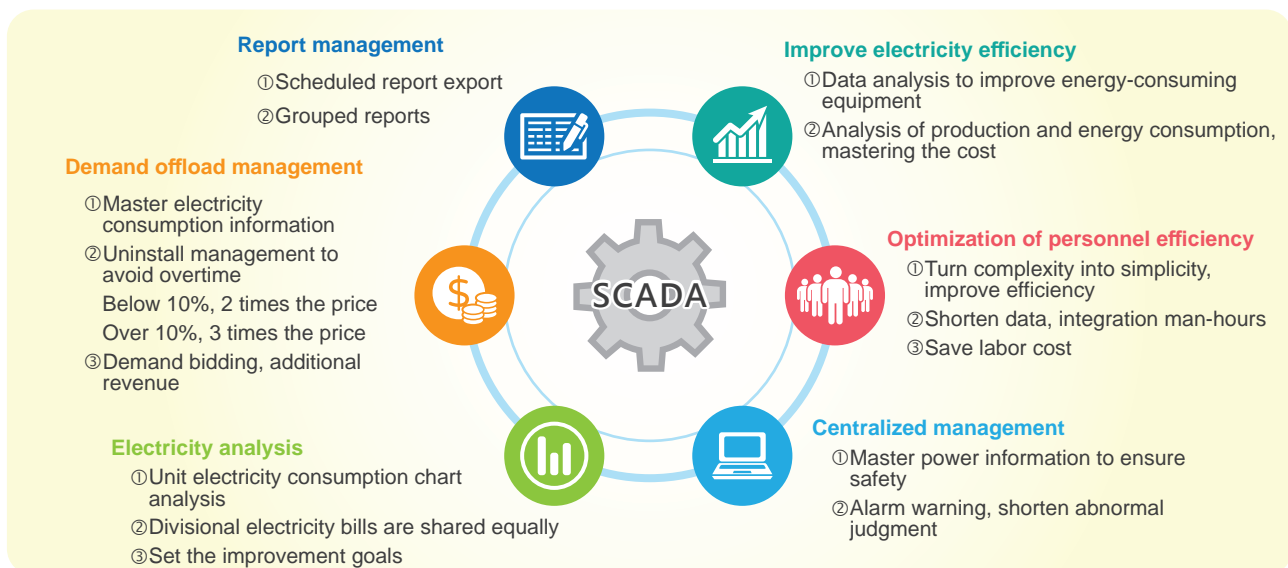
In 2025, it is planned to increase the proportion of renewable energy power generation by 20%, of which the solar photovoltaic accumulating device capacity target is 20GW, including the roof-type setting target of 3GW and the ground-type setting target of 17GW. The development of ground-based power stations has a large capacity, which is the goal of many system manufacturers. In recent years, the Company has actively cooperated with system manufacturers to develop special transformers for solar booster stations. In foreign markets, the Company have also cooperated with local solar booster station system vendors in order to get in place as soon as possible and become a green energy pioneer in developing countries.

## Wind Energy

In August 2017, the Executive Yuan approved the "4-year wind power generation promotion project" to plan short-term solid foundations for promotion, establish medium and long-term permanent measures, optimize the installation environment, and achieve the goal of 3,000 MW offshore wind power installation by 2025. It is anticipated to promote energy diversification, establish independent supply of energy, and drive domestic demand and employment, as well as build a friendly environment for wind power development, which will become a new engine driving economic development in the future. Most of the current domestic wind power systems, capital and technology are in the hands of foreign investors. In recent years, in addition to actively developing wind farms, the government is also keen to create more business opportunities for local manufacturers so as to localize the supply chain of wind turbine equipment. The Company has been evaluated by many wind turbine equipment manufacturers, and our production capacity and product quality have been well received. In the future, the company will be the main player in the localized supply chain.

## Power Quality Improvement

In the next few years, with nuclear power plants being retired one after another and green power has not yet fully made up for the shortfall, many companies have concerns about insufficient power supply. In recent years, apart from developing low-energy-consumption and high-efficiency products, the Company has also targeted different domestic industries and addressed power system quality issues, such as current harmonics, virtual power, three-phase imbalance, and voltage swells and sags, so as to provide customers with sound total solutions. Furthermore, through conducting 5 seminars a year, the company in-depth exchanges with all walks of life in the industry, even goes to the client locations to assist them in power measurement, provide power quality analysis and suggestions.



## Product power saving



Air pollution detection alert  
Effective management of SCADA electricity consumption and proper use of efficiency

## Report management

- ① Scheduled report export
- ② Grouped reports

## Demand offload management

- ① Uninstall management to avoid overtime
- Below 10%, 2 times the price
- Over 10%, 3 times the price

## Electricity analysis

- ① Energy consumption analysis to improve efficiency
- ② Electricity consumption chart analysis





## Public Construction Turnkey Project

With 60 years of production and manufacturing experience, the Company has continuously improved product quality and service, and provided a complete product line, which is widely used in steel, metallurgy, chemical, machinery, power, electronics, construction industry, public engineering, automobile and motorcycle components, household, and people's livelihood as well as many other industries and fields. We uphold the spirit of quality first and continuous improvement, from power system planning, complete sets of equipment, low-voltage electrical appliances to industrial control products, provide TOTAL SOLUTION to meet customer demand for products and services, forge ahead, strive for excellence and move towards an international enterprise.

The Company mainly participates in and undertakes national public projects, including project planning, design, integration, construction, and management, and formulates rigorous project management strategies and implementation specifications to ensure quality and achieve business performance as the ultimate goal.

After the "Wanda Power Plant Expansion and Songlin Branch Hydropower Project" won the "Public Construction Quality Award" from the Ministry of Economic Affairs and the "Public Construction Golden Quality Award" from the Public Construction Commission, Executive Yuan in 2012, the "Mingtian Power Plant Jugong Branch Plant 161kV Switchyard Renewal Project" won the aforementioned awards again this year with the efforts of colleagues in the Mechanical and Electrical Systems Engineering Department. At the same time, the civil engineering subcontractor of this case, Jiangxing Construction Co., Ltd., was unprecedented to win the gold award with the qualification of subcontractor with the assistance from the Taiwan Power Company Central Region Construction Office and the Company. It is the first time that the contractor and subcontractor won the gold awards simultaneously.



In recent years, the Company has obtained several major public sector construction project tenders and has won many awards related to the quality of public constructions by the Ministry of Economic Affairs, has been highly recognized by the state and related units for its professional ability and construction quality in engineering turnkey projects. In the past two years, the Company has successively obtained the electrification project of the Taitung Chaozhou section of the Taiwan Railway South Link Line and the Taiwan Railway Bureau EMU500 electric train motor system renewal project. It's the first time the company stepped into the railway track construction business. In 2019, it also won the conductor rail installation turnkey project of the tunnel section of the Taipei Power Section. That demonstrates that the Company continues to lead the industry in the production of professional power equipment, and it will also play a key role in the domestic electromechanical engineering field.

## Electrification of Taiwan Railway South Link Line

The last section of the electrification project of Taiwan Railway South Link Line from Pingtung Chaozhou to Taitung was officially opened to traffic on December 23, 2020. The electrification of the round-the-island railway was achieved at the end of 40 years. President Tsai Ing-wen particularly affirmed the contributions of all participants in the electrification project of the Taiwan Railway South Link Line (the Company is responsible for the construction) at the "Opening Ceremony of the Electrification of the Taiwan Railway South Link Line". The Company continues to innovate and transform, continue to work together with strategic partners in green energy, transportation construction and track construction, etc., to pursue opportunities for sustainable growth, turn over a new leaf for Taiwan's public construction, and continue to make efforts to reduce air pollution.







▲ General Manager Hsieh and engineering team took a photo with Minister of Transportation Lin Jialong on the first flight



▲ Electrification of Taiwan Railway South Link Line

## Achievements of Major Public Constructions

- Wufeng Substation 345kV Transformer and Power Cable Project
- Mili UHV Substation Transformer and Auxiliary Equipment Project
- Houli UHV Substation Transformer and Auxiliary Equipment Project
- The Third Nuclear Power Plant 345kV Transformer and Auxiliary Equipment Project (Currently the largest capacity of domestic transformers)
- Douliu Substation Turnkey Project
- Huilong Substation Turnkey Project
- Wanda Power Plant Expansion and Songlin Branch Hydropower Project
- Feeder Automation Project of Taichung District Sales Office
- Water-cooled Transformer and Auxiliary Equipment Project of Qingshan Hydropower Plant
- Jugong Branch of Mingtan Power Plant 161kV Switchyard Renewal Project
- The Electrification Project of Taitung Chaozhou Section of Taiwan Railway South Link Line
- Taiwan Railway Administration EMU500 Electric Multi-car Motor System Update Project
- Renewal Project of medium voltage power cable in sea water pump room of Taichung Power Plant
- Taiwan Railway's Smart Upgrade Plan for Electrical Services (Turn-key project for the installation of conductive rails in the tunnel section of the Taipei Power Section)
- High-Voltage Grouping Device (including installation) of Taiwan Railway Electric Power Smart Upgrade Plan





## Automation Business Group



In order to cope with the strategic development trend of government industrial automation to digital transformation and smart manufacturing, the Company established an automation business group in 1984. So far, it has continued to independently develop various key automation components (Factory Automation FA industrial control products) and act as agents of well-known brands to provide system integration solutions. In addition to actively recruiting high-tech R&D and management talents, we also set up cross-strait R&D centers and advanced manufacturing plants, and continuously develop market-competitive key automation products and integrated services.

The factory automation (FA) industrial control products of the automation business group are widely used in industry including semiconductors, PCBs, LEDs, machine tools, food machines, packaging machines, energy-saving systems, warehousing and logistics, factory automation, conveying equipment, smart manufacturing, Internet of Things (IoT) systems, semiconductors, PCBs, LEDs, etc. In recent years, the realization of mobile devices and 4G/5G high-speed networks has promoted the vigorous development of various industries, especially semiconductor-related, PCB-related, machine tool and peripheral related, optical lens-related industries, etc. On the other hand, the promotion of global energy saving and carbon reduction, smart manufacturing, and global epidemic prevention will drive green industry, energy-saving industry, and medical industry rapid growth and will create significant demand for automation equipment.

The Automation Business Group grasps customer needs and integrates R&D resources across the Strait. Self-developed products include: small PLC, inverters, servo motors, human-machine interface, multi-axis servo driver, thermostat and IoT-related products, and provide customized services. Cooperative agency products with large Japanese and Singaporean manufacturers include: small PLC, medium and large PLC, servo motor, frequency converter, robotic arm, reducer, linear motor, electric cylinder, slide table, voice coil motor, DD motor, indicator lights, etc.

### SEEC Automation Series Products:



Servo Drive System



AC Driver



Small Programmable Controller



IoT Gateway



Human Machine Interface



Thermostat

### Agent Products:



Full Product of Automation



Sensor



Laser Marker



Reducer



Linear Motor



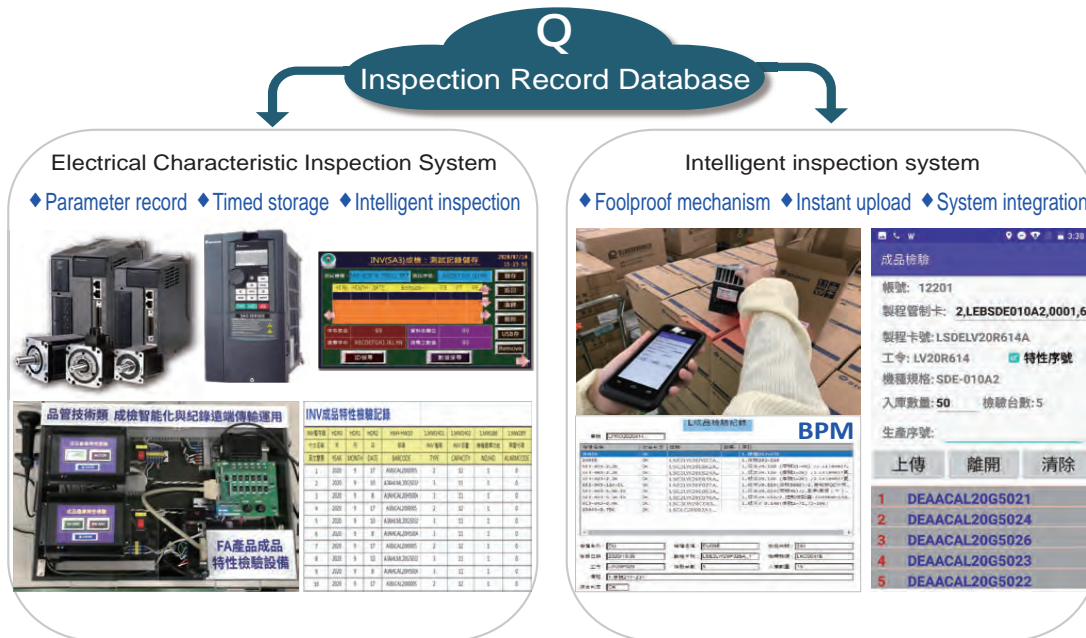
Linear Motor





The Automation Business Group will continue to keep pace with industry development trends (such as high efficiency, miniaturization, energy-saving, low-carbon, smart networking, abnormal detection and prevention, etc.), and continue to invest in R&D resources, provide comprehensive technical support, respond to customized demands, expand production scale, and improve production efficiency and industrial competitiveness to ensure a leading position in the market.

## Intelligent Inspection and Remote Transmission of Records

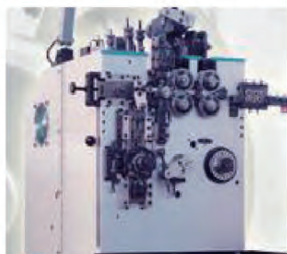


## Customized Servo Motor

### Semiconductor Applications



### Machinery Industry Strategy



Spring Processing Machine



Bag Making, Sealing and Cutting Machine



Tool Grinding Machine

## Energy-Saving Product Application

The Bureau of Economics and Energy states that 70% of industrial electricity is lost to motor systems. In order to achieve energy saving, using frequency conversion control (10%~50% energy saving) and high-efficiency motors (2%~8%



energy saving) can achieve higher energy saving effect. The inverter independently developed by the Company has been widely used in: air compressors, air-conditioning applications in energy-saving buildings (air-conditioning air supply, cooling water towers, ice water systems, exhaust and dust collection), mechanical equipment, constant pressure water pumps and electric vehicles, etc. Assist customers to achieve energy saving goals. The Company also introduced a high-efficiency permanent magnet (PM) motor to replace the traditional motor. The rotor does not need to be excited, and the overall efficiency is higher. The PM motor driven by the inverter can improve the power consumption in an all-round way.

In order to promote energy conservation and carbon reduction policies, the Ministry of Economic Affairs encourages energy users to use high-efficiency power equipment and accelerate the replacement of old equipment, so as to improve industrial production efficiency and overall energy efficiency, and hopes to drive the development of the domestic power and public equipment industry. In 2021, an announcement will be made to subsidize eligible air compressors, fans, and pumps (complete products including electric motors). The air compressors of many cooperative manufacturers and the Company's inverters can effectively meet the energy efficiency standards of government subsidies.

### Automation Integration Engineering

In addition to the products of FA industrial control products, the Company's technical application team provides customers with system integration solution services with superior R&D capabilities and professional technical support, such as: computer integrated flexible manufacturing system, special machine development and design, and Robot integrated application and other customized requirements. Based on the concrete realization of smart manufacturing, the Company has accumulated the solid soft and hard power of smart solutions for external operations, and provides customers with one-stop service solutions to further enhance the competitive advantage of products.

The Company is determined to become the best partner of intelligent automation in the industry, and expects to provide the most complete product line and system integration services for industrial upgrading.

## 1.2 Business Overview

### ◆ Business Performance

Looking back at the gradual unblocking of the world from the COVID-19 epidemic in 2021, the global economic growth rate was increased to 5.5%. The domestic industrial operation was stable, and our country's economic growth rate was reached 6.03%. With the efforts of the management team and all staff, our consolidated revenue in 2021 was NT\$27,690 million, an increase of 7.8%; the consolidated pre-tax profit was NT2,470 million, an increase of 12.7%.

#### Consolidated economic performance statistics in the past three years

Unit: million (NT\$)

Item \ Year	2019	2020	2021
Operating income	26,039	25,684	27,690
Operating cost	21,159	20,946	22,702
Gross Profit	4,880	4,738	4,988
Operating profit	1,863	1,954	1,998
Profit before tax	2,223	2,194	2,473
Net profit after tax	1,739	1,597	1,909
EPS (NT\$)	3.21	2.93	3.46
Employee salaries and benefits	3,584	3,323	3,613
Dividend payout (per share)	1.6	1.6	1.8
Government payments (including income tax, business tax, etc. )	405	323	456

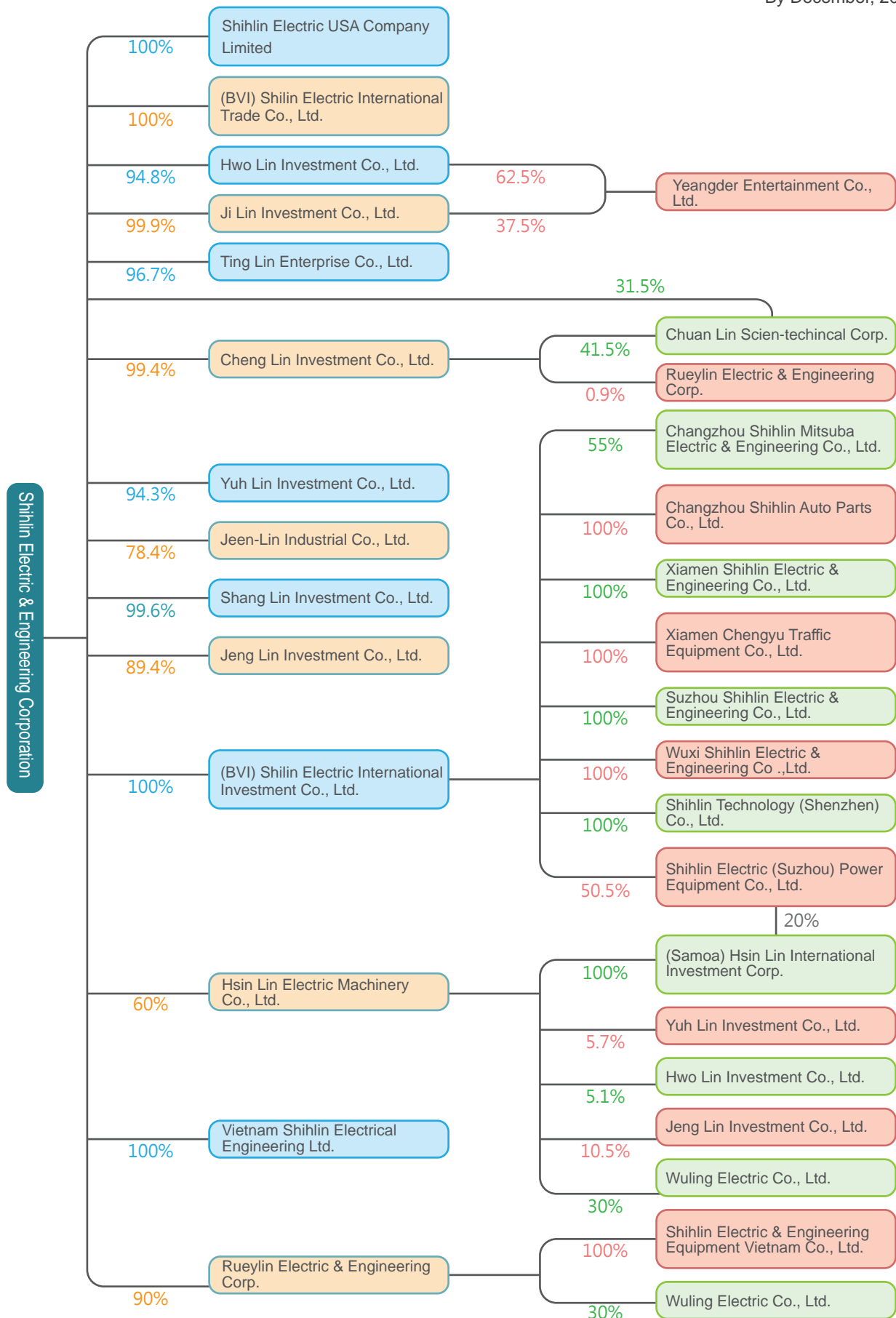
### ◆ Information of Affiliated Companies

In 2021, the Company ended the operation of two mainland subsidiaries and Australian subsidiaries. Respectively, the sale of Fuzhou Shilin Electric Co., Ltd.; the liquidation/cancellation of Kingdom Trading Shanghai Co., Ltd. and Shihlin Electric (Australia) Pty. Ltd. respectively.



## Organization Chart of Affiliated Companies

By December, 2021







### Basic Information of Affiliated Companies

Company Name	Date of Establishment	Address	Main business and production items
Shihlin Electric USA Company Limited	Jan. 14, 2008	80 S LAKE AVE STE 780 PASADENA CA 91101	Marketing and promotion services for heavy electrical equipment products
Hwo Lin Investment Co., Ltd.	Aug.26, 1998	16F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Investment Business
Yeangder Entertainment Co., Ltd.	Jul. 25, 2007	13F., No. 90, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Operating competitive and leisure sports venues business
Ji Lin Investment Co., Ltd.	Oct. 2, 2000	16F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Investment Business
Rueylin Electric & Engineering Corp.	Dec. 6, 1993	No. 22, Siwei Rd., Hukou Township, Hsinchu County	Manufacturing, processing, and trading of various electrical machinery and appliances and their components
Shihlin Electric & Engineering Equipment Vietnam Co., Ltd.	May 30, 2002	II-17 Base, 10th Rd., KCN Ho Nai 3, H. Trang Bom, Dong Nai Province	Manufacture, processing, sale and installation of various electrical machinery, equipment, power transmission and distribution machinery and their components, as well as installation works, wiring works for wired and wireless communication equipment, and import and export of related products.
Ting Lin Enterprise Co., Ltd.	Dec. 21, 1994	3F., No. 9, Sec. 1, Chang An E. Rd., Zhongshan Dist., Taipei City	Manufacturing, processing, trading, maintenance and repair of mechanical parking and lifting equipment and charging system equipment, manufacturing, processing, trading, maintenance and repair of automatic storage equipment, quotation and distribution of various products before acting as an agent for domestic and foreign manufacturers, and import and export of various products
Chuan Lin Technology Corporation	Feb. 7, 1992	No. 23, Zhonghua Rd., Hukou Township, Hsinchu County	Manufacturing, processing, trading, maintenance and repair of mechanical parking and lifting equipment and charging system equipment, manufacturing, processing, trading, maintenance and repair of automatic storage equipment, quotation and distribution of various products before acting as an agent for domestic and foreign manufacturers, and import and export of various products
Cheng Lin Investment Co., Ltd.	Jul. 14, 1998	16F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Investment Business
Yuh Lin Investment Co., Ltd.	Sep. 25, 2001	16F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Investment Business
Changzhou Shihlin Mitsuba Electric & Engineering Co., Ltd.	Mar. 14, 1995	No. 9, Xinsi Rd., Electronics Science Technology Industrial Park, Xinbei Dist., Changzhou City, Jiangsu Province	Manufacturing and sales of starter motors for locomotives, magnet generators, fuel pumps, etc.
Changzhou Shihlin Auto Parts Co., Ltd.	May 31, 2013	No. 7, Xinsi Rd., Electronics Science Technology Industrial Park, Xinbei Dist., Changzhou City, Jiangsu Province	Manufacturing and sales of die-casting parts for automobiles
Jeen-Lin Industrial Co., Ltd.	Apr. 22, 1997	No. 1, Ln. 428, Zhongxin St., Xinfeng Township, Hsinchu County	Machining and manufacturing of various metals, trading of various metal materials, manufacturing, processing and trading of the previous molds and fixtures, import and export of the previous products
Shang Lin Investment Co., Ltd.	Jul. 14, 1998	16F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Investment Business



### Basic Information of Affiliated Companies

Company Name	Date of Establishment	Address	Main business and production items
Xiamen Shihlin Electric & Engineering Co., Ltd.	Jul. 6, 1995	No. 92-96, Sun Ban Nan Rd., Jimei Dist., Xiamen City	Production, sales, technical consultation and after-sales service of various switches, relays, circuit breakers and other products and parts
Jeng Lin Investment Co., Ltd.	Sep. 25, 2001	16F., No. 88, Sec. 6, Zhongshan N. Rd., Shilin Dist., Taipei City	Investment Business
Suzhou Shihlin Electric & Engineering Co., Ltd.	Mar. 26, 2001	No. 88, Guangdong St., Xin Dist., Suzhou City, Jiangsu Province	Manufacturing and sales of capacitors, transformers, motors and other electronic parts
(BVI) Shilin Electric International Investment Co., Ltd.	Mar. 1, 1995	P.O. Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Island	Investment and Trading Business
Wuxi Shihlin Electric & Engineering Co., Ltd.	Nov. 5, 2001	No. 88, Meiyu Rd., Meitsun Valley, Wuxi New Dist., Suzhou City, Jiangsu Province	Manufacture and sales of alternators, starter motors and related parts
Vietnam Shihlin Electrical Engineering Ltd.	Jan. 1, 1997	Lot 090A, No18, Rd., 08, VSIP BacNinh Urban and Service Industrial Area, Phu Chan Ward, Tu Son Town, Bac Ninh Province, Vietnam	Locomotive magnet generators, starter motors, ignition coils and stamped parts
Shihlin Electric (Suzhou) Power Equipment Co., Ltd.	Jun. 8, 2004	No. 16, Yongfang Rd., Huangqiao Industrial Park, Siangcheng Dist., Suzhou City, Jiangsu Province	Manufacturing and sales of high and low voltage switches, switch cabinets, digital meters, transformers, capacitors, reactors, bridges, and related products
Hsin Lin Electric Machinery Co., Ltd.	Feb. 26, 2004	3F., No. 9, Sec. 1, Chang'an E. Rd., Zhongshan Dist., Taipei City	Various power generation, transmission and distribution, data storage and processing equipment, communication machinery and equipment, electronic components manufacturing and telecommunications equipment, electronic materials retailing, etc.
(Samoa) Hsin Lin International Investment Corp.	Dec. 19, 2017	Vistra Corporate Services Centre, Ground Floor NPF Building, Beach Road, Apia, Samoa	Investment Business
Shihlin Technology (Shenzhen) Co., Ltd.	Jun. 18, 2010	No. 258-259, Building B2, Jinsiou Jiangnan, North of Bulong Rd., Minzhi Residential Dist., Baoan Dist., Shenzhen City	Electronic products, mechanical equipment, electromechanical equipment, industrial electrification equipment, plastic products technology development, design, technical consultation, technology transfer, wholesale, commission agency, import and export and related supporting business
Xiamen Chengyu Traffic Equipment Co., Ltd.	Jul. 6, 1995	No. 122-126, Yingyao Rd., Qiaoying Jiedao, Jimei Dist., Xiamen City	Manufacture of automobile and locomotive hardware materials, electronic parts, various punching product parts, machine tools, mechanical tools, etc.
Wuling Electric Co., Ltd.	Jun. 16, 1986	No. 8, Gong 2nd Rd., 2nd Industrial Park, Linkou Dist., New Taipei City	Manufacturing, processing and trading of mechanical and electrical parts, various power distribution equipment (copper, iron, aluminum wires), and various non-fuse switches, leakage switches, and motor switches.

### ◆ Government Subsidy

The Company's financial subsidies from the government mainly come from R&D investment deduction, smart machinery investment deduction and real investment deduction from undistributed surplus. The subsidy for the past three years is explained as follows:



### List of Financial Subsidies from Government

Unit: million (NT\$)

Year	2019	2020	2021
R&D investment deduction	27	29	32
Smart machinery investment deduction	7	Application Amount: 5 <sup>(Note)</sup>	Application Amount: 5 <sup>(Note)</sup>
Undistributed surplus real investment credit	19	Application Amount: 17 <sup>(Note)</sup>	Application Amount: 17 <sup>(Note)</sup>

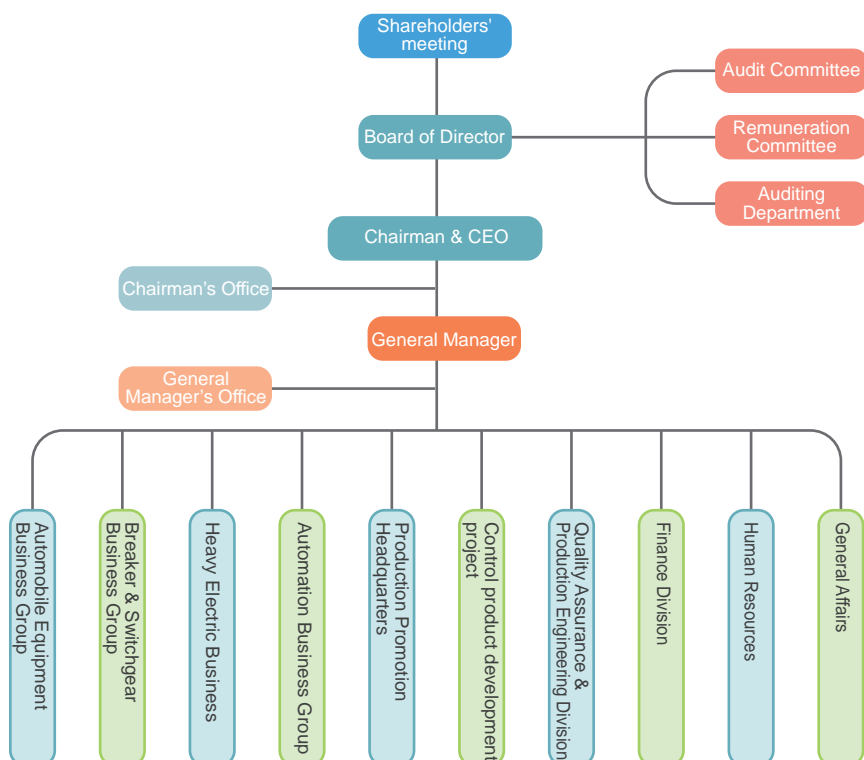
Note : The approved amount has not yet been approved, and will be updated in future reports after approval.

## 1.3 Corporate Governance

### ◆ Governance Structure

The Company formulates its articles of association and organizational structure in accordance with the Company Act, the Securities Exchange Act and other corporate governance regulations, with the board of directors as the highest level of corporate governance. The Company has strong R&D and manufacturing capabilities, a sound financial physique, and an experienced management team that has faced the business cycle many times. The Company has an audit committee, a compensation committee, an audit team and other organizations. To ensure that the company's operations remain in the best condition. In order to strengthen corporate governance, on May 12, 2021, the board of directors decided to appoint senior associate SHIH, CHIN-YI as the corporate governance director to protect shareholders' rights and strengthen the functions of the board of directors. The main responsibilities of the corporate governance officer are to handle matters related to the board of directors and shareholders' meetings in accordance with the law, such as making minutes of the board of directors and shareholders' meetings, assisting directors in their appointment, and continuing education, providing directors with information required for business execution, and assisting directors in complying with laws and regulations. With the assistance of the corporate governance unit, members of the board of directors participated in various advanced courses such as the latest ESG development trends and related practice analysis, the latest trends and analysis of company law amendments, and directors' responsibilities and obligations under the Securities Exchange Act, so as to continue to understand industry-related trends and effectively play the role of the board of directors.

### Organization Structure of SEEC





## ◆ Board Composition

The highest governance organization of the Company is the board of directors, the shareholders' meeting passed the amendment to the "Articles of Incorporation" in 2014. The selection of directors (including independent directors) adopts the candidate nomination system, which strengthens the information transparency of director nomination review and protects shareholders Equity, improve corporate governance.

In 2021, the board of directors had 15 seats, including 3 independent directors (20%), all of them are male. One director is 31-40 years old (6.67%), 6 are 51-60 years old (40%), 5 are 61-70 years old (33.33%), and 3 are 71-80 years old name (20%). The board of directors of the Company shall hold a meeting at least quarterly in accordance with the provisions of the company's articles of association to supervise and understand the implementation of business plans, presentation of financial statements, audit reports and their follow-up. A total of 4 board meetings were held in 2021, and the average actual attendance rate of all directors (including proxy attendance) is 100%. Important regulations formulated/revised by the board of directors in 2021 include: "Implementation Regulations for Internal Control", "Implementation Regulations for Internal Audit" and "Management of Operation of Board Meeting". Important resolutions of the board of directors are also published in the investor area of the company's website and publicly available to the company. Articles of Association, Code of Practice for Corporate Governance, Code of Practice for Corporate Sustainability and other important company norms are available for inquiry.

Name	Nationality	Job Title	Date of Assignment	Main Education	Experience	Management	Industry knowledge and experience
Yeang Der Investment Co., Ltd. Representative / Emmet Hsu	R.O.C	Chairman	June 19, 2020	University of Southern California (Business Management)	Chairman of the Shihlin Electric & Engineering Corp. Chairman of the Ambassador Hotel Co., Ltd.	√	√
Mitsubishi Electric Corporation (Japan) Representative / Kawai Toshio	Japan	Managing Director	June 19, 2020	Nagoya University Faculty of Economics	Chairman of Taiwan Mitsubishi Electric Corporation	√	√
Yeang Der Investment Co., Ltd. Representative / Hsieh, Han-Chang	R.O.C	Managing Director	June 19, 2020	National Chengchi University Institute of Business Management	General Manager of the Shihlin Electric & Engineering Corp.	√	√
Yeang Der Investment Co., Ltd. Representative / Yang, Tsun-Ching	R.O.C	Managing Director	June 19, 2020	Taipei Institute of Technology Mechanical Engineering	COO of the Shihlin Electric & Engineering Corp.	√	√
Chanching Co., Ltd. Representative / Kan, Chin-Yu	R.O.C	Director	June 19, 2020	High School	Director of Dongguang Steel Machinery Co., Ltd.	√	√
Mitsubishi Electric Corporation (Japan) Representative / Ito Toshimitsu	Japan	Director	June 19, 2020	Keio University Faculty of Business	Minister of the Business of Power Circulation System of Mitsubishi Electric Corporation (Japan)	√	√
Mitsubishi Electric Corporation (Japan) Representative / Sugiyama Shinya	Japan	Director	June 19, 2020	Konan University Faculty of Law	Vice Minister of the Business of Transportation Implements of Mitsubishi Electric Corporation (Japan)	√	√
Mitsubishi Electric Corporation (Japan) Representative / Nakanishi Kyori	Japan	Director	June 19, 2020	Tohoku University Faculty of Economics	Minister of Relationship Department of Mitsubishi Electric Corporation (Japan)	√	√
Yeang Der Investment Co., Ltd. Representative / Yang, Tsung-Hsien	R.O.C	Director	June 19, 2020	Feng Chia University Department of Electronics	General Manager of Business Group of Shihlin Electric & Engineering Corp.	√	√
Yeang Der Investment Co., Ltd. Representative / Tung, Chi-Jen	R.O.C	Director	June 19, 2020	National Chin-Yi University of Technology Department of Mechanical Engineering	General Manager of Business Group of Shihlin Electric & Engineering Corp.	√	√





Name	Nationality	Job Title	Date of Assignment	Main Education	Experience	Management	Industry knowledge and experience
Shin-Po Investment Co., Ltd. Representative / Lin, Po-Fong	R.O.C	Director	June 19, 2020	National Taiwan University Law Department	Chairman of eTech Pro Co., Ltd.	√	√
Yeang Der Investment Co., Ltd. Representative / Bryant Hsu	R.O.C	Director	June 19, 2020	University of Southern California (Business Management)	Deputy General Manager of Shihlin Electric & Engineering Corp.	√	√
Lin, Hsin-I	R.O.C	Managing & Independent Director	June 19, 2020	National Cheng Kung University Department of Mechanical Engineering	Vice President of the Executive Yuan Minister of Economy	√	√
Yan, Cheng Jau	R.O.C	Independent Director	June 19, 2020	Chung Hsing University Department of Administration	Director of Shihlin Electric & Engineering Corp.	√	√
Hu, Chao Fong	R.O.C	Independent Director	June 19, 2020	Taipei Institute of Technology Electrical Engineering	Deputy General Manager of Shihlin Electric & Engineering Corp.	√	√

Note:

1. Director of Yeang Der Investment Co., Ltd. representative: Bryant Hsu resigned on Jan. 7, 2021 and took office on Jan. 16, 2022.
2. Director of Yeang Der Investment Co., Ltd. representative: Yang, Tsung-Hsien resigned on Sep. 1, 2021 and took office on Mar. 1, 2022.
3. Director of Yeang Der Investment Co., Ltd. representative: Dong, Ji-Ren took office on Sep. 1, 2022.
4. Director of Taiwan Mitsubishi Electric Corporation representative: Kawai Toshio took office on Apr. 1, 2022.

## ◆ Professional Committee

In order to improve the management of the company, various committees have been set up within the company to strengthen corporate governance.

Functional Committee	Composition / Professional Functions
Audit Committee	<ul style="list-style-type: none"> <li>• "Audit Committee" was established in 2017</li> <li>• The members of the committee are independent directors (3 seats) of the board of directors.</li> <li>• Handle in accordance with the company's "Audit Committee Organization Regulations"</li> <li>• Matters to be considered include: company financial statements, company auditing and accounting policies and procedures, company internal control</li> <li>• Major asset or derivative commodity transactions, raising or issuance of securities, appointment, dismissal or remuneration of certified public accountants, as well as finance and accounting or the appointment and removal of the internal audit supervisor</li> <li>• The audit committee meeting is held at least once a quarter</li> <li>• The term of the current committee members: June 19, 2020 to June 18, 2023</li> <li>• A total of 4 meetings were held in 2021, and the average attendance rate of all audit committee members (excluding entrustment) reached 100%</li> <li>• Functional supervision: Appropriate expression of financial statements, selection and independence of certified accountants, effective implementation of internal control, compliance with laws and regulations, risk management and control</li> </ul>
Remuneration Committee	<ul style="list-style-type: none"> <li>• "Remuneration Committee" was established in 2011, and "Remuneration Committee Organization Regulations" was established</li> <li>• The members of the committee are independent directors (3 seats) of the board of directors.</li> <li>• Formulate and regularly review the policies, systems, standards and structure of directors and managers' performance evaluation and remuneration</li> <li>• Regularly assess and determine the remuneration of directors and managers</li> <li>• The term of the current committee members: June 19, 2020 to June 18, 2023</li> <li>• A total of 3 meetings were held in 2021, and the average attendance rate of all audit committee members (excluding entrustment) reached 100%</li> </ul>



The remuneration of directors of the Company shall be handled in accordance with the provisions of Article 235-1 of the Company Act, and shall be implemented after the proposal of the remuneration committee and the resolution of the board of directors. It is also stipulated in the company's articles of association that if the company makes a profit in the current year, it should allocate a maximum of 4% of the directors' remuneration, but if the company still has accumulated losses, it should reserve the amount in advance.

The annual remuneration combination of senior corporate managers, senior managers and executives is salary, bonus and employee bonus amount allocated by surplus. Among them, the amount of employee bonuses generated by senior executives based on company performance accounts for more than 10-30% of the annual compensation, indicating that company performance is highly correlated with annual compensation. The remuneration of senior executives is not only approved by the Remuneration Committee in accordance with laws and regulations, but also relevant information is appropriately disclosed in the company's annual report, so that all stakeholders can fully understand that the remuneration of senior executives is highly linked to the company's operational performance. When the Remuneration Committee approves the remuneration of senior managers, it will also simultaneously seek the advice of external professional salary consultants.

### ◆ Continued Education for Directors

According to the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies", the Company requires that new candidates should have at least 12 hours of training in the year of their appointment, and MF should have at least six hours of training each year starting from the following year; At least six hours of further study is recommended. In order to enable directors to continue to improve their knowledge during their tenure, the Company regularly provides directors' training courses for directors' reference. The training content of board members in 2021 includes relevant education and training courses such as corporate operation, corporate governance, taxation, corporate sustainable development, compliance with laws and regulations, integrity management, anti-corruption, and net zero emissions. All directors of the Company meet the requirements for training hours, and the status of their training will be published in the annual report and public information observatory.

Among them, courses related to integrity and anti-corruption, including "International Anti-Money Laundering Trends and U.S. Sanctions and Export Control Compliance Plans", "Tax Money Laundering Risk Prevention - Eight State Money Laundering Risk Patterns", "Discussing Financial Report Window Decorations from Problem Companies" and "Fraud", "The Causes of Corporate Fraud and the Legal Responsibilities of Directors and Supervisors - Case Study", "Financial Report Fraud Detection Skills", "Corporate Directors and Supervisors' Criminal Legal Risks and Responses - From Corporate Fraud and Money Laundering Prevention", "Financial Report Fraud Courses such as "Responsibility of Directors and Supervisors", "Red Flags of Fraud in False Financial Reports" and "Legal Liability and Case Analysis of Inaccurate Financial Reports and Insider Trading".



### ◆ Performance Evaluation of Board of Directors

In order to implement corporate governance, enhance the functions of the board of directors of the Company, and establish performance goals to enhance the efficiency of the board of directors, according to the Corporate Governance Best Practice Principles for TWSE/ TPEx Listed Companies, the Company has passed the board of directors to formulate the "Rules for Performance Evaluation of Board of Directors, which regulates that the Board of Directors of the Company should conduct the performance evaluation of the board of directors every year.

#### 1. Evaluation Period

The board of directors of the Company shall conduct the performance evaluation of the board of directors every year in accordance with the evaluation procedures and evaluation indicators of the regulations. The results of the performance evaluation of the board of directors shall be completed before the end of the first quarter of the following year.

#### 2. Scope and method of evaluation

Scope of evaluation: Performance evaluation of the overall board of directors, individual board members and functional committees.

Evaluation method: internal self-evaluation of the board of directors, self-evaluation of board members and self-evaluation of functional committees.

#### 3. Evaluation procedure

The self-evaluation is conducted by directors and relevant members of the functional committees under the board of directors, using the "Self-evaluation Questionnaire for Board Performance Evaluation", "Self-evaluation Questionnaire for Performance Evaluation of Directors" and "Self-evaluation Questionnaire for Performance Evaluation of Functional Committees" respectively.



#### 4. 2021 Evaluation Indicators and Options

Board Performance Evaluation	Board Member Performance Evaluation	Functional Committee Performance Evaluation
<ul style="list-style-type: none"> <li>• Involvement in company operations</li> <li>• Improve the quality of the board's decision-making</li> <li>• Board composition and structure</li> <li>• Election of Directors and Continuing Education</li> <li>• Internal Control</li> </ul>	<ul style="list-style-type: none"> <li>• Mastery of company goals and tasks</li> <li>• Awareness of directors' responsibilities</li> <li>• Involvement in company operations</li> <li>• Internal relationship management and communication</li> <li>• Professional and continuing education for directors</li> <li>• Internal Control</li> </ul>	<ul style="list-style-type: none"> <li>• Involvement in company operations</li> <li>• Awareness of committee responsibilities</li> <li>• Improve the quality of the committee's decision-making</li> <li>• Committee composition and member selection</li> <li>• Internal Control</li> </ul>
43 evaluation indicators	21 evaluation indicators	23 evaluation indicators

Evaluation options: 5 points for strongly agree, 4 points for agree, 3 points for moderately, 2 points for disagree, and 1 point for strongly disagree.

#### 5. 2021 Annual Evaluation Results

Board Performance Evaluation	Board Member Performance Evaluation	Functional Committee Performance Evaluation
<ul style="list-style-type: none"> <li>• Scored 4.78 points</li> </ul>	<ul style="list-style-type: none"> <li>• Scored 4.81 points</li> </ul>	<ul style="list-style-type: none"> <li>• Audit Committee / Compensation Committee Scoring Results 5/5</li> </ul>

The Company's 2021 performance evaluation results for the Board of Directors range from 5 points "strongly agree" to 4 points "agree". The directors mostly agree with the operation of various evaluation indicators. Corporate governance requirements, and effectively strengthen the functions of the board of directors and safeguard the rights and interests of shareholders. On March 10, 2022, the board of directors reported the results of the performance evaluation of the board of directors in 2021.

### ◆ Avoidance of Board Members

In order to avoid conflicts of interest of directors, all new directors of the company must sign a consent form, indicating that they are willing to abide by Article 23 of the Company Law, faithfully perform the business and perform the duty of care of good managers, and all directors are required to sign a declaration form. It is stated that it is confirmed that Article 206 of the Company Law relates to the avoidance of the exercise of voting rights and the legal effect of violation. Article 32 of the Company's Corporate Governance Code of Practice and Article 16 of the Rules of Procedure of the Board of Directors also clearly stipulate the system of avoidance of interests of directors, and they have indeed complied with implement.

In 2021, the directors' recusal from the proposal of interest is as follows:

Date of Board of Director	Contents of the motion
Aug. 6, 2021	Changes in the Company's Managers
Nov. 5, 2021	Proposed donation to Xu Jinde Memorial Foundation NT\$10 million

In addition, in accordance with the provisions of Article 11 of the Company's "Integrity Management Code", the Company and its directors, managers, employees, appointees and substantial controllers directly or indirectly provide information to political parties or organizations or individuals involved in political activities. Donations should comply with the Political Contribution Law and relevant internal operating procedures of the company, and the purpose and purpose of donations should be confirmed, and should not be used to seek commercial interests or transaction advantages. There were no political contributions in 2021.

### ◆ Moral Integrity and Code of Conduct

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





## Whistle-Blower Protection

" The Company's "Integrity Management Code" clearly stipulates the relevant ethical and legal behaviors, and the organization's integrity-related mechanism: "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 make suggestions to review and improve the integrity management policy and promotion measures formulated by the company, so as to enhance the implementation effect of the company's integrity management. ."

In addition, the code also stipulates the relevant reporting mechanism:

- 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 and 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 the acceptance of the whistleblower case, the investigation process, the investigation results and the preparation of relevant documents.
- 4.Confidentiality of the identity of the whistleblower and the content of the whistleblower.
- 5.Measures to protect the whistleblower from being improperly dealt with because of the whistleblower.
- 6.Incentive measures for whistleblowers.

The Company shall make a report immediately and notify the independent directors in writing if it finds a major violation of regulations or the company is likely to suffer major damage after investigation.

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

The Company expects to encourage employees to improve the company's social corporate responsibility regulations through the company's relevant rules and regulations. If employees are suspected of violations, they can investigate and confirm first to avoid causing damage to the company and society.

## Integrity Management Communication and Training

In order to prevent the corruption incidents, the Company has well established and maintained a corporate culture of integrity management. It regulated the behavior of all directors and managers in accordance with ethical standards, and specifically formulated "ethical behavior and integrity management standards" and disclosed it on the company's website. The purpose is to require the company's directors, managers, employees, assignees or persons with substantial control capabilities to follow the following behaviors:

1. Prevent conflicts of interest, 2. Avoid private interests, 3. Company information confidentiality, 4. Prohibition of insider trading, 5. Strive for fair transactions, 6. Protect and appropriately use company assets, 7. Follow laws and regulations, 8. Report any illegal or ethical conduct.

In 2017, the Company revised the " Code of Integrity Management" to prohibit the directors, employees, appointees, or persons with substantial control ability of the company from doing dishonesty when engaging in business activities. The company also 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 intelligence to the outside world, and has established relevant control measures for this, for example through the establishment of the internal control system and regular and irregular inspections, consequently.

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.

Since 2016, anti-corruption education and training has been conducted for all new employees of the company, regardless of their positions, and anti-corruption teaching materials are provided for existing employees to study. In addition, education and training on anti-unfair competition, anti-trust and monopoly behavior are also provided for all procurement and business personnel in Taiwan who may have a high risk of mistakenly engaging in corruption. In addition to face-to-face education and training, the company also has an e-learning system that launches relevant courses from time to time, requiring sales and procurement colleagues to complete online courses. For the aforementioned colleagues, the company takes the course "Anti-Bribery" on topics such as anti-corruption, and completes online or face-to-face education and training courses at least once a year, with a 100% completion rate. There were no corruption-related incidents in 2021.



## 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 2021, 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.

## 1.4 Risk Management

### ◆ Operational Risk Management

It is one of the concerns of the top management to strengthen the risk management. With reference to the external opinions and internal implementation practices, the company strengthen the implementation of risk management down to each risk responsible unit in a systematic way and in conjunction with annual planning operations. From the risk self-identification, analysis of the degree of risk impact and risk mitigation plans, the company continues to review and refine the internal risk control process. By optimizing the internal control cycle and management systems, operating risks are strictly well controlled and effectively managed, so that the operating performance can grow steadily, and the promise of sustainable operation can be realized in detail. Risk control at different levels is summarized as the chart below:

Risk	External Environment and Risks	Countermeasures
Interest rate	Borrow funds at fixed and floating interest rates, resulting in interest rate risk.	Pay attention to changes in market interest rates at any time, and draw up plans to manage interest rate risks.
Exchange rate	Engaged in foreign currency-denominated sales and purchase transactions, resulting in risk of exchange rate fluctuations	Leverage forward foreign exchange contracts within the scope permitted by the policy to well manage exchange rate fluctuation risk.



Risk	External Environment and Risks	Countermeasures
Bulk Material Price Increase Risk	The fluctuations in the cost of precious metals and bulk raw materials are subject to large fluctuations in the global economy and regional political and economic conditions, which affect production costs.	Leverage technology research and production process optimization to reduce manufacturing costs. Reduce the impact of inflation by flexibly adjusting purchases and inventory levels. When major raw materials are at a favorable price, proactively purchase materials, and pay close attention to fluctuations in related operating costs.
Regulations and Policies	Failure to grasp the updates of laws and regulations, failure to internalize legal and regulatory requirements into operational processes, employees not knowing legal and regulatory requirements and their impact, lack of a mechanism for real-time detection and prevention of illegal risks, etc.	Continue to adjust compliance measures for regulatory changes in major areas, and let all members of the company know and abide by all laws related to operations by revising relevant documents, conducting education and training, and issuing compliance announcements.
Information Security	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.
Political Situation	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.	Continuously reduce costs and increase customer value. And evaluate the use of Vietnamese factories to reduce tariff barriers.
Public Hygiene	<p>The impact and impact of the Covid-19 epidemic:</p> <ul style="list-style-type: none"> <li>• Due to the control of people, business and logistics caused by the epidemic, the previous business model has undergone major changes.</li> <li>• Affects the development of industries such as housing construction / factory office / machinery industry that mainly use switches, and affects the product demand of the machinery business group.</li> </ul>	<ul style="list-style-type: none"> <li>• Will increase the proportion of online marketing, actively participate in various online matching promotion activities, and provide guidance to support customers in e-commerce sales.</li> <li>• Improve product competitiveness / strengthen procurement survey</li> <li>• Turn to European and American market development</li> <li>• Development of the second source of raw materials / improvement of personnel efficiency</li> </ul>

## ◆ The Risks and Opportunities of Climate Change

From the international adoption of the "Paris Agreement" to the domestic adoption of the "Greenhouse Gas Reduction and Management Act", it is obvious that domestic and foreign countries are increasingly concerned about the impact of extreme climates caused by global climate change. Refer to the Task Force on Climate-Related Financial Disclosures (TCFD) released by Financial Stability Board (FSB), based on disclosure frameworks such as "Governance", "Strategy", "Risk Management", "Indicators and Objectives", to identify risks and opportunities, and analyze and develop corresponding countermeasures.

The Company held an ESG inception meeting on November 23, 2021, and convened the top executives of each business group and key officials of various departments to jointly address the transition risks (policies and regulations, technology, market, reputation), physical risks (immediateness, long-term), and opportunities (resource efficiency, energy sources, products/services, markets, resilience) sources in TCFD for identification and evaluation, and then further discuss relevant response strategies based on the identification results. The identification results related to climate change are regularly reported and discussed in the board of directors. In the future, in accordance with the framework of the TCFD, a relevant management mechanism for the financial impact of climate change risk opportunities will be established. In addition to adopting adjustment strategies to mitigate the impact of climate risks, we also actively grasp business opportunities within opportunity projects to innovate and develop related industries and business opportunities.





The risks and opportunities associated with climate change are described below:

### The Risks and Opportunities of Climate Change

Category	Source of Risk	Description of Potential Shock	Countermeasures
Transition Risks	Market risk-Changes in customer behavior	<ul style="list-style-type: none"> <li>• Risk description: Supply Chain Realization of Net Zero Carbon Emissions Carbon Reduction requirements one of the Company's important customers, TSMC, announced that it will achieve net zero carbon emissions in 2050, implement its commitment to environmental sustainability, and plan to include "Supply Chain Carbon Footprint" and "Carbon Reduction Performance" in the company purchasing important indicators. It also requires more than 700 suppliers to save energy by 20% by 2030. If they do not meet the standard, they may not be able to continue cooperation.</li> <li>• Financial implication: Decreased operating income, increased operating costs (such as higher compliance costs or increased administrative expenses)</li> </ul>	<ul style="list-style-type: none"> <li>• The company actively introduces greenhouse gas inventory and verification operations. The parent company's carbon inventory and verification schedule has been completed in May 2022 and submitted to the board of directors for approval. In the future, it will be submitted to the board of directors for control on a quarterly basis according to the implementation content.</li> <li>• The annual plan incorporates energy-saving measures, actively implements energy-saving actions, and improves energy efficiency.</li> <li>• Actively plan various environmental protection, energy saving and carbon reduction measures to reduce greenhouse gas emissions. For example: install smart electricity/water/gas meter measurement, purchase renewable energy and set up a solar power generation system, increase the use of renewable energy, replace energy-saving equipment in the factory, etc.</li> </ul>
Transition Risks	Regulatory Risk-Carbon Border Tax	<ul style="list-style-type: none"> <li>• Risk description: Products exported to countries of the EU government, which has long led the world to focus on carbon reduction issues and impose carbon border tax, will impose a carbon border tax on certain listed products imported into the EU as soon as 2026. Currently, the listed products include steel, stainless steel and aluminum. Although the Company is not one of the first batch of listed objects, the electrical equipment business group accounts for about 22% of the export to Europe. If the object of the imposition is expanded in the future, it will have a considerable impact on the company's operating costs.</li> <li>• Financial implication: Decreased operating income, increased operating costs.</li> </ul>	<ul style="list-style-type: none"> <li>• Implement carbon footprint verification, including products, production equipment, processes, and extend to the entire supply chain.</li> <li>• Continue to pay attention to the content of carbon border taxes in Europe and the United States to reduce the impact of operations.</li> <li>• Establish a cross-departmental carbon cost assessment team to take stock of relevant operational risks and plan capital expenditure budgets related to energy conservation and carbon reduction in the coming years, such as replacing high-energy-consuming equipment, building renewable energy equipment, etc.</li> <li>• The Company expects to complete the parent company's GHG inventory by the end of 2024 and the external verification by the end of 2026. Subsidiary inventory and verification planning will also be completed by 2026 and 2028 respectively according to the requirements of the Financial Supervisory Commission.</li> </ul>
Opportunity	New Market Demand- Low-carbon buildings	<p>Opportunity description: New low-carbon market demand for government green energy policies increases</p> <ul style="list-style-type: none"> <li>• Provide renewable energy projects such as solar booster stations and wind power, and produce many low-carbon and environment-friendly industries such as electric vehicles. At present, it has accumulated a number of large-scale projects undertaking experience.</li> <li>• In response to the government's green energy policy, in recent years, it has actively participated in large-scale offshore wind power, solar booster stations and other projects, and continued to enhance its professional green energy engineering capabilities.</li> <li>• With the development of large-scale energy projects such as offshore wind power and solar booster stations, the proportion of localization in the domestic industrial chain continues to increase. The Asia-Pacific region continues to attach importance to green energy, and many countries have adopted green energy as the main source of electricity demand.</li> </ul>	<ul style="list-style-type: none"> <li>• The heavy power business group utilizes a strong sales service team and new product development to actively attack the green energy markets such as solar energy, wind power, and energy storage. In the future, it will continue to increase the proportion of offshore wind power, solar booster stations, and related environment-friendly industries.</li> <li>• By winning the Gold Award for Public Works, it will increase the number of cases in the domestic public works market, increase the chances of being invited to evaluate related cases, and undertake more large-scale public construction cases.</li> <li>• The automation business group continues to develop new products (inverters, servo motors and drives) and provide customized services to improve the high efficiency and low energy consumption of its equipment.</li> </ul>



Category	Source of Risk	Description of Potential Shock	Countermeasures
Opportunity	New Market Demand- Low-carbon buildings	<ul style="list-style-type: none"> <li>The Ministry of Economic Affairs promotes energy conservation and carbon reduction policies to encourage energy users to use high-efficiency power equipment. The Company's self-developed inverter has assisted many air compressor manufacturers to obtain subsidies since 2021.</li> </ul> <p>Financial implication: Increased operating income.</p>	

## ◆ Climate Change Risk Response Strategy

To reduce the losses caused by natural disasters to the Company's operations, the company has formulated the "Operations Measures under Natural Disaster". When government agencies or the media announce that there may be natural disasters, or the Central Meteorological Bureau issues a land warning for the typhoon, the response mechanism is immediately activated. Set up a disaster prevention team to direct the disaster prevention and treatment in various regions according to the evolution of the disaster situation and the natural disaster prevention control checklist, as well as supervise the completion of taskforce setup.

As for customer service, if customer operations are shut down due to a disaster, the disaster prevention team will propose and implement countermeasures to assist customers in restoring power supply equipment as quickly as possible, and review and response strategies after the disaster for team members to learn from and act make it as a reference for the next case in response to related disasters.

Factors affecting climate change are included in the operational strategy planning and decision-making process, and related impacts, response measures, industrial opportunities, and future positive actions are evaluated based on the company's industrial characteristics, and will be put together into the risk management report and present to the Board of Directors.

## ◆ Climate Change Indicators and Goals

The Company has well defined management indicators and goals for CO2 emission reduction, waste reuse, water consumption reduction, energy-saving lighting improvement, energy saving, greenhouse gas management, energy resource use and management, etc. (Please refer to the chapter on environmental sustainability for details)

Vision	Practice sustainable management	3 GOOD HEALTH AND WELL-BEING	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Goal	Health and safety of workplace	Greenhouse Gas Control	Green energy-saving products	Integrity and compliance		
Management Policy	ISO 45001	ISO 14067 Carbon Footprint Certification	High-efficiency and energy-saving product development	Promote ethical compliance and education training		
KPI indicators	Zero-hazard in the workplace, certified annually	Annual energy saving improvement measures total energy saving of 100MWh	Carbon reduction products grow by 10% every year	Participate in RCC meetings regularly		



## 2. Products Responsibility and Safety

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## 2.1 Product Quality and Security Management

### ◆ Quality Policy

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

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.



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-  
Heavy Electric Business  
Group  
Certificate validity period:  
2024/7/8



ISO 9001 : 2015- Xinfeng  
Factory Automation  
Business Group  
Certificate validity period:  
2022/10/11

### ◆ 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 2021, a total of 219 people (115 in Taiwan and 104 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 2021, a total of 4 employees obtained the quality professional certificate issued by the Chinese Society for Quality. In addition, 1,144 people participated in the training related to quality assurance, with a total of 5,249 person-hours.





- ▲ Professional training/certification assessment of 104 people for quality control personnel (from September to November 2021, the quality control personnel of the company's overseas bases were assessed via video conference)



- ▲ Professional training/certification assessment for quality control personnel: 115 people (from May to July 2021, the domestic quality control personnel of the whole company were assessed)

## ◆ 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 2021 (applying the improvement methods of Japanese small groups). A total of 102 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 2020, the Heavy Power Product Testing and Experiment Center applied for the additional TAF test evaluation of the new arrester type test project (4 items). After the evaluation and certification, it obtained the "LA addition" of the TAF replacement certification in both Chinese and English on March 5.

In 2022, the Heavy Power Product Testing and Experiment Center applied for the actual measurement and evaluation of TAF changes of 69kVPT and CT. After the evaluation, it obtained the Chinese and English certification of "69kVPT and CT changes" issued by TAF on April 5.

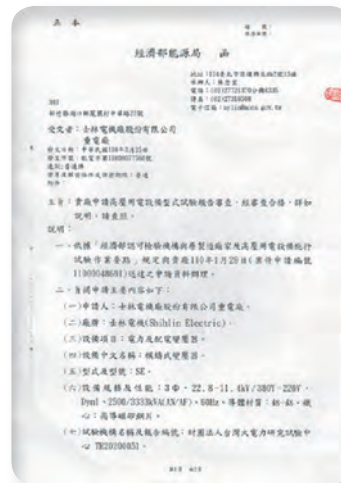




## Type Test of Product Conforming to National or International Standards:

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

1. High-voltage electrical equipment: In 2021, a new approval letter from the Energy Bureau of the Ministry of Economic Affairs obtained for 11 items, with a total of 11 main models + 10 series models (a total of 108 items).
2. Low-voltage switch category: As of 2021/12, a total of 61 items were subject to inspection and voluntary registration (15 items newly acquired in 2021).
3. Industrial automation products: newly obtained UL and CE third-party certification in 2017 (such as servo motors, drives, inverters, etc.). Both SDP-A (High Performance General Purpose Servers) and SDC (Economy Series Servers) have achieved UL certification in 2022.
4. Vehicle electrical equipment category: meets the requirements of car factory durability test and road vehicle test.



▲ Obtain the letter of approval for the type test of high-voltage electrical equipment in 2021

## 2.2 Product Safety and Labeling

Before leaving the factory, the products have passed relevant tests and verifications such as international/national/customer standards. When shipping, the product instructions are marked with "safety precautions" to provide consumers with safe use instructions, installation environment and other product safety information.

The quality of the products of SEEC conforms to customer specifications or national standards CNS or well-known international standards (such as IEC, IEEE...). Taking CNS compliance as an example, through certification practices such as CNS Mark certification, we will continue to ensure customer safety in 2021. In conjunction with the promotion of the new version of the quality management system in 2021, we will continue to maintain and obtain the updated version of the CNS Mark certificate, and control product safety and labeling with the spirit of CNS Mark certification. An excerpt of the company's CNS Mark certification items is as follows:

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

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

Cumulative statistics of heavy electric products, low-voltage switches and industrial control products (sent to an impartial inspection agency for testing) and new certificate cases for 2020. The cumulative statistics certificate case is as follows:

Item	CE	UL	TUV	KEMA
Power and distribution transformers	0	1	0	3
Circuit breaker	4	0	9	0
Servo actuator	7	3	0	0
Servo motor	1	1	0	0
Frequency converter	7	0	0	0

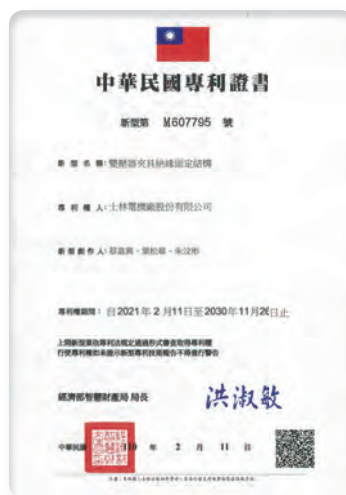
## 2.3 Security Product Development

In addition to paying attention to the safety, labeling and reliability of products, SEEC is also actively developing products that provide various safety improvements in the following application areas. In 2021, it has obtained 3 safety-related patents, with a total of 286 patents that are continuously valid.

1. Car safety. Example: Temperature compensation protection circuit of power solid state switch (patent obtained from the Republic of China)
2. High-voltage power system safety. Example: Transformer fixture insulation fixing structure (patent obtained from the Republic of China)
3. Low-voltage power system safety. Example: AC/DC leakage detection circuit (patent obtained by the Republic of China)



Temperature compensation protection circuit of power solid state switch-Security 2021/1



Transformer fixture insulation fixing structure-Electrical safety 2021/2



AC/DC leakage detection circuit  
-Personnel safety 2021/7

## ◆ Green Product Development

### Green Product Research and Development and Third-party Verification Report Obtained

Focus on the development of energy saving, carbon reduction, miniaturization, recyclability and other characteristics optimization, and launch high-efficiency energy-saving and carbon-reducing products. For example, starter generators for locomotives and high-efficiency integrated fuel motor systems help locomotive industry customers to launch products that comply with the new generation of environmental protection regulations. Self-developed high-efficiency generator motors for electric locomotives to achieve efficiency and economic scale (in the same efficiency performance of market products, SEEC's products are smaller in size and save the use of raw materials in the process), challenging to meet the requirements of the customer's standard version.





▲ ISG starter generator



▲ Electric vehicle power controller



▲ Air-cooled electric vehicle motor



▲ Water-cooled electric vehicle motor

## High-Voltage Power Products:

Develop amorphous and high-efficiency transformer products to help general customers reduce the loss of transformer operation when the load is low or medium to high.



## Low Voltage Switch:

In addition to the development of energy saving and waste reduction, comply with "The Restriction of Hazardous Substances in Electrical and Electronic Equipment (RoHS)".



▲ Low voltage switch complies with RoHS directive



▲ Committed to the development of energy-saving and waste-reducing products



▲ Committed to product miniaturization

## Industrial Control Products:

A full range of energy-saving products, such as inverters, servo motors and drives, effectively improve their efficiency and reduce energy consumption compared to traditional induction motors. Products meet the requirements of CE certification and RoHS verification.

Both SDP-A (High Performance General Purpose Series Server) and SDC (Economy Series Server) have obtained UL certification in 2022.



▲ High-efficiency, high-precision products



▲ Integrate with Smart Manufacturing Industry 4.0 Trend







▲ RoHS inspection of key components to ensure compliance with banned and restricted substances control requirements

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

Most of SEEC's products are recycled circuit boards, copper, iron, aluminum and other materials. The recycling plant has high processing 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.

	Automobile Equipment Business Group	Breaker & Switchgear Business Group	Heavy Electric Business Group	Automation Business Group
End-of-Life-Span Products	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 interior is mostly recycled copper, iron, aluminum, insulating oil and other substances, therefore, will use resource recycling	Because it is installed in the customer's machinery, equipment, and control panels, it will be processed at the resource recycling plant.
Packaging Material Recycling	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 simple packaging industrial bags and recyclable packaging boxes for continuous 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)	Use simple packaging industrial bags and recyclable packaging boxes for continuous recycling.







In order to maintain the security of customers' privacy rights, SEEC formulates personal data protection procedures for the collection, processing, copying, utilization, transmission, filing, deletion, destruction and other related operating processes of customers' personal data. Conducts the necessary propaganda for the relevant staff work, so that all levels of the company can be familiar with the various regulations and legal requirements. For sales and promotions, all activities are handled in compliance with the requirements of the Fair Trade Law, the Computer-Processed Personal Data Protection Law, the Trademark Act, and the other related regulatory requirements from the National Communications Commission. There is no leakage of customer privacy and violation of relevant regulations on information security in 2021.

## Information Security Control Measures

Item	Specific management measures
Network security management	<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 web-sites</li> </ul>
Information system access control	<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>
Information system security management	<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>
Data backup	<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>
System availability	<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 colleagues to implement information security management and enhance employees' awareness of information security, SEEC= continues to conduct information security education and training every year, establishes the concept of "information security is everyone's responsibility", and urges colleagues to understand the importance of information security, to urge them to comply with the data communication safety regulations, thereby improving the data communication security skills and emergency response capability, reducing the data communication security risk, and achieving the goal of continuous operation. SEEC regularly conducts employee information security training, and announces and promotes information security-related information to all employees at any time. In 2021, a total of two employee information security education and trainings were conducted. The course content includes network security, data protection, etc. to enhance employees' information security awareness. A total of 80 people participated; in response to business needs, three of international standard training courses related to information security were held, with a total of 84 people attended.

In addition, SEEC conducts information security drills from time to time to enhance employees' awareness of information security; and regularly conducts DRP drills to ensure that when the information communication system fails or major disasters occur, it can quickly recover, ensure the continuous operation of key businesses, and improve organizational resilience. In 2021, a total of 1 information security drill and 2 DRP drills were implemented. The information security drill was issued through the company-wide phishing letter to enhance employees' awareness of information security risk prevention. The pass rate is 97%. And further publicize and strengthen training for unqualified colleagues. Conducted DRP drills to confirm the emergency response capabilities of the core system, and the drill results meet the recovery time objective (RTO) requirements.



## 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, the overall satisfaction level in 2021 remained at a certain level, with an average score of more than 4 points. Please refer to the following table for the survey situation of each business unit:

**Customer Satisfaction Survey in the Past Three Years**

Business Group	Year	Item				Average
		Quality	Delivery time	Price	Service	
Automobile Equipment Business Group	2021	4.6	4.3	4.2	4.6	4.4
	2020	4.4	4.6	4.1	4.6	4.4
	2019	4.7	4.5	4.0	4.6	4.5
Breaker & Switchgear Business Group	2021	4.6	4.1	4.2	4.6	4.4
	2020	4.4	3.9	3.8	4.4	4.1
	2019	4.5	3.8	4.0	4.4	4.2
Heavy Electric Business Group	2021	4.6	4.3	4.1	4.7	4.4
	2020	4.5	4.4	4.1	4.6	4.4
	2019	4.7	4.5	4.1	4.7	4.5
Automation Business Group	2021	4.4	3.8	4.0	4.6	4.2
	2020	4.4	4.3	4.0	4.6	4.3
	2019	4.3	4.3	3.9	4.5	4.3

Note: The company's goal is to score more than 4 points for each item (out of 5 points)

Overall, in 2021, customers of the automation business group have low satisfaction with the delivery time. The main reason is that the epidemic has affected the global shortage of raw materials and port congestion, resulting in delayed delivery. It has now fully carried out multi-party scheduling and manufacturing capacity increase to improve customer order delivery.

## 2.6 Supply Chain Management

SEEC divides suppliers into raw material suppliers (including domestic/foreign suppliers and foreign agency suppliers), third-party manufacturers (third-party factories / third-party suppliers / temporary vendors) and contractors.

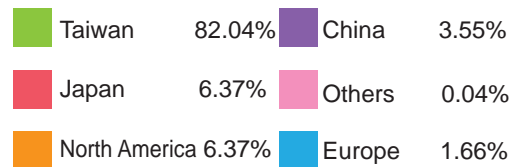
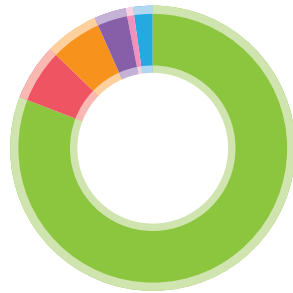
### ◆ Local Procurement

In response to the adjustment of the company's product strategy and the particularity of the key materials of each business unit, there will be more than 1,246 direct material suppliers for SEEC in 2021. The company 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 2021, 82% of the purchases made by Taiwanese factories, which are based in Taiwan.





Proportion of procurement amount



## ◆ Supply Chain Management Strategy

Adhering to the quality-focus business philosophy and managing the supply chain in accordance with the requirements of ISO9001, ISO14001 and other standards, the company aim to do a good job in the sustainable management of the supply chain. It is hoped that when providing market products and services, the company will work with the supply chain partners to create, protect and promote the long-term development of the economy, society, and the environment. Furthermore, the company will introduce supplier corporate social responsibility codes such as environmental and social orientation, with a view to achieving supply chain management through sustainable supply chain management.

SEEC has formulated a set of rigorous policies and procedures for supply chain management, such as procurement management procedure, third-party vendor management procedure, and selection methods for high-performance cooperating factories, so as to well manage suppliers through relevant policies and procedures.



Our supply chain management strategy is to develop a sustainable supply chain from the traditional supply chain management (quality, delivery), from the most basic legal compliance to the establishment of a sustainable supply chain together. We first communicate with suppliers the concept of sustainability, and combine with sustainable procurement practice, further identify key suppliers, deepen management, set up corresponding management mechanisms, and keep pace with the most updated concepts, continuously improve the depth and implementation of the procurement management, and finally by the regular and irregular inspections to cooperate with suppliers and grow together.

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

## ◆ Supplier Specification

SEEC urges manufacturers must abide by the "Supplier Social Responsibility Commitment", "Certificate of No Use of Environmentally Hazardous Substances", "Environmental Safety and Health Policy", and "Supplier Management Measures".

## Supplier Social Responsibility Commitments

Since 2016, the "Supplier Social Responsibility Commitment Letter" has been updated to ensure that all SEEC electricity suppliers can work together towards sustainable operation and environmental protection, and the products they produce can meet the specifications. As of 2021, more than 213 companies have signed the "Supplier Social Responsibility Commitment Letter".

In addition to requiring suppliers to comply with the "Supplier Social Responsibility Commitment", for the protection of labor rights and human rights, they must abide by current laws and regulations, provide employees with a safe and healthy workplace environment, refuse discrimination and inequality, and ensure fair trade in terms of ethics. Moreover,



abide by intellectual property rights, perform obligations with integrity, prohibit employees from providing or accepting any form of benefits. As for environmental protection, comply with ISO14001 requirements, continue to improve environmental protection, reduce the impact on the environment. Waste management and disposal are implemented according to law. Industrial wastewater and noise control must be within the legally permitted range. We must make the enterprise comply with the spirit of sustainability and promote the improvement of the supply chain for sustainable operation.

## ◆ Supplier 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.

## ◆ Sustainable Supply Chain Management Cycle

### 01. Set Target Sustainability Criteria

ISO9001 Quality Management System, Supplier's Rights Clause, Procurement Work Ethics Code, and Proper Business Conduct Code.

### 02. Risk Assessment and Control

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

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

### 03. Management Mechanism-Sustainable Performance Evaluation

ISO9001: Regularly and irregularly auditing and coaching suppliers on quality, cost and delivery performance.

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

Procurement Ethics Standards: Internal auditors conduct regular audit on procurement personnel.

### 04. Continuous Improvement or Termination of the Contract

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

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

### 05. Supervision, Evaluation, Accountability and Learning

Through the feedback form after the supplier's on-site visit, provide suggestions to improve the direction.

Through the supplier's corporate social responsibility self-assessment form, they can self-examine the degree of sustainable implementation and set improvement goals.

## ◆ 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 Enhancement

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

### The Second Stage: Field Assessment

Taking the procurement department as the operation center, convene personnel from related departments such as research and development, quality control, biotechnology and finance 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" for relevant supervisor review.

## ◆ Existing Supplier Audit

In order to help the cooperative factories to improve their operating capabilities and the overall management, SEEC conducts cooperative factory counseling, monthly audits and annual on-site assessments so as to provide our partners with better services.

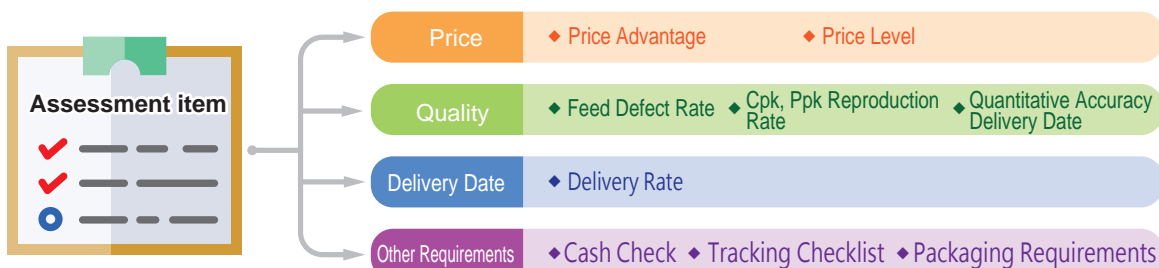
Monthly Audit: audit items of quality (including bad batches, number of bad components, independent inspections, etc.), delivery date, and price.

Annual Field Assessment: operation management, quality management, process management, technical management and production management.

The four major assessment aspects are as follows:

- 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.

The quality and delivery time of the materials (pieces) provided by the suppliers are the key points of basic management. To effectively manage, the company have formulated the "Management Measures for Third-Party Manufacturers" to control related operations. In accordance with the measures, the Procurement Department will conduct monthly audit and feedback to the Quality Assurance Department for reference. The assessment items are as follows:





In addition to the monthly assessment items mentioned above, it is combined with the annual evaluation of cooperative factories, and the weighted evaluation is used for rewards and punishments on cooperative factories; based on the evaluation results, it can be divided into four levels, A, B, C, D, etc. This evaluation result can also be used as a reference of supplier risk evaluation.

Level A	Prioritize new parts ordering and increase market share
Level B	Orders increased slightly or remained flat
Level C	No contract to manufacture new parts, reduce transactions, and those who have not significantly improved within the time limit may be eliminated
Level D	Counseling to improve; if grade D for 3 consecutive months, it will be eliminated

### 2021 Supplier Assessment Results

Business Group	Number of key suppliers	Number of appraisers	Assessment Results			
			A	B	C	D
Automobile Equipment	122	6	2	4	-	-
Breaker & Switchgear Business Group	98	12	10	2	-	-
Heavy Electric Business Group	36	8	3	5	-	-
Automation Business Group	21	5	1	4	-	-
Total	277	31	16	15	-	-

In response to supplier quality abnormalities and evaluation deficiencies, improvement actions and prevention measures are proposed in accordance with the requirements of the management procedure. Furthermore, an improvement implementation tracking table and quality management status evaluation table are also used for further tracking. We will terminate those non-qualified suppliers when necessary. The purpose of the assessment is to improve the capabilities of suppliers to achieve the goal of supplementing each other, coexisting and co-prosperous for the central satellite factory. According to the 2021 supplier evaluation results, a total of 31 companies were evaluated, 16 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.

### ◆ 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 recognizing the future trend, our oil-immersed distribution transformer products have obtained the carbon footprint label. Important suppliers will be invited to apply the carbon footprint label together in the future. The mid- and long-term goals will guide 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.





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Talent is the most important asset of the company and the lifeblood of sustainable operation as well. Providing opportunities for the development of potential "high-quality talents" is our only principle of recruitment and talent promotion. The company post job vacancy information in various talent recruitment channels and conduct the recruiting procedures for talents. It fully complies with the provisions of the Labor Standards Act and treats all candidates equally and fairly. Their capabilities and performance are the most import selection criteria so as to ensure a fair and just process to recruit the qualified talents. In accordance with the Personal Data Protection Law, the personal information of the applicant is well managed, secured and will not be used for purposes other than the recruitment purpose without the consent of the applicant. In addition, to protect employment opportunities for national labor. The company hire national labor first, and then foreigners if there still are vacancies. The company also comply with laws and regulations to provide people with disabilities and indigenous people with suitable jobs.

The major management principles of the company are "Strengthening Capabilities", "Sustainability", and "Innovative Growth". Talents are the most important asset of the company and the key to competitiveness. In response to the needs of global layout and development, diversified human resource management strategies are the major focus.

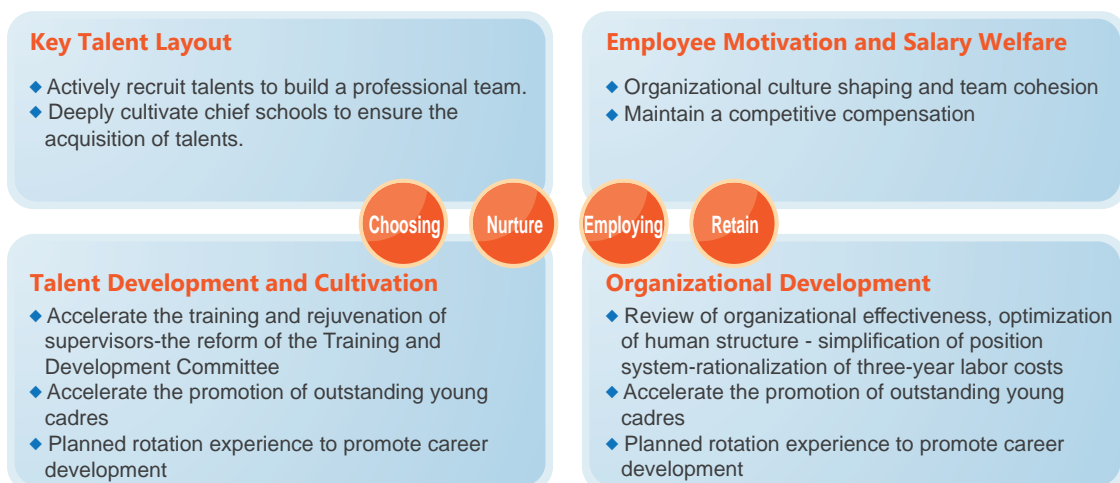
In order to effectively recruit excellent talents, the company leverage multiple recruitment channels and conduct various industry-academic cooperation programs with chief schools, such as: Industry-University cooperation scholarship, semester internship, R&D alternative military service, industry-master program, technical consultancy programs, forums and lectures etc., to cultivate professional talents systematically with industry-academia collaboration.

### 3.1 Human Resources Policy

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.



#### ◆ Organizational Activation and Rejuvenation

Traditional industries can also operate proactively and steadily for a long time; not only focusing on performance, but also full of human touch. In the competition of human resource quality, the key success factor for the company lies in the "strategy", and behind the strategy is the "competition of human resource quality". Whether an enterprise invests enough resources to develop human resources not only affects the quality of decision-making, but also affects the



competitiveness of the enterprise. Regarding the renewal of the organizational structure and the strengthening of the human resource, it is a long-term work that needs to be emphasized and promoted, so that the enterprise can always maintain vigorous vitality and continuously improves its operational capabilities and performance. For this purpose, the company has the following five implementation directions;

1. Using the 4E strategy to select, use, cultivate, and retain talents, outstanding employees have four characteristics: Energy, Energize, Edge, and Execute.
2. Establish a smooth communication channel to reduce bureaucracy from the huge organization.
3. Promote flattening organization.
4. Actively recruit young people and new bloodline added with pioneering and visionary, who dare to request, dare to challenge, pioneering and visionary.
5. Invite more female cadres to join the management team.

Incentives are for the core cadres to have "Common Values." Because the organization is a huge machine, if only the people in front take the lead and rush forward, it is useless if the people behind cannot catch up. But through body language and interactive behavior patterns, the common values of the group are established, which will make the team move in unison. In the past, the traditional manufacturing industry did not have fierce market competition and slower pace of development; but entering the era of perfect competition, it is very important to establish a team consensus. For this purpose, we have the following three implementation directions.

1. Leverage education and training to strengthen the team's common values.
2. Packaging corporate image, continue to recruit new blood, and maintain growth.
3. Actively deploy internationally and cultivate international talents.

SEEC has always urged employees to pay more attention to the quality of living. Because work is only a part of life, we should not work overtime. The ideal working time is no more than 50 hours a week. And this culture starts with high-level executives taking the lead. The company always attaches great importance to family life, and urges employees to spend spare time to manage family, friends and their own interests, so that we can have a commitment to ourselves, family and work. In response to this, the company has three implementation and advocacy directions.

1. Promote normal commuting and pay attention to family life.
2. Maintain a smooth promotion pipeline.
3. Continue to plan and cultivate international talent training programs.

Talent is one of the most important assets to support the continuous growth of SEEC. The company is committed to providing a working environment that is challenging, pleasure and rewarding. In order to create such an environment, the company provides excellent salary and welfare, and at the same time continues to introduce diversified work-life balance programs to take care of the physical, mental, and spiritual health of employees. At work, through a complete education and training system and employee development plan, assist employees to improve their professional capabilities and self-growth, and become an important promoter of supporting the company's sustainable development. For this, the company has five items to implement all the time.

1. Continue to plan for employee care and welfare measures.
2. Continue to design competitive compensation package.
3. Continuous development of staff learning maps and planning training courses.
4. Continue to promote labor-management harmony and safeguard labor rights.
5. Continue to take care of the physical and mental health of employees.

## 3.2 Structure of Manpower

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 2021, the total number of employees is 1,955 (1,372 males and 583 females), with female employees accounting for 29.8%, all of whom are full-time employees, including 515 managers and 1,440 general colleagues. Among the 515 executives, 42 (8.16%) were women, all full-time employees, including 60 senior executives, 183 mid-level managers, and 272 junior supervisors. Due to the characteristics of the industry, the majority of employees are male, and the proportion of business executives is also higher. However, in recent years, not only the proportion of female employees has increased year by year, but the proportion of female executives has also continued to grow.



## 2021 Staff Structure Statistics

Unit : Headcount

Item / Gender	Male			Female			總計
Age	Below 30	31-50	Above 51	Below 30	31-50	Above 51	
Headcount	324	752	296	176	326	81	1,955
Total	1,372			583			

Note: The above information is based on the current employees as of December 31, 2021.

### Employee position and age distribution in the past three years

Year			2019	2020	2021
Item / Gender		Age	Headcount	Headcount	Headcount
Supervisors	Male	Below 30	1	2	1
		31-50	307	313	284
		Above 51	175	164	188
	Female	Below 30	0	0	0
		31-50	30	32	33
		Above 51	6	5	9
Sub-total			519	516	515
Staff	Male	Below 30	56	98	72
		31-50	322	336	323
		Above 51	498	463	468
	Female	Below 30	111	52	108
		31-50	177	166	176
		Above 51	298	288	293
Sub-total			1,462	1,403	1,440
Total			1,981	1,919	1,955

Note:

1. Supervisors refer to the management personnel above the grassroots supervisors.

2. In the past 3 years, the ratio of hiring local residents (native Taiwanese) as supervisors is 100%.

### ◆ Employment of Vulnerable Groups / Persons With Disabilities

In terms of guaranteeing and providing equal employment opportunities for vulnerable groups, in 2021, the number of employees with disabilities is 14, accounting for 0.72% of the total number of employees, and the number of indigenous employees is 16, accounting for 0.82% of the total number of employees.

Year	2019	2020	2021
Total number of local employees in Taiwan	1,981	1,919	1,955
Number of employees with disabilities	22	15	14
Number of indigenous employees	13	16	16
Number of employees with disabilities / total number of local employees in Taiwan	1.11%	0.78%	0.72%
Number of indigenous employees / total number of local employees in Taiwan	0.66%	0.83%	0.82%

Note: The shortage of employment has been used and the balance subsidy has been paid regularly to the "Employment Fund for Persons with Disabilities" of the local labor authority in accordance with the "Person with Disabilities Rights Protection Act".





## ◆ Labor-Management Relationship

### New Hire and Resigned Staff Structure

In 2021, the new hire rate of all employees is 10.4%, and the turnover rate is 9%. The turnover rate of all age groups is similar to last year. In order to reduce the turnover rate, regular care activities are given to new colleagues. For the resigned colleagues, the supervisor conducts an interview to understand the reasons and make statistics to evaluate the improvement plan.

2021 New hire and turnover rate

		New Hire Rate						Turnover Rate					
		Below 30		31~50		Above 51		Below 30		31~50		Above 51	
		Count	Ratio	Count	Ratio	Count	Ratio	Count	Ratio	Count	Ratio	Count	Ratio
Gender	M	87	4.4%	45	2.3%	5	0.3%	54	2.8%	50	2.6%	37	1.9%
	F	32	1.6%	34	1.7%	0	0.0%	10	0.5%	10	0.5%	7	0.4%
	Total	119	6.1%	79	4.0%	5	0.3%	64	3.3%	60	3.1%	44	2.2%

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.

## ◆ Performance Appraisal Management

SEEC improves organizational and individual performance through the purpose of 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 operating goals.

Number and percentage of employees receiving regular performance reviews

Gender	Male	Female	Total
Number of employees receiving regular performance and career development reviews	1,282	550	1,832
Total number of employees	1,372	583	1,955
Ratio	93%	94%	94%

Note: The implementation ratio in 2021 is 94%, because 6% of the staff are less than six months old (new entry assessment will be conducted separately), working-study students, and leave without pay for the current year, etc.

## 3.3 Employee Benefits and Compensation

In order to attract and retain outstanding talents, SEEC participates in the salary market survey of well-known management companies 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 includes 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. 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 Law, the Gender Equality Law 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.

The salary of new recruits is maintained at the industry standard. After the probation period, the salary will be increased by NTS\$2,000. Every year, we select and promote high-performing employees and adjust salaries so as to retain talents.



The ratio of the standard salary of grass-roots male and female employees to the statutory basic salary of Taiwan in 2021 (NT\$24,000) is as follows:

#### Local minimum salary ratio

Gender	Male	Female
Grassroots personnel	110%	110%

Number of full-time employees who are not in supervisory positions, average and median salaries:

	2019	2020	2021
Number of full-time employees who are not in supervisory positions ( headcount )	1,902	1,878	1,875
“Average” salary of full-time employees who are not in supervisory positions ( NT\$,000)	972	969	1,016
“Median” salary of full-time employees who are not in supervisory positions ( NT\$,000)	802	818	841

### ◆ Welfare Measures

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:

Category	Content
Statutory items	Statutory items such as labor health insurance, maternity leave, paternity leave, parental leave, breastfeeding room, special leave, etc., are in accordance with relevant government regulations
Salary / Bonus / Cash Gift / Gift	<ol style="list-style-type: none"> <li>1.The salary level is better than 75% of the companies in the same industry</li> <li>2.Year-end bonus, three-festivals bonus, employee bonus (based on the company's annual operation and personal performance)</li> <li>3.Employee Stock Ownership Trust: Employees allocate a fixed amount of monthly salary, and the company allocates 20%~50% as an incentive to retain talents and provide long-term protection for employees.</li> <li>4.Welfare Committee: birthday gifts, May 1st Labor Day gifts, three-festivals gifts, weddings, funerals, and hospitalization cash allowance, scholarships for children of employees and company trips.</li> </ol>
Welfare activities	<ol style="list-style-type: none"> <li>1.Spring dinner, Year-end dinner party, Family day activities</li> <li>2.Company-wide sports games</li> <li>3.Employee travel allowance</li> <li>4.Staff fitness center (Hsinchu): gym, basketball court, badminton court, billiard room, pool room, aerobic classroom</li> <li>5.Club activities: basketball club, badminton club, aerobic courses, movie club</li> </ol>
Education and Training	<ol style="list-style-type: none"> <li>1.Provide employees with learning and development through four categories of courses: new talent development, on-the-job training, off-job training and self-inspiration</li> <li>2.Cultivation of newcomers: 90-day training plan, company-wide tour and orientation forum for newcomers</li> <li>3.Professional project training: full subsidies for the company's internal courses and external training, and assistance in obtaining professional licenses</li> <li>4.English and Japanese courses: invite famous teachers in the industry and provide course fee subsidies</li> <li>5.Internal lecturer system: cultivate internal lecturers and provide internal lecturer incentives</li> <li>6.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</li> </ol>
Insurance and Medical care	<ol style="list-style-type: none"> <li>1.Group insurance: accident insurance, riders for accident &amp; hospitalization medical treatment, overseas emergency assistance services</li> <li>2.Regular company-wide health checks</li> <li>3.Occasional health and medical lectures</li> </ol>



## Use of Employee Benefits (including dependents)

Welfare Item	Times of use	Amount (NT\$)
Hospitalization allowance	313	338,150
Funeral allowance	37	292,000
Education allowance	1,831	3,504,750
Travel subsidy	1,619	8,097,077
Employee club subsidy	-	1,306,494
Others (marriage, retirement, work injury)	52	1,045,000

The work-life balance has always been an important issue for working people. The travel benefits provided by the company are to help our colleagues, not only to improve their connections, but also to encourage their families to participate together. However, in 2021, company travel was suspended due to the epidemic, and the company will continue to provide travel subsidies for colleagues to apply for. In the future, travel benefits for the employee department will be resumed depending on the epidemic.

## ◆ Retirement Measures

Retirement measures	Deposit status	Implementation status in 2021
Old system: Appropriation based on the Labor Standards Act	Calculated based on the base number obtained by 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 total salary of the employees, and is deposited into the labor retirement reserve account of the Bank of Taiwan.	After the settlement of the previous year on a regular basis in January of each year, the actuarial calculation of the retirement reserve is carried out by a professional actuary to confirm that the vested benefits are fully allocated. As of the end of 2021, the fair value of the planned assets is NT\$1,105,575,000; the amount that will be required to be set aside according to law in the future is estimated as accrued pension liabilities, and the balance by the end of 2021 is NT\$1,501,640,000.
New system: funded in accordance with the Labour Pension Act	The pension is allocated based on 6% of the employee's salary on monthly based, and deposited into the employee's labor pension personal account of the Bureau of Labor Insurance. The employee can also voluntarily contribute 1% to 6%.	The new pension expense set out in 2021 is NT\$56,386,000.

## Retirement and Re-Employment Policy

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

## ◆ Parental Leave System

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



### Statistics on parental leave without pay in the past three years

Year	2019			2020			2021		
Gender / Total	M	F	Total	M	F	Total	M	F	Total
Number of people eligible for parental leave (A)	4	34	38	4	36	40	1	40	41
The actual number of applications for parental leave in the current year (B)	0	13	13	1	14	15	0	13	13
Number of people who should be reinstated from parental leave in the current year (C)	1	10	11	0	17	17	1	13	14
The actual number of people who have been reinstated from parental leave in the current year (D)	1	7	8	0	11	11	1	12	13
The actual number of people reinstated from parental leave in the previous year (E)	2	8	10	1	7	8	0	11	11
Number of people who continued to work for one year after parental leave in the previous year (F)	0	7	7	0	6	6	0	9	9
Parental leave reinstatement ratio in the current year % (D/C)	100%	70%	73%	-	65%	65%	100%	92%	93%
Parental leave retention ratio in the current year % (F/E)	0%	88%	70%	0%	86%	75%	-	82%	82%

Note: Eligibility for parental leave in 2021 is defined as persons who have taken maternity or paternity leave within the three-year period from January 1, 2019 to December 31, 2021.

### ♦ Collective Bargaining

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 the company. 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 2021 is 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 SEEC 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 2021, a total of 66 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 are used to protect the rights and privacy of the parties, the company has set up a grievance mechanism of "Sexual Harassment Prevention Measures, Employee Appeals and Disciplinary Rules", which enables employees of factories and affiliated companies to deal with disputes caused by work quickly and satisfactorily. There was no labor dispute in 2021. In addition, SEEC set the minimum notice period in the work rules in accordance with the law. All the company's operating activities are in compliance with the Labor Standards Act. For major changes which might affect employees, relevant employees will be notified in advance in accordance with our policies and procedure so as to ensure the rights and interests of employees. In 2021, a total of 2 colleagues applied to the competent authority for labor dispute mediation.

Collective Bargaining	Measures
Expressing dissent and communication channels	Sexual harassment prevention measures, employee complaints and disciplinary rules
	Forum for newcomers and colleagues from all job ranks
	Proposals for small group quality control activities
	Regular and irregular labor-management meetings or regular meetings of the labor union

### Minimum Notice Period for Operational Changes

If the labor contract is terminated in accordance with the proviso to Paragraph 11 or Paragraph 13 of Article 16 of the Labor Standards Act, the termination of the labor contract shall be handled in accordance with the following provisions. The employees' severance is in compliance with the provisions of the Labor Standards Law, and the group agreement also stipulates the relevant grievance mechanism to protect the rights and interests of employees.





Object	Minimum Notice Period
Work for more than 3 months to 1 year	10 days
Work for more than 1 year to 3 years	20 days
Work for more than 3 years	30 days

### Employee Code of Conduct and Ethics

In order to create a sustainable business environment, SEEC has always adhered to the business principle of “Integrity”, and its determination and commitment to operating with integrity is manifested in business transparency (financial information and related operating information are disclosed on the company website and the Stock Exchange website). The company conduct business activities in a fair and transparent manner and strictly prohibit improper conduct and improper capital exchanges, and formulate the “Code of Integrity Management” so as to prohibit directors, supervisors, managers, employees, assignees, or persons with substantial control capabilities from dishonesty when engaging in commercial activities.

The company also 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 procure 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. Therefore, there was no employee corruption in 2021.

### Diversity and Inclusion

Diversified employment of talents is the most cherished important asset of the company and the lifeblood of sustainable operations. 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 procedures shall comply with relevant laws and regulations and adopt a fair and just operation mode to recruit suitable talents.

### Anti-Discrimination Measures

SEEC pays attention to human rights. All employees, applicants and employees of cooperative factories, regardless of race, religion, color, nationality, place of origin, party, ideology, place of birth, age, gender, sexual orientation, marriage status, appearance, disability or union membership etc., they can all be treated equally and with dignity.

In addition, the company 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. Therefore, there is no discrimination or violation of human rights in 2021.

## 3.4 Manpower Training and 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.



### Education and training course content

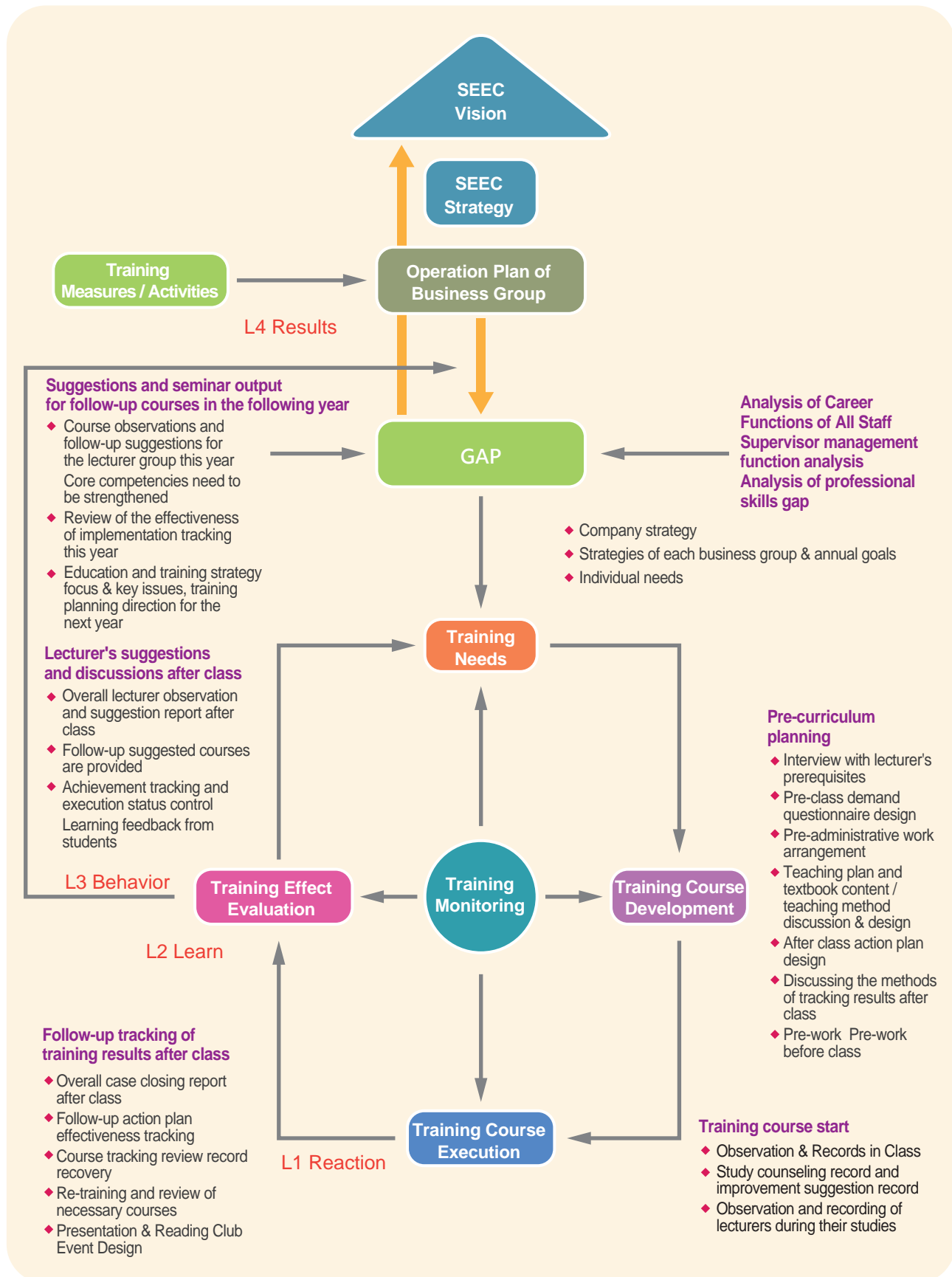
Category	Narration
On-the-job training	Professional and experience learning, work conferences, technology research and development studies, on-site teaching and other professional skills related training
Off-the-job training	Class-specific courses to enhance management functions, as well as various professional 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 Plan and Learning Development System

Course Category Position Level	Course Title	OJT	OFFJT		Self-development	Project training	
		Functional Training	Class-specific courses	Functional professional courses		Special class	Study class
Manager level and above		Professional function training	Project management	Professional courses by function : HR Environment Manage Finance Marketing Information Quality Power Electronics Power Systems Mold related Production technology Each BU technology	Supervisor level language class	Key talent succession training	Overseas training and inspection
Section chief			Strategy management		Business Management Lecture	Reserve Officer (MA) Training	
Team leader / Class leader			Financial analysis		SEEC Network Academy	Internal lecturer Training	
General staff			Know people and employ people		Culture and life new knowledge lecture	Pre-departure Training	
New recruits (less than one year)			Supervisor course / non-human resources		IT Application Course	Service quality improvement	
			Leadership		General staff language class		
			Management by objectives				
			Project management				
			Problem analysis and solution skills				
			Time management				
			Presentation skills				
			TW / squad leader				
			Efficiency improvement Self-management				
			Team cohesion				
			New employee training				



## ◆ Planning Process of Learning Development





## ◆ New Employees Training Program

New employees are an important cornerstone for future corporate development. In order to accelerate new employees' understanding of the company, each department will plan a three-month professional training program before new employees arrive, supplemented by product awareness and function training courses to deepen their professional knowledge. Every six months, HR will arrange company-wide newcomer training and seminars, including training courses for cross-BU field visits, safety and health awareness, legal knowledge and quality awareness. During this period, seminars between senior executives and newcomers were arranged to assist colleagues in understanding the current status of the company and the core values of culture. By systematically cultivating the talents, deepening the personal strength of employees, effectively retaining talents and making long-term contributions to the company.



▲ New employees were arranged to ask questions to senior executives in the forum.



▲ Everyone listened attentively to the introduction of the production line.



▲ New colleagues get to know each other.



▲ Meet and greet each other through breakfast and to conduct HR Symposium.

## ◆ Reserve Supervisor Training Program

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.





### ◆ Education and Training Achievements

The development indicators related to education and training in 2021 are still affected by the COVID-19 epidemic, and the overall implementation rate has decreased compared to the past. The average training hours of all employees is 16.04 hours/person, and the average number of training times is 3.43 times/person, which is quite similar to the figures in 2020; but in terms of budget execution rate and training time achievement rate, only 64% And 71%, because many external training courses were closed or held online, resulting in a decrease in the number and cost of training.

KPI	Quantitative indicators	Year		
		2019	2020	2021
Human Resource Development Index	1. Average training hours per person per year = annual training hours / total number of person	25.18	16.25	16.04
	2. Average number of training times per person per year = annual training number / total number of person	3.95	3.43	3.43
	3. Annual training budget implementation ratio = annual implementation amount/annual training budget	105%	69%	64%
	4. Annual training hours execution rate = annual execution hours / annual training hours	90%	71%	71%

#### 2021 Employee Category Education and Training Statistics

Employee category		Training hour	Total people	Average training hours
Supervisor	Male	10,949	473	23.15
	Female	814.5	42	19.39
Non-supervisor	Male	16,153.5	863	18.72
	Female	3,450.5	577	5.98
Total		31,367.5	1,955	16.04

Note :

- 1.Average education and training hours for males/females in each category = total training hours for males (females) in that category / total number of males (females) in that category at the end of the year.
- 2.Average hours of employee education and training = total number of employee education and training hours / total number of employees at the end of the year.
- 3.Supervisors refer to management personnel at or above the primary level.
- 4.Female non-supervisors are mainly on-site direct personnel. The training content focuses on the operation process, and the training time is relatively low.

## 3.5 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 Management System

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 145 people, the main work is sheet metal, assembly, etc.).

In order to comply with domestic environmental safety and health related regulations and integrate with the international management system, it was successfully converted from OHSAS 18001 to ISO 45001 in June 2020, and obtained ISO 45001:2018 and CNS 45001:2018 occupational safety and health management system verification certificates.

### Occupational Safety and Health Management System Verification

Plant	Automobile Equipment Plant	Xinfeng Plant	Heavy Electric Plant
Appraisal by reversion	2020	2020	2020
Occupational Safety and Health Management System (ISO 45001 : 2018 )			

## ◆ Occupational Safety and Health Policy

- SEEC follows the government's safety and health laws and regulations, reduces operational risks by formulating safety operation system standardization, strictly abides by safety operation standards and continuous improvement as management performance.
- Take the initiative to care for employees, contractors, neighbors and community, communicate safety and health policies, and adopt a positive and steady approach step by step, integrate safety concepts into employees and implemented in daily business operations.
- Introduce the occupational safety and health management system ISO45001 (Occupational Safety and Health Management System) and abide by the government's laws and regulations. With the implementation of integrated management systems and the formulation of policy objectives, effectively the formulate countermeasures and other aspects of safety operations.

## ◆ Occupational Safety and Health Management

- SEEC establishes an occupational safety and health management department, in accordance with the Labor Safety and Health Act, to be responsible for the safety and health business, formulates safety and health policies and report to the Occupational Safety Authority.
- Occupational safety and health management plan formulation: The company regularly revise and release for implementation the following procedures every year, such as safety and health management plan, safety and health automatic inspection plan, hazardous and hazardous substance management plan, work environment inspection plan, etc.
- For the prevention of chemical disasters or environmental pollution, regularly conduct training programs, emergency response drills, environment audits, and monitoring so as to enhance employees' awareness of chemical hazards and emergency response capabilities, and jointly achieve the goal of preventing occupational disasters and environmental pollution.
- Carry out inspections from time to time and conduct safety and health training as well as promotion of laws and regulations to enhance employees' awareness of safety and health.
- 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 move towards sustainable development, SEEC has established an occupational safety and health committee. The chairman is the top manager of the factory, and there is a special unit responsible for promoting and coordinating the work. The members of the committee include employee representatives, accounting for more than one-third of the total number of 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 2021, a total of 12 meetings of the Occupational Safety and Health Committee (the Head Office, the Automobile Equipment Factory, the Xinfeng Factory, 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 an immediate danger while performing his duties, he or she may, without endangering the safety of other workers, stop the operation and retreat to a safe place without punishment. 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.
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.
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.
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.
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.
6. Improvement measures and execution tracking: The improvement measures are carried out according to the "Accident Investigation Report Form".
7. Events affecting physical and mental health: Occupational disaster events of each unit are compiled monthly and filled in the "Occupational Disaster Statistical Report".



## ◆ Occupational Hazard Statistics

Item		2019	2020	2021
Total working hours	Male total worked hours	2,529,267	2,448,972	2,502,195
	Female total worked hours	1,073,971	1,039,876	1,062,476
	Total worked hours	3,603,238	3,488,848	3,564,671
Occupational injury fatality rate	Male fatality rate due to occupational injury	0	0	0
	Female fatality rate due to occupational injury	0	0	0
	fatality 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	1.976	0.408	0
	Female occupational injury rate	0	0	0
	Total occupational injury rate	1.387	0.286	0

Note :

- 1.The industrial safety data does not include employees' commuting traffic accidents.
- 2.Fatality 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.From 2019 to 2021, there will be no occupational injury incidents for non-employees.

## ◆ 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. Conduct regular on-the-job training every 2 to 3 years after the license is obtained, considering the number of persons and the convenience of employees participating in the training, for the larger number of people, the training organization will implement the training at the factory (the competent authority will send personnel to the factory for assessment), and the rest will get dispatched training to obtain relevant qualifications.



▲ Employee safety and health education and training



▲ Crane operation training for foreign employees (in-plant contracted shifts)





▲ Crane hanging on-the-job safety training (in-plant training)



▲ Civil Defence Corps Training

### ◆ Emergency Drill and Fire Training

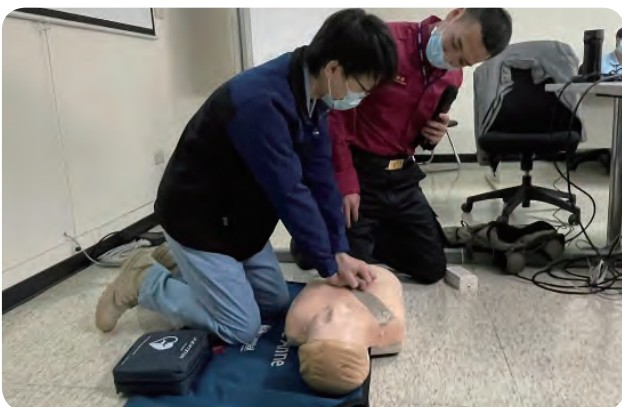
Two fire-related event drills are regularly arranged every year. The purpose is to improve employees' ability to deal with emergencies and reduce loss of life or property through regular group training when disasters occur.



▲ Introduction of fire fighting equipment



▲ Fire fighting drill



▲ Fire fighting drill



▲ Fire fighting drill

### ◆ Workplace Health Promotion and Services

As for safety management, SEEC has invested various resources to implement and strive to maintain ISO45001, Occupational Safety and Health Management System. The company formulate a "Safety Management Cycle" mechanism to achieve the zero-disaster objective through laws and regulations compliance, management system implementation, goal setting, countermeasure plan formulation, Incentive/reward/punishment mechanism enforcement, and implementation effectiveness review.



The company provide employees with a safe working environment, and implement procurement management of various contract operations and process equipment to provide much safer facilities.

As for health management and promotion, 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.

## Health Promotion and Disease Prevention



▲ Employee health check



▲ Anti-epidemic partitions in staff canteens



▲ Regularly implement anti-epidemic disinfection in the office

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. Organize relevant health education seminars and training courses from time to time, such as hypertension management, weight loss courses, balanced diet, stress adjustment, bone density test explanations, health seminars, maternal health workplaces and other health promotion courses.

In addition, the company conducts health checkups for all employees for free every two years, and implements hierarchical management of the check results for employees working with special hazards, regularly follows up and improves the situation, and provides health education information and medical assistance. In addition, doctors regularly visit the factory to provide individual consultations every month. In 2021, a total of 1,850 employees have completed general health checks, and 98 employees have completed special health checks. The results of the inspections are two for Level 3 (Noise) and Level 4 (Noise). Follow-up actions and improvement measures include posting signs in noise areas, formulating and implementing hearing protection plans, and actually implementing employee on-the-job training and education training, implementing management tracking such as wearing earplugs and reducing noise exposure time for employees. In addition, 145 non-employee workers in the factory were also subjected to general health checks, and 12 non-employees were arranged to undergo special health checks according to the nature of their work. In 2021, no worker is judged to be an occupational disease.

### 2021 Health Screening Program

	General Health Check		Special health check	
Check items	1. General physical examination 2. Doctor consultation 3. Routine urine test 4. Routine blood test 5. Liver check 6. Kidney check 7. Cardiovascular examination	8. Diabetes 9. Cardiovascular disease risk assessment 10. Inflammatory response screening 11. X-ray check 12. Tonometry	noise ionizing radiation lead work dust work n-hexane	
Number of people	Employee	Non-employee worker	Employee	Non-employee worker
	1,850	145	98	12
Amount	7,970,000		42,500	





▲ Anti-epidemic body temperature measurement before meals



▲ Conduct regular health checks for employees



### AED "Automated External Defibrillator" First Aid Course

AED (Automated External Defibrillator), called "Automated External Defibrillator", at present, the company has set up AEDs in each factory area and staff dormitory, a total of 14 sets, in order to obtain AEDs in the immediate vicinity to save lives and make peace of mind zero distance.

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 2021, the number of employee who have passed the initial qualification certification is 125. 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 a happy and healthy working workplace for employees.

### ◆ Healthy Workplace LOHAS Work

Workplace Health	Narration
Health check-up	1.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. 2.Conduct free physical examinations once every two years for employees, which divided into three categories: manager level and above, overseas cadres and colleagues below the supervisor level.
Vaccination	Supervisor above the division level, overseas employees and colleagues stationed overseas, will get free flu vaccines.
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. <b>【Three high prevention, Healthy metabolism-say goodbye to lower body obesity / 5 minutes of good exercise-simple office stress relief exercise teaching / Enjoy life after get off work / Smoke prevention activities / Balanced diet &amp; breakfast options for foodies, etc. 】</b>
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.
Manager-level and above supervisor's health check	(1) Painless gastroscopy and colonoscopy (2) Evaluation of coronary artery calcification of the heart (3) Computerized tomography of lung tumor (4) Blood test of cardiac function (5) Urology related examination (prostate) is the main planning direction, and import the test results into 12 major health risk systems for management (1. Metabolism 2. Cardiology 3. Thoracic respiration 4. Gastrointestinal liver and gallbladder 5. Kidney and urinary 6. Women's organ system 7. Hemolymph 8. Ophthalmology 9. Otorhinolaryngology 10. Oral dentistry 11. Skeletal muscle 12. Nervous system).



Workplace Health	Narration
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.
Colleagues' health examinations below the section chief level	The planning direction is mainly based on government laws and regulations, and chronic diseases (metabolic syndrome and cardiovascular disease) are supplemented as the planning direction, and the inspection results are tracked and managed by the factory nurses in each plant. In order to allow colleagues to understand and improve their physical fitness in a short time, each factory has cultivated a group of health fitness measurement instructors, who can conduct health fitness measurement activities according to the needs of groups or individuals in the factory, and can immediately track the progress, physical fitness progress status, and develop improvement countermeasures to show the effectiveness of health promotion activities.
Hypertension prevention activities	Every year, we cooperate with health checkups, lectures, and set up blood pressure machines in each factory. The factory nurses track employees with abnormal status of physical examinations, encourage and invite employees to participate in lectures and take regular blood pressure tests, and post hypertension prevention and attention posters in the activity areas of all factory employees. Encourage employees to pay attention to and carry out independent health management.
Other	Measures for women to work at night, breastfeeding rooms, health checks, etc., to create a comfortable and safe working environment and improve work efficiency. The staff dormitory (provided free of charge) provides comprehensive leisure and recreational facilities.

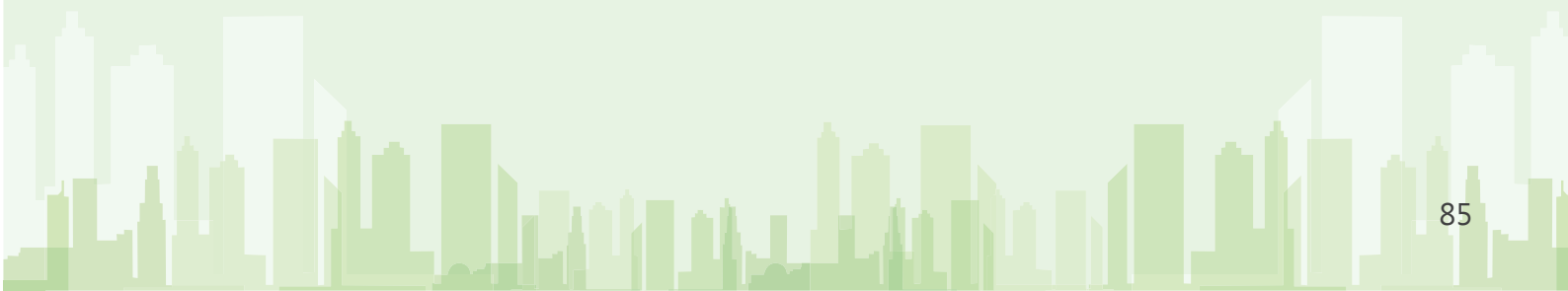






## 4. Environmental Sustainability

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## 4.1 Raw Material Management

The sources of raw materials used by the company's four major business groups are not only purchased directly, but also outsourcing, and purchase & supply of parts. Only the main raw materials used are disclosed here.

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 remaining three business groups (Breaker & Switchgear Business Group, Heavy Electric Business Group and Automation Business Group) do not use renewable materials.

Raw material category	Unit	Automobile Equipment Business Group	Breaker & Switchgear Business Group	Heavy Electric Business Group
Copper	Ton	676	533	3,400
Silver	Ton	-	7.3	-
Iron (Silicon Steel)	Ton	4,080	1,023	18,000
Aluminum	Ton	294	-	100
Insulating oil	Kiloliter	-	-	7,347
Plastic	Ton	13.8	215	-

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

## 4.2 Energy Management

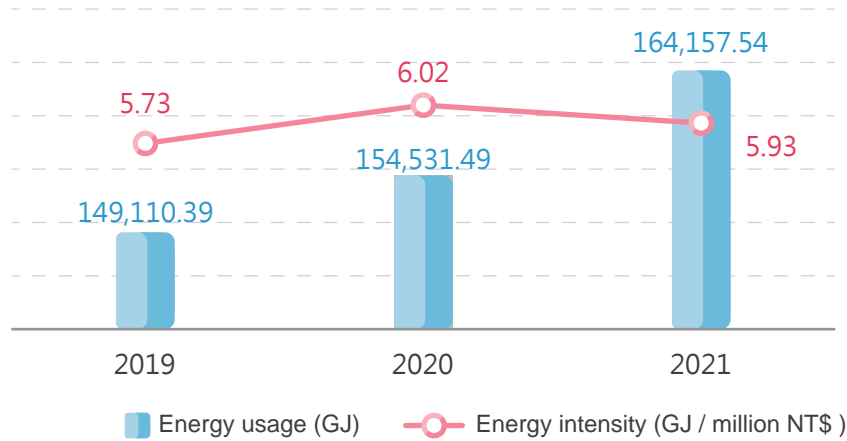
### ◆ Energy Usage

The main energy sources used by SEEC are diesel, liquefied petroleum gas (LPG) and electricity, and the purchased electricity comes from Taipower Company. The company continues to promote energy-saving improvement plans to reduce energy use and improve energy efficiency. In 2021, the energy consumption is 164,157.54GJ, and the energy intensity is 5.93GJ/million NT\$, a decrease of 1.5% compared with 2020.

#### Energy use in the past three years

Unit : GJ

Item \ Year	2019	2020	2021
Diesel fuel	21,882.14	23,600.27	24,921.74
Liquefied petroleum gas (LPG)	3,908.48	4,232.14	3,345.88
Electricity	123,319.77	126,699.08	135,889.92
Total	149,110.39	154,531.49	164,157.54
Revenue (million NT\$ )	26,039	25,684	27,690
Energy intensity (GJ/ million NT\$ )	5.73	6.02	5.93



### ◆ Greenhouse Gas Emissions

The company's greenhouse gas emission results are shown in the table below. The total emission in 2021 is 21,036.98TCO<sub>2</sub>e, and the greenhouse gas emission intensity is 0.7597TCO<sub>2</sub>e / million NT\$, which is 1% lower than that in 2020. In order to strengthen the company's greenhouse gas management, it is planned to introduce ISO 14064-1 greenhouse gas inventory in the future to further set the company's carbon reduction goals.

#### Greenhouse gas emissions in the past three years

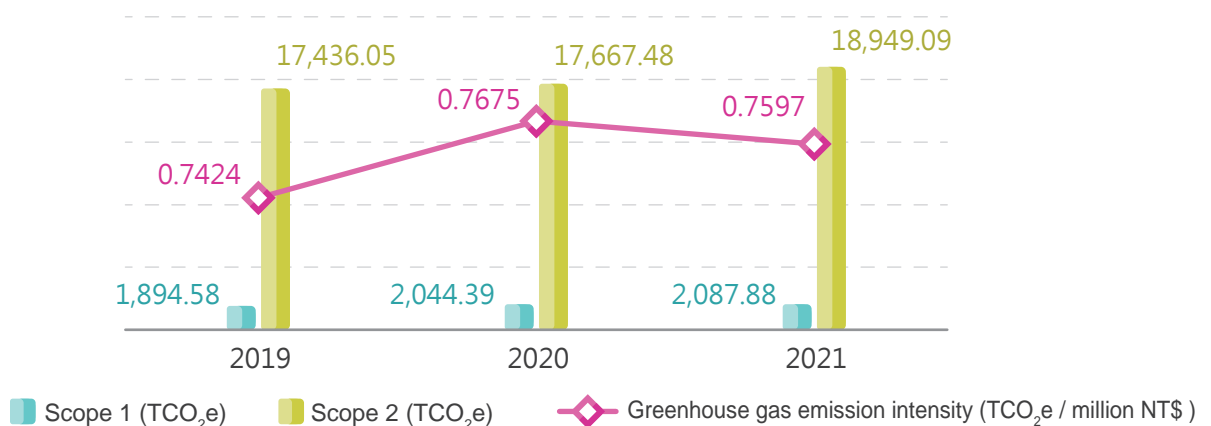
Unit : TCO<sub>2</sub>e

Item \ Year	2019 年	2020 年	2021 年
Scope 1	1,894.58	2,044.39	2,087.88
Scope 2	17,436.05	17,667.48	18,949.09
Total emissions	19,330.62	19,711.87	21,036.97
Revenue (million NT\$ )	26,039	25,684	27,690
Greenhouse gas emission intensity (TCO <sub>2</sub> e / million NT\$ )	0.7424	0.7675	0.7597

Note :

1. Global Warming Potential (GWP) quoted in IPCC 2013 Fifth Assessment Report
2. Source of conversion factor: The latest GHG emission factor management table version 6.0.4 published by the Environmental Protection Administration, Executive Yuan
3. Scope 1 includes diesel and liquefied petroleum gas; Scope 2 includes purchased electricity
4. The carbon emission coefficient of electricity is based on the data announced by the Bureau of Energy, Ministry of Economic Affairs. The carbon emission coefficient of electricity in 2021 and 2020 is calculated as 0.502 kg CO<sub>2</sub>e; the carbon emission coefficient of electricity in 2019 is calculated as 0.509 kg CO<sub>2</sub>e

#### Greenhouse gas emissions in the past three years





## ◆ Energy Saving Measures and Performance

With the progress of the times, the phenomenon of global warming caused by frequent industrial activities has threatened the sustainable development of human beings. SEEC is committed to energy conservation and carbon reduction, not only to design high energy efficiency products, but also implement the reduction of carbon emissions in the production process. The company actively promotes various energy-saving improvement plans, and proposes energy-saving improvement measures for manufacturing processes and lighting equipment. Combined with the demonstration and promotion subsidy plan of the energy-saving performance guarantee project of the Bureau of Energy, Ministry of Economic Affairs, the company plans and implements lighting energy-saving improvement projects, and actively invests in product carbon reduction. Complete product carbon footprint certification. In 2021, the energy saving improvement measures saved a total of 101,880kWh of energy, the converted energy saving is about 366.77GJ, and the converted carbon reduction is about 51.86 TCO<sub>2</sub>e.

**Main energy-saving improvement measures in 2021**

Item	Energy-saving improvements in manufacturing plants		Energy-saving improvement of plant perimeter lighting		Statistics		Performance of improvement
	Before	After	Before	After	Before	After	
	T8 tube	LED tube	Traditional mercury lamp	LED tube	380 (non-energy-saving lamps)	380 (energy saving lamps)	All 380 lighting fixtures were replaced with energy-saving lamps
Energy consumption (W)	80	22.5	500	120			
Quantity (pcs)	360	360	20	20			
Use time (hours)	12	12	12	12			
annual power consumption (degree/300 days)	103,680	29,160	36,000	8,640	139,680	37,800	101,880 (degree ) 102 (MWh)
Converted energy savings							366.77GJ / Year
Converted carbon reduction							51.86 TCO <sub>2</sub> e / Year

Note :

1.The annual energy saving is estimated by using 12 hours per day and 300 days per year.

2.Converted greenhouse gas emission reduction (metric tons CO<sub>2</sub>e / year) = electricity saved (kWh / year) \* 0.502kgCO<sub>2</sub>e / kWh.

3.Electricity energy conversion factor = 3,600KJ/kWh.

## ◆ Product Energy Saving Service

SEEC actively promotes “high-efficiency” transformers and other related products, and uses more optimized design and high-quality raw materials to manufacture products with higher efficiency and lower loss than ordinary transformers. Oil-immersed amorphous and high-efficiency transformers have passed ISO 14067 carbon footprint verification and obtained carbon footprint certification.

**Carbon emissions at each phase of the product**

Product type	Amorphous transformer		High efficiency transformer	
	Carbon emission (kgCO <sub>2</sub> e)	Proportion	Carbon emission (kgCO <sub>2</sub> e)	Proportion
Raw material phase	5.87	81.92%	5.81	81.76%
Production phase	1.3	18.08%	1.3	18.24%
Total	7.17	100.00%	7.11	100.00%

Note: Carbon emissions are calculated in units of 1KVA transformers.

SEEC produces intelligent capacitors and high-efficiency transformers to provide customers with power distribution products with high stability and low energy consumption. Compared with traditional transformers, in 2021, the energy saving is about 15,673.02 MWh (about 56,422.89GJ), and the carbon dioxide emission is reduced by about 7,867.86 TCO<sub>2</sub>e, cost saving is NT\$18.64 million.





### Energy-saving performance of high-efficiency products

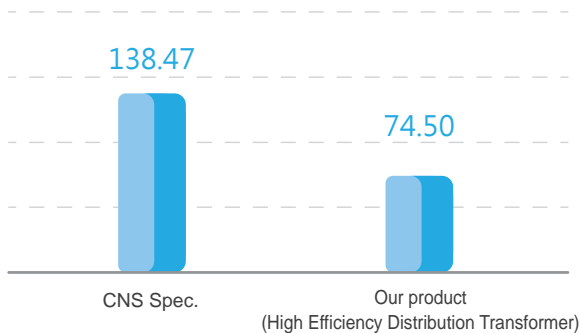
Item	Unit	2019	2020	2021
Energy saving benefits	MWh / Year	10,193.84	11,850.34	15,673.02
Carbon reduction benefits	TCO <sub>2</sub> e / Year	5,188.66	5,948.87	7,867.86
Cost saving benefits	NT\$ million / Year	1,212	1,409	1,864

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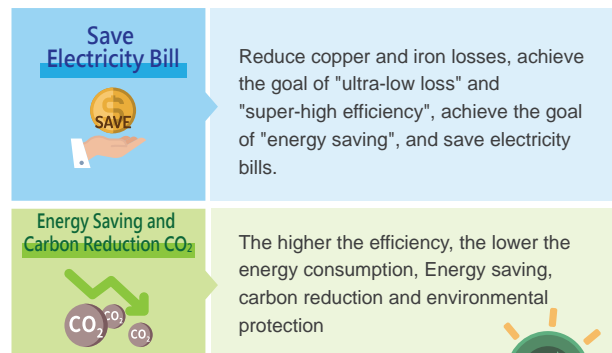
1. The above data is estimated based on high-efficiency distribution transformer (99.16%) "2000kVA".
2. The annual energy saving is estimated based on the quantity sold in the current year, running 24 hours a day, and running 365 days a year.
3. The carbon emission coefficient of electricity is based on the data announced by the Bureau of Energy, Ministry of Economic Affairs. The carbon emission coefficient of electricity in 2021 and 2020 is calculated as 0.502 kg of CO<sub>2</sub>e; the carbon emission coefficient of electricity in 2019 is calculated as 0.509 kg of CO<sub>2</sub>e.

### Annual carbon emissions per unit product

Unit : TCO<sub>2</sub>e / Year



#### High Efficiency Distribution Transformers Features



### ◆ Ecological Benefits

The development and promotion of the concept of eco-efficiency, which emphasizes a win-win situation between economy and environment, is an opportunity to turn a crisis into a turning point. Build a sustainable new model from understanding the risks and investment returns of eco-efficiency initiatives.

SEEC attaches great importance to the sustainable operation of the enterprise and the sustainable development of the environment, and sets a clear goal in the business policy: fulfilling social responsibilities and providing advanced products and services that are environmentally friendly and energy-saving. At the same time, we also actively promote green energy industries, such as electric vehicle products, energy-saving inverter products, high-efficiency transformers, wind power industries, etc., to strive for a sustainable environment.

## 4.3 Water Resource Management

### ◆ Water Resource Management

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 Assessment Tool (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 the past three years

Item	2019	2020	2021 年
Total water withdrawal (million liters)	209.24	204.30	208.60
Total displacement (million liters)	95.16	93.19	99.32
Total water consumption (million liters)	114.08	111.11	109.28
Revenue (million NT\$ )	26,039	25,684	27,690
Water withdrawal intensity (million liters / million NT\$)	0.0080	0.0080	0.0075

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.

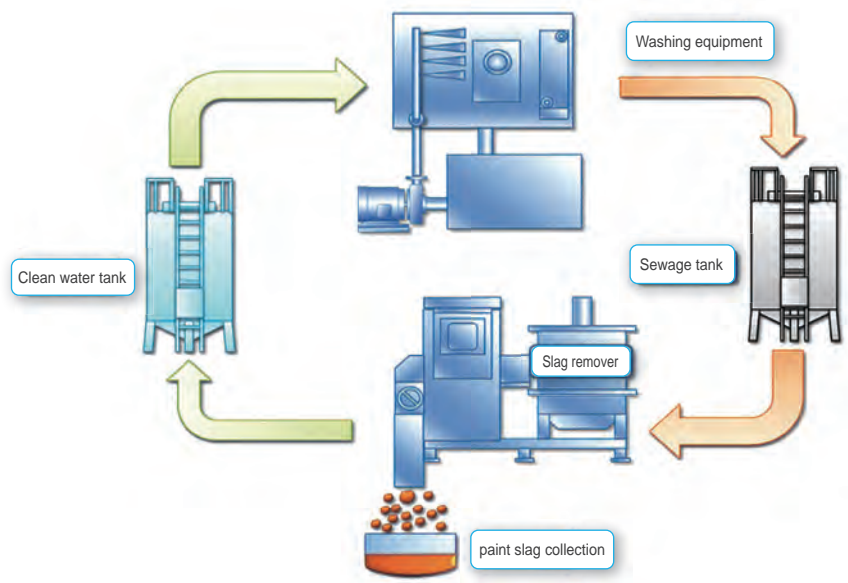
The Wastewater Treatment Plant of the Industrial Zone Management Center sends personnel to the factory to sample and test the water quality every month. The test results over the years are in line with and far below the emission standards.

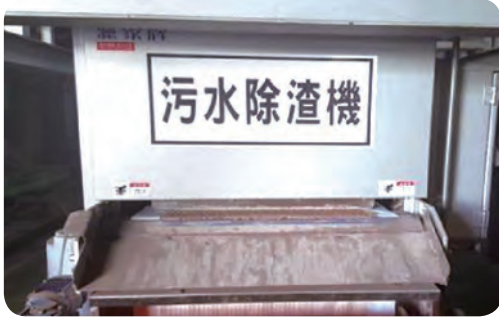
### Wastewater discharge control in the past three years

Water Pollution Detection Item	Management Standard	2019	2020	2021
Hydrogen ion concentration ( pH )	5.0~9.0	6.88	7.4	7.35
Chemical Oxygen Demand ( COD )	<480 (mg/L)	17.33	41.8	43.62
Suspended Solid ( SS )	<400(mg/L)	4.69	18.7	18.79
Soluble Iron ( Fe )	<10(mg/L)	0.00	0.00	ND
Zinc ( Zn )	<5(mg/L)	0.07	0.15	0.16

### Process of Wastewater Recycling

In response to the international trend of energy conservation and carbon reduction, and in line with national energy conservation policies to formulate factory site environmental safety and sanitation policies. With good energy efficiency, energy saving, water conservation, and the pursuit of sustainable development, the company should actively respond to and promote national no-regret measures, and further enhance the company's competitiveness. The water injection volume of the washing equipment consumes 50 tons of tap water every month. Through the collection of paint residue and sewage filtration, the clean water is recycled back to the process for continuous use. It is estimated that 600 tons of water consumption can be reduced a year, which is equivalent to a reduction of 97.2 kg of CO<sub>2</sub> emissions. In 2021, the actual water consumption was reduced by 560 tons.





▲ Sewage cleaner

## 4.4 Pollution Prevention and Management

Most of the coating processes with high pollution impact in the industry are outsourced. The company adheres to corporate social responsibility and invests huge pollution prevention equipment costs and operating costs, including water and electricity costs, activated carbon replacement, waste liquid, waste disposal costs, etc. Committed to environmental sustainability.

### ◆ Waste Management

The company's waste management strategies are to reduce the total amount of waste and to recycle waste. The management measures such as process technology improvement, raw material reduction, and recycling of recycled materials are used to reduce waste output and achieve waste reduction and resource recycling.

Waste is mainly classified into three types: general business waste, resource waste and hazardous waste. Among them, resource wastes include metal wastes, waste plastics, and waste paper boxes, etc., which are collected by a qualified recycler for recycling; as for electronic wastes, waste solvents, etc., which are collected and passed to qualified professional company for further treatment; while the domestic waste and general business waste are cleaned and transported to the incineration plant. The disposal of various wastes is tracked irregularly by relevant units through GPS positioning, proper disposal documents (triplicate form), etc., to ensure the legality of waste disposal.

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 proper handling methods to achieve resource recycling.

The sequence of waste treatment is classification, reuse, and resource reuse. If the waste does not have the above treatment methods available at this stage, then choose to bury or incinerate. All wastes are recycled and processed in accordance with the law, and reported online in accordance with the regulations of the Environmental Protection Administration. In 2021, the total weight of waste generated is 740.74 tons, and there is no waste for on-site disposal. Among them, the total amount of transferred waste during disposal is 122.74 tons, and the total amount of directly disposed waste is 618.00 tons.

#### Waste treatment method and total amount

Hazardous waste		
Waste composition	Out of field	
Item	Waste generation (tons)	How to handle
Waste liquid (flash point less than 60°C )	1.9	Incineration (including energy recovery)
General business waste		
Waste composition	Out of field	
Item	Waste generation (tons)	How to handle
Waste oil mixture	70.9	Recycling
Sludge	38.1	Recycling
Waste wire	0.04	Recycling
Scrap metal	12.1	Recycling



### Waste treatment method and total amount

General business waste		
Waste composition	Out of field	
Item	Waste generation (tons)	How to handle
Waste paper	12.7	Incineration (including energy recovery)
Waste plastic	9.9	Incineration (including energy recovery)
Domestic refuse	403.4	Incineration (including energy recovery)
Waste wood	105.7	Incineration (including energy recovery)
Waste solvent	46.3	Incineration (including energy recovery)
Waste resin	38.1	Incineration (including energy recovery)
Waste electronic components, scraps and defective products	0.3	Recycling
Metal-containing PCB waste and dust	0.3	Recycling
Scrap	1	Recycling



▲ Waste removal and transportation

### ◆ Waste liquid Reduction Improvement Plan

- Analyze the improvement methods of humanity, machine, material and method, find out the problem and propose improvement countermeasures.
- In response to the international energy-saving and carbon-reduction trend, and in line with the national energy-saving policy to formulate factory site environmental safety and sanitation policies. With good energy efficiency, power saving, water saving, and the pursuit of sustainable development, we should actively respond to and promote national no-regret measures, and further enhance the company's competitiveness
- The coating waste liquid improvement plan is to effectively separate the solid and liquid parts of the waste liquid produced during the coating process
- The original washing equipment is continuously filled with water. Through the improvement plan, the clean water is recycled and used continuously, which effectively reduces the consumption of tap water and the amount of waste liquid produced.
- The moisture content of the waste paint residue produced is reduced, which is equivalent to the reduction of waste.
- The water injection volume 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. This can save 600 tons of water a year, which is equivalent to reducing 97.2 kg of CO<sub>2</sub> emissions.





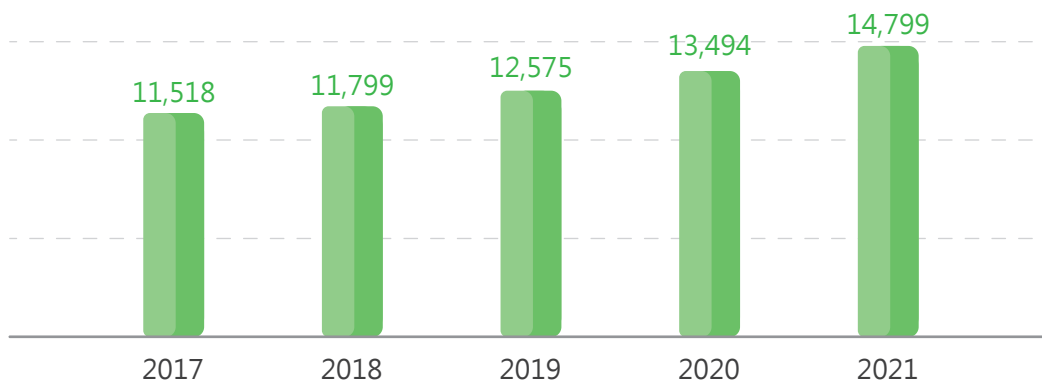
## ◆ Air Pollutant Emission and Management

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.

## Environmental Protection Cost and Investment Amount

Most of the coating processes with high pollution impact in the industry are outsourced. The company adheres to corporate social responsibility and invests huge pollution prevention equipment costs and operating costs, including water and electricity costs, activated carbon replacement, waste liquid, waste disposal costs, etc. Committed to environmental sustainability. Expenditure for environmental pollution prevention and control in 2021 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\$14,799,000 in total.

Environmental protection expenses and investment amount (NT\$ thousand)





## 5. Social Care



SEEC has always adhered to the corporate mission of "Taken from the Community, Giving Back to Society" to fulfill its corporate social responsibilities. Through the "Memorial Foundation of Mr. Ching-Teh Hsu", the group has done the best in caring for disadvantaged groups and emergency relief. Through various donations, community promotion and cultural and artistic activities, the group has continued to invest to fulfill its corporate social responsibility. In the future, we will uphold the concept of "Inheriting Classics and Sustainable Innovation", and adhere to the core corporate values of "Integrity", "Teamwork", "Innovation" and "Feedback", aiming for the best quality products in Taiwan. We hope that sustainable operation will last forever and create a century-old vision.

In addition, the company also actively participates in and gives back to the community. 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.

The Memorial Foundation of Mr. Ching-Teh Hsu was established in 1984. Her mission is to engage in research and development of industry and commerce, talent awards and other related public welfare undertakings. The foundation participates in or sponsors local ecological conservation activities, cultural activities for a long time, and supports local culture development, supports the creation of a good environment for the sports industry, and subsidize and improve the service standards of medical institutions.

The key projects of the foundation in 2021 include: donation to the Mackay Hospital System, the Veterans General Hospital System, sponsorship of sports competitions, scholarships and book donations, etc. In the future, it will continue to give back to the society and promote public welfare activities. Through the transmission of the foundation, we fulfill our corporate mission of "Taken from the Community, Giving Back to Society" so as to initiate the cycle of social goodness.

#### 2021 Foundation Donation Details

Donation object	Donation content	Amount ( NT\$,000)
The Veterans General Hospital System, Taipei	Medical research, medical resources and library renovation, etc.	4,150
The Mackay Hospital System, Taipei	Medical research and medical resources	1,800
Taipei City University baseball team	Support baseball	500
Taiqing Cup Elite Tournament	Support golf	750
Yangde TPC Championship	Support golf	4,047
National Policy Foundation	Scholarships for poor students	500
Yangde High School	Donate Books	500

#### ◆ Donation Ceremony of "Transformer Robot"

In order to expand the business territory and cooperate with the urban development plan of the Taipei City Government, SEEC has gradually purchased land to build three factories in the Hsinchu Industrial Park, and the electrical equipment factory originally located in Tianmu has also been developed. In 2009, the old factory site was built into two buildings. One of which was sold to Zhongding as the headquarters of Zhongding, and the other building was leased to SOGO Department Store as a Tianmu store. At the same time, it also donated SOGO Park, Community center and the plaza next to the building to the Taipei City Government for citizen rest and activities.

On December 6, 2021, a special and meaningful opening ceremony of the Transformer robot took place. In addition to the participation of high-level executives, Liu Yiting, director of the Taipei City Government Tourism and Communication Bureau, Wang Guo, general manager of SOGO Department Store, and the local chiefs of Shilin District were invited to participate in the event.



▲ Group photo of General Manager Hsieh, General Manager Wang Guo Dingsong of SOGO Department Store, and Director Liu Yiting of the Department of Information and Tourism Taipei City.





The spherical egg-shaped fiberglass art installation donated by SEEC was damaged beyond repair due to the typhoon. The Chairman thought and conceived that we started by producing transformers. With reference to the famous movie "The Transformer", the artist Wang Bolin was commissioned to design the transformer with the highest voltage and the largest capacity (345KV 1260MVA) in Taiwan, costing about NT\$ 3 million to design a "Transformer Robot" five meters high. This ingenious idea hopes to shorten the distance with the public, but also to regain the soul and vitality of the square, and become a new landmark in the Tianmu area, allowing people to shop at SOGO and enjoy food, but also interact with robots in this square, adding a lot of the joy of life.



▲ General Manager's Speech



▲ The General Manager and participating VIPs took a group photo in front of the "Transformer Robot"

## ◆ Gold South Link Honors SEEC

The Railway Bureau of the Ministry of Communications "K001 "Construction and Design of the Electrification Project of the Taitung Chaozhou Section of the Taitung Railway South-Link Railway" (hereinafter referred to as the project) The Taitung Pingtung Line from the west to Chaozhou (excluding the station) (screen The mileage of the east line is 39K+730) from the east to the south line of Taitung (excluding stations) (the mileage of the south line is 98K+145), and the total length of the route is about 123.4 kilometers. The engineering projects include the new Taiwan Railway Neishi Substation and Dawu Substation (civil engineering and ancillary mechanical and electrical engineering, power system), power remote control system, sign interlocking system, telecommunication system and tram line system (suspended and conductive rail).

Due to the vast area of the construction area of this project, most of the road sections are located in remote mountainous areas, the communication quality is poor, and the road is inaccessible, and the railway is the only accessible means of transportation. The existing trains of the railway are in normal operation. The construction of the related adjacent track projects (such as tram line erection, etc.) needs to consider the safety of the train. It can only be carried out when the train is stopped at night, and it can only work for about 4 hours a day, and the working time is limited. And the difficulty of construction is increased.

Therefore, in order to achieve the goal of completing the last mile of electrification of the Southern Link Railway as scheduled, colleagues in the engineering team and third-party manufacturers work together to propose specific and feasible construction methods for different projects, and make every effort to overcome various construction bottlenecks. Progress is moving forward.



▲ Chiefs at all levels came to the site of South Loop Railway Project to supervise.





During the construction of the project, thanks to the careful guidance and concern of the Chairman, General Manager Xie, Chief Operating Officer Yang and executives at all levels, they provided financial, manpower and spiritual rewards. Mr. Xie, the General Manager, went to the construction site many times to motivate colleagues and third-party manufacturers and awarded huge rewards and cash so as to push them speed up the construction.

To live up to the Governor's expectations and in line with the government's policy goals, the Chaofang section (Chaozhou to Fangliao) needs to be electrified and opened to traffic one year earlier than the original plan.

We completed and passed various safety-related tests as scheduled, and completed the policy goal of electrifying the Chaofang section on December 23, 2019.

Next is more severe work waiting for our entire construction team to overcome the harsh and difficult construction environment in the southern section (Fangliao to Taitung). Exhausted the efforts of all colleagues to make progress towards the goal of project completion, and completed the project as scheduled and passed various tests and safety certifications during the 1.5-year project period, and completed it ahead of schedule on December 23, 2020. The electrification of the southern section was opened to traffic 7 days earlier than the contracted opening date.



▲ Pingtung Chaofang Section Opening Ceremony was held on December 23, 2019.



▲ President Tsai, President of the Executive Yuan and Minister of Ministry of Transportation and Communications attended the Electrification Opening Ceremony of the South Loop Railway.

After the evaluation by the Gold Award Evaluation Team of the Public Works Committee, this turnkey project of the mechanical and electrical system won the double awards for the design and construction of public works and facilities. And on December 23, 2021, Chief Operating Officer Yang and Deputy General Manager Wu Congming received the award. The company won the honor after a four-year interval. This award can only be won if the project is of good quality and has zero industrial safety accidents. Looking forward to winning awards from other engineering cases again in succession, so that the signboard of "SEEC" will shine in public works.



▲ Obtained the "Gold Award of 21st Public Construction Category" by Public Construction Commission (PCC) of Executive Yuan





### ◆ Yeang Der Group donated to The Veterans General Hospital System, Taipei

The Yeang Der Group donated NT\$ 7 million for the library space renovation project of The Taipei Veterans General Hospital (TVGH), and the unveiling ceremony was held on August 24, 2021 at the Zhide Building Library. The main content of the donation is to assist the renovation of the counter space on the second floor of Zhide Building, so as to facilitate the library's perfect planning. Provide the use of digital and paper space for medical personnel, and at the same time use the relevant medical resources of the TVGH Library itself, supplemented by the professional services of the library colleagues, to enhance the new realm of the collection and collection of biomedical literature in the TVGH Library. In recent years, TVGH Library has also been committed to the upgrade of software and hardware equipment, and actively promoted flipped learning, providing various medical literature and database retrieval courses required by various clinical and research departments, and at the same time improving librarians' knowledge and ability to serve For the information required by colleagues in the hospital, interactive teaching with colleagues and customized departmental services are added to achieve the best learning mode and meet clinical needs.

Construction of this donation case began on May 3, 2021, and was completed on August 18 of the same year. Most of the donations made by domestic corporate groups to the library are money and book donations, while the the Yeang Der Group takes the needs of TVGH Library as the first consideration, and conducts it in the form of "in-kind donations". The TVGH Library will surely reach the beautiful realm of the smart library.



### ◆ The Yeang Der Group sponsored Wang Guanhong and Tang Jiahong, Hoping for Another Success in the Asian Olympic Games

The Yeang Der Group spares no effort to support the development of sports. After the Asian Games in Jakarta in 2018, it sponsored Chen Kuiru, a track and field player "Taiwan hurdle elite" for a long time, so that he could receive support in training and nutrition. With the opportunity to participate in the Tokyo Olympics, the possibilities for self-challenge are endless. In 2021, we once again sponsor outstanding players Wang Guanhong and Tang Jiahong with an annual nutrition fund of NT\$600,000 each. Hope that the two young players will continue to work hard, concentrate on training and improve their skills, and look forward to next year's Hangzhou Asian Games and the 2024 Paris Olympic Games to achieve better results.

The Yeang Der Group adheres to the business philosophy of "caring for the local conditions, practicing for the future", and hopes to promote Taiwan's international image and strive for glory for the country through long-term sponsorship of Taiwan's outstanding athletes, training international sports talents to enter international sports competitions, and actively promoting Taiwan's international image. In particular, the players' golden sports careers are limited, and the group will definitely provide the timely help when the players need them most. These two young players have both strength and potential. With appropriate training, the future development will be limitless.





## 6. Appendix

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## Appendix I GRI Content Index

### General Disclosure 2016

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Core	102-4	Location of Operations	1.1 Company Profile	20	
Core	102-5	Ownership and Legal Form	1.1 Company Profile	20	
Core	102-6	Markets Served	1.1 Company Profile	20	
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comprehensive	102-26	Role of Hghest Governance Body in Setting Purpose, Values, and Strategy	1.3 Company Governance	41	
comprehensive	102-27	Collective Knowledge of Highest Governance Body	1.3 Company Governance	41	
comprehensive	102-28	Evaluating the Highest Governance Body's Performance	1.3 Company Governance	41	
comprehensive	102-32	Highest Governance Body's Role in Sustainability Reporting	About this Report	3	
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5. Interaction with Stakeholders					
Core	102-40	List of Stakeholder Groups	Interaction with Stakeholders	9	
Core	102-41	Collective Bargaining Agreements	3.3 Employee benefits and Compensation	69	
Core	102-42	Identifying and Selecting Stakeholders	Interaction with Stakeholders	9	
Core	102-43	Approach to Stakeholder Engagement	Interaction with Stakeholders	9	
Core	102-44	Key Topics and Concerns Raised	Interaction with Stakeholders	9	



Category/Topic	GRI Standards Reveal the Project		Corresponding Chapter	Page Number	Omit / Remark
報導實務					
Core	102-45	Entities Included in the Consolidated Financial Statements	About this Report 1.1 Company Profile	3 20	
Core	102-46	Defining Report Content and Topic Boundaries	About this Report	3	
Core	102-47	List of Material Topics	Interaction with Stakeholders	9	
Core	102-48	Restatements of Information	About this Report	3	
Core	102-49	Changes in Rporting	1.2 Operation Overview	37	
Core	102-50	Reporting Period	About this Report	3	
Core	102-51	Date of Most Recent Report	About this Report	3	
Core	102-52	Reporting Cycle	About this Report	3	
Core	102-53	Contact Point for Questions Regarding the Report	About this Report	3	
Core	102-54	Claims of Reporting in Accordance with the GRI Standards	About this Report	3	
Core	102-55	GRI Content Index	Appendix I	100	
Core	102-56	External Assurance / Confirmation	Appendix II	105	

## Major Topics Disclosure 「\*」 for the Company's Own Topics

重大主題	GRI Standards		Corresponding Chapter	Page Number	Omit / Remark
Management Approach	103-1	Explanation of the Material Topic and its Boundary	Interaction with Stakeholders	9	
	103-2	The Management Approach and its Components	Interaction with Stakeholders	9	
	103-3	Evaluation of the Management Approach	Interaction with Stakeholders	9	
Operational Performance	201-1	Direct Economic Value Generated and Distributed	1.2 Operation Overview	37	
	201-3	Defined Benefit Plan Obligations and Other Retirement Plans	3.3 Employee benefits and Compensation	69	
	201-4	Financial Subsidy from the Government	1.2 Operation Overview	37	
GRI 302 : Energy 2016	302-1	Energy Consumption within the Organization	4.2 Energy Management	86	
	302-3	Energy Intensity	4.2 Energy Management	86	
	302-4	Reduction of Energy Consumption	4.2 Energy Management	86	
	302-5	Reduce Energy Demand for Products and Services	4.2 Energy Management	86	
GRI 303 : Water and Effluents 2018	303-1	Interactions with Water as a Shared Resource	4.3 Water Resource Management	89	
	303-2	Management of Water Discharge-related Impacts	4.3 Water Resource Management	89	
	303-3	Water Withdrawal	4.3 Water Resource Management	89	
	303-4	Water Discharge	4.3 Water Resource Management	89	
	303-5	Water Consumption	4.3 Water Resource Management	89	
GRI 305 : EMISSIONS 2016	305-1	Direct (Scope 1) GHG Emissions	4.2 Energy Management	86	
	305-2	Energy Indirect (Scope 2) GHG Emissions	4.2 Energy Management	86	



重大主題	GRI Standards		Corresponding Chapter	Page Number	Omit / Remark
GRI 305 : EMISSIONS 2016	305-4	GHG Emissions Intensity	4.2 Energy Management	86	
	305-5	Reduction of GHG Emissions	4.2 Energy Management	86	
GRI 306 : Waste 2020	306-1	Waste Generation and Significant Waste-related Impacts	4.4 Pollution Prevention and Management	91	
	306-2	Management of Significant Waste-related Impacts	4.4 Pollution Prevention and Management	91	
	306-3	Waste Generated	4.4 Pollution Prevention and Management	91	
	306-4	Waste Diverted from Disposal	4.4 Pollution Prevention and Management	91	
	306-5	Waste Directed to Disposal	4.4 Pollution Prevention and Management	91	
GRI 308 : Supplier Environmental Assessment 2016	308-1	New Suppliers that were Screened Using Environmental Criteria	2.6 Management of Supply Chain	60	
	308-2	Negative Environmental Impacts in the Supply Chain and Actions Taken	2.6 Management of Supply Chain	60	
Talent Development and Retention	401-1	New Employee Hires and Employee Turnover	3.2 Structure of Manpower	67	
	401-2	Benefits Provided to Full-time Employees that are not Provided to Temporary or Part-time Employees	3.3 Employee Benefits and Compensation	69	
	401-3	Parental Leave	3.3 Employee Benefits and Compensation	69	
GRI 403 : Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	3.3 Employee Benefits and Compensation	77	
	403-2	Hazard Identification, Risk Assessment, and Incident Investigation	3.5 Workplace Health and Safety	77	
	403-3	Occupational Health Services	3.3 Employee Benefits and Compensation	77	
	403-4	Worker Participation, Consultation, and Communication on Occupational Health and Safety	3.5 Workplace Health and Safety	77	
	403-5	Worker Training on Occupational Health and Safety	3.3 Employee Benefits and Compensation	77	
	403-6	Promotion of Worker Health	3.5 Workplace Health and Safety	77	
	403-7	Prevention and Mitigation of Health and Safety Impacts Directly Linked by Business Relationships	3.3 Employee Benefits and Compensation	77	
	403-8	Workers Covered by an Occupational Health and Safety Management System	3.5 Workplace Health and Safety	77	
	403-9	Work-related Injuries	3.3 Employee Benefits and Compensation	77	
	403-10	Work-related ill Health	3.5 Workplace Health and Safety	77	
GRI 404 : Training and Education 2016	404-1	Average Hours of Training Per Year Per Employee	3.4 Manpower Training and Development	73	
	404-2	Programs for Upgrading Employee Skills and Transition Assistance Programs	3.4 Manpower Training and Development	73	
	404-3	Percentage of Employees Receiving Regular Performance and Career Development Reviews	3.2 Structure of Manpower	67	
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of Governance Bodies and Employees	3.2 Structure of Manpower	67	

重大主題	GRI Standards		Corresponding Chapter	Page Number	Omit / Remark
GRI 414 : Supplier Social Assessment 2016	414-1	New Suppliers that were Screened Using Social Criteria	2.6 Management of Supply Chain	60	
	414-2	Negative Social Impacts in the Supply Chain and Actions Taken	2.6 Management of Supply Chain	60	
Product Safety Management	416-1	Assessment of the Health and Safety impacts of Product and Service Categories	2.1 Product Quality and Security Management	52	
	417-1	Requirements for Product and Service Information and Labeling	2.2 Product Safety and Labeling	54	
Information Security and Management	418-1	Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	2.5 Customer Privacy and Information Security Management	58	
* The Climate Change and Financial Implication	-	-	1.4 Risk Management	47	
* Innovative Research and Development	-	-	Interaction with Stakeholders 2.3 Security Product Development	9 55	
* Patent	-	-	Interaction with Stakeholders 2.3 Security Product Development	9 55	
* Clean Technology Opportunities	-	-	1.1 Company Profile	20	
* Labor Management	-	-	3.1 Human Resources Policy	66	
			3.4 Manpower Training and Development	73	

## Specific Topics Disclosure

Category/Topic	GRI Standards Reveal the Project		Corresponding Chapter	Page Number	Omit / Remark
200 GRI 200 Economy Indicators					
GRI 202 : Market Presence 2016	202-1	Ratios of Standard Entry Level Wage by Gender Compared to Local Minimum Wage	3.3 Employee Benefits and Compensation	69	
	202-2	Percentage of Local Residents Employed as Senior Management	3.2 Structure of Manpower	67	
GRI 203 : Indirect Economic Impacts 2016	203-1	Development and Impact of Infrastructure Investments and Services Supported	Social Care	94	
GRI 204 : Purchasing Practice 2016	204-1	Proportion of Spending on Local Suppliers	2.6 Management of Supply Chain	60	
GRI 205 : Anti-corruption 2016	205-3	Confirmed Corruption Incidents and Actions Taken	1.3 Company Governance	41	
300 GRI 300 Environment Indicators					
GRI 301 : Materials 2016	301-1	Weight or Volume of Material Used	2.6 Management of Supply Chain	60	
GRI 307 : Environmental laws and regulations Compliance 2016	307-1	Non-compliance with Environmental Laws and Regulations	4.4 Pollution Prevention and Managemen	91	Nothing happened



Category/Topic	GRI Standards Reveal the Project		Corresponding Chapter	Page Number	Omit / Remark
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#### 400 GRI 400 Social Indicators

GRI 402 : Labour Relations 2016	402-1	Minimum Notice Period for Operational Canges	3.3 Employee Benefits and Compensation	69	
GRI 406 : Non-discrimina- tion 2016	406-1	Incidents of Discrimination and Corrective Ac- tions Taken	3.3 Employee Benefits and Compensation	69	Nothing happened
GRI 407 : Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	-	None
GRI 408 : Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	2.6 Management of Supply Chain	60	Nothing happened
GRI 409 : Forced or Com- pulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.6 Management of Supply Chain	60	Nothing happened
GRI 411 : Aboriginal Rights 2016	411-1	Incidents involving violations of Aboriginal rights	3.2 Structure of Manpower	67	Nothing happened
GRI 415 : Public Policy 2016	415-1	Political Contributions	1.3 Company Governance	41	Nothing happened
GRI 416 : Customer Health and Safety 2016	416-2	Violations of health and safety regulations for products and services	2.1 Product Quality and Security Management	52	Nothing happened
GRI 417 : Marketing and Labeling 2016	417-2	Failure to comply with product and service information and standards events that indicate regulations	2.2 Product Safety and Labeling	54	Nothing happened
	417-3	Incidents that do not comply with regulations related to marketing communications	-	-	Nothing happened
GRI 419 : Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	-	-	Nothing happened

#### Article 4 of the FSC (Financial Supervisory Commission)

The number of full-time employees who are not in supervisory positions, the average and median salary of full-time employees who are not in supervisory positions, and the difference between the first three and the previous year.	3.3 Employee Benefits and Compensation	69	
Corporate governance of climate-related risks and opportunities, actual and potential climate-related impacts, how to identify, assess and manage climate-related risks, and indicators and targets for assessing and managing climate-related issues	1.4 Risk Management	47	





## Appendix II Statement of Independent Third-Party Assurance



### INDEPENDENT ASSURANCE OPINION STATEMENT

#### Shihlin Electric & Engineering Corporation 2021 Sustainability Report

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

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

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

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

#### Scope

The scope of engagement agreed upon with Shihlin includes the followings:

1. The assurance scope is consistent with the description of Shihlin Electric & Engineering Corporation 2021 Sustainability Report.
2. The evaluation of the nature and extent of the Shihlin's adherence to AA1000 AccountAbility Principles (2018) in this report as conducted in accordance with type 1 of AA1000AS v3 sustainability assurance engagement and therefore, the information/data disclosed in the report is not verified through the verification process.

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

#### Opinion Statement

We conclude that the Shihlin Electric & Engineering Corporation 2021 Sustainability Report provides a fair view of the Shihlin sustainability programmes and performances during 2021. The sustainability report subject to assurance is free from material misstatement based upon testing within the limitations of the scope of the assurance, the information and data provided by the Shihlin and the sample taken. We believe that the performance information of Environment, Social and Governance (ESG) are fairly represented. The sustainability performance information disclosed in the report demonstrate Shihlin's efforts recognized by its stakeholders.

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

#### Methodology

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

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



## Conclusions

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

### Inclusivity

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

### Materiality

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

### Responsiveness

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

### Impact

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

### GRI Sustainability Reporting Standards (GRI Standards)

Shihlin provided us with their self-declaration of in accordance with GRI Standards: Core option (For each material topic covered by a topic-specific GRI Standard, comply with all reporting requirements for at least one topic-specific disclosure). Based on our review, we confirm that sustainable development disclosures with reference to GRI Standards' disclosures are reported, partially reported or omitted. In our professional opinion the self-declaration covers the Shihlin's sustainability topics.

### Assurance level

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

### Responsibility

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

### Competency and Independence

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

For and on behalf of BSI:

Peter Pu, Managing Director BSI Taiwan



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Statement No: SRA-TW-2021074

2022-06-12

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