



2020

Shihlin Electric Sustainability Report

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About the SEEC Sustainability Report

This report is the 2020 Sustainability Report of SHIHLIN ELECTRIC & ENGINEERING CORPORATION (hereinafter referred to as "SEEC"), hereafter referred to as "this report"

Disclosure period

This report discloses corporate sustainability related information for 2020 (from January 1, 2020 to December 31, 2020), including information on management policies, major themes, execution performance, risk management, and E.S.G. sustainability strategies and execution performance. This report is the fifth Corporate Sustainability Report. The company publishes one edition every year. The previous edition of the report is issued in June 2019, and the next edition of the report is scheduled to be issued in June 2021.

Scope and Boundary of Disclosure in This Report

The information disclosed in this report is mainly based on SEEC, covering the company's Taiwan operating area and the Mr. Hsu, Ching-Teh Memorial Foundation of Yeang Der Group. The scope of information data in this report shows financial, environmental and social performance. Financial information focuses on consolidated revenue.

Report Production Process



Data Calculation Basis of the Report

The statistical data disclosed in this report comes from the survey and summary results of the various implementation units of the company, considering the comparability, and some performance information reveals data in the past three to five years. However, the relevant financial data are publicly released information after certified by an accountant, and are presented in the usual way of numerical description.

Compilation of Reference Standard Basis

This report is prepared based on the core options and framework of the GRI Standards issued by the Global Reporting Initiative (GRI). The direction of the report's information disclosure also echoes the sustainable development of the United Nations' target "SDGs" and "Code of Corporate Social Responsibility of Listed OTC Companies".

Report Review and Management

Internal Confirmation

The data and information are reviewed by the company's business divisions and CSR teams through monthly business meetings and KPI reviews in the business plan. The achievement of KPIs were tracked and reviewed by the financial department, and provided the data after being reviewed. Audit Supervisor checked the accuracy of information.

External Confirmation

There are various management systems to certificate, such as IATF16949, CNS National Standard, Carbon Footprint Mark Verification, Quality Management System (ISO 9001), Occupational Safety and Health Management System (OHSAS 18001), Environmental Management System (ISO 14001) and Greenhouse Gas Management, etc. The company conduct internal audits (and cooperate with external verifications) every year to ensure the correctness of data and information.

Contact Information

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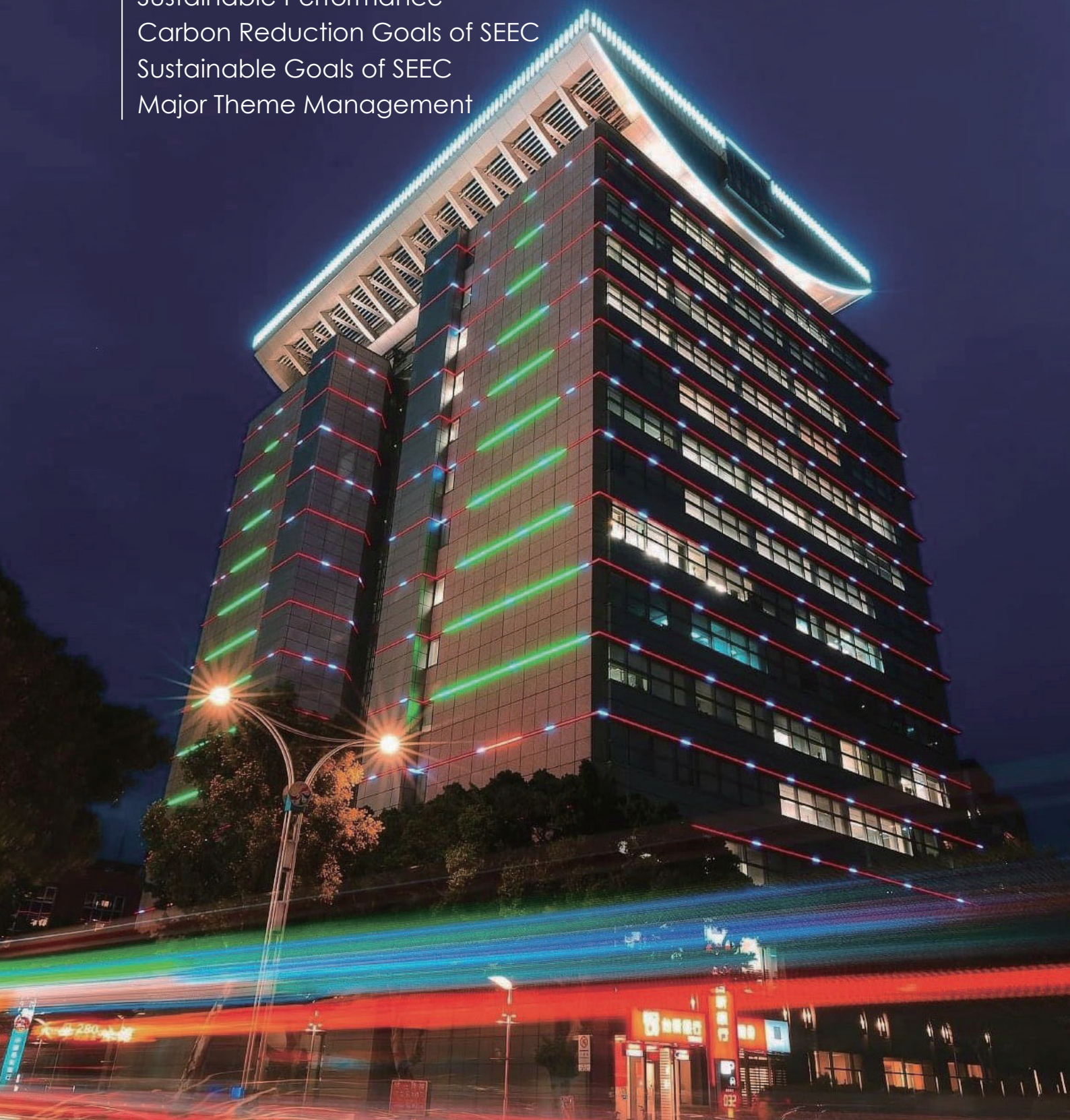
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Annual report download:



Sustainable Operations

Chairman's Expectation
Sustainable Performance
Carbon Reduction Goals of SEEC
Sustainable Goals of SEEC
Major Theme Management



Chairman's Expectation

"SEEC" was founded in 1955 and has been more than 60 years since then. As a leading company in the electrical and mechanical industry, the company plays an active, enthusiastic and important role in providing premium power systems and equipment, participating in public projects and major transportation initiatives, as well as supplying excellent automotive and locomotive electrical products, providing automation products and integrated system services.

In line with the government's energy conservation and environmental protection policy, the company actively promote greening and environmental protection and carbon reduction in factories and offices, such as, use energy-saving appliances, use green environmental friendly materials, and ask third-party manufacturers to cooperate in implementation. The company have passed ISO14001, RoHS, ISO14067 and other factory verifications or product certifications. The company shall publicize all employees, suppliers and customers to continue to effectively use resources, and jointly contribute to energy conservation and environmental protection.

Adhere to the concept of environmental protection and continue to introduce environmentally friendly green energy products

The company launched high-efficiency energy-saving transformers, while taking into account environmental protection and saving costs for users; we developed and manufactured electric vehicle motors and related products, and participated in the development of green energy and environmentally friendly electric vehicles; we developed and manufactured miniaturized low-voltage switches and reduced materials usage and space used by customers. The company uphold the concept of "For energy-saving, carbon-reduction and loving the earth, SEEC work hand in hand with you", and continue to introduce environmentally friendly and energy-saving products.

Pursue Green Manufacturing

To protect the earth, SEEC continues to promote green activity policies in R&D and manufacturing. Not only invest in the green energy and energy saving industry, the solar energy industry, and the electric vehicle



industry, but also in the application of materials, 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 cater for the environmental protection regulations.

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 we are committed to building long-term cooperative relationships with partners. The company often urges suppliers to use green materials, prohibit child labor, promote gender equality, abide by labor laws, and jointly promote environmental protection and energy conservation concepts.

The Five Sustainable Spirits of SEEC

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.

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. After the United Nations (UN) put forward the 17 "Sustainable Development Goals" (SDGs), The company contributes to the world's sustainable survival responsibilities, and actively compares the relationship between important stakeholders and SDGs, so as to develop and propose five sustainable corporate spirits to establish future sustainable development goals:

I. "Innovative Industry" Starts the Future SDG 8 SDG 12

The Executive Yuan promotes the "emerging smart industries" and plans to develop cloud computing, smart electric vehicles, smart green buildings, and the industrialization of invention patents, revealing that Taiwan will develop low-carbon and high-value industries in the future. The company straddles the fields of power equipment, auto parts and components and industrial equipment manufacturing, and strives towards the intelligentization of power equipment, the electrification of auto and locomotive power, and the integration of automated energy-saving equipment. Recently, the company has developed smart capacitors, DC switches for solar energy, and electric motors for two-wheeled vehicles etc., actively develop global energy-saving and carbon-saving industries to lay the solid groundwork for growth in the next decade.

II. "Talents" are the company's biggest resource SDG 3 SDG 4 SDG 8

Every employee in the company is our greatest good partner. There is no company without employees. Therefore, in order to provide employees with enough employment safety and development to settle down and survive, the company rewards employees with trust holdings of 20-50% every month, emphasizing the spirit of integrating the company and employees. One of company's important policies is to actively respond to government regulations and adjust to organizational transformation, with an average salary increase of 3%, anticipating that employees can enjoy full security of a safe and secure life while gaining professional growth and achievements.

III. "To do the right thing" SDG 8

The company strives to implement corporate governance. In 2011, established the "Salary and Compensation Committee" and established the "Code of Ethical Conduct" in 2014. In 2017, the company set up the "Audit Committee" and appointed three independent directors. Report to the independent directors on the audit committee and communicate major proposals of the board of directors in advance so as to improve the functions of independent directors and the quality of board resolutions, as well as adhere to openness and transparency, and strengthen the structure of the board of directors.

IV. "Energy saving and carbon reduction" Resource Utilization SDG 13

Through environmental risk assessment and management, from the product life cycle perspective, that is, from raw material acquisition, production, transportation, use to disposal, review the environmental impact of each life cycle stage, and use the most environmentally friendly production method to minimize environmental impact. Actively invest in product carbon reduction verification. Currently, amorphous and high-efficiency transformers are subject to ISO 14067 greenhouse gas emission verification, and the carbon footprint verification was completed in 2017.

We hope that our efforts can become a positive force for "low-carbon production" and ultimately effectively reduce the impact of climate change on the human living environment.

V. "Growing Together" With the Management of Corporate Synergy Development Center Supply Chain SDG 8 SDG 12

Continue to actively convey the core values of corporate ethics through various Corporate Synergy Development Center supply chain joint growth plans, and use "corporate ethics" as the core strategy to strive to comply with the spirit of compliance with laws and regulations and international norms, and come up with various innovations that take into account the rights and interests of important stakeholders. In the short term, anticipate to become the No. 1 brand in Taiwan's heavy power industry, and in the long term, will move towards inclusive growth with the society as a whole.

Sustainable Performance

Social Performance

- The most yearning top 10 traditional industry companies for social freshmen
- Awarded the Human Resources Innovation Award
- Won the Commonwealth Magazine [Top 50 Corporate Social Citizenship Award]
- Won the TTQS Training Quality Silver Medal Award (Enterprise Organization Edition)
- Won the National Training Quality Award of the Executive Yuan
- Ranked No. 166 of Top 1000 of major manufacturing industries in the Commonwealth Magazine
- The 15th "Top 10 Outstanding Enterprises" and "Golden Frontier Commodity Award"
- Obtained the Certificate of Appreciation from the Ministry of Economic Affairs-a long history of more than 40 years of entrepreneurship / A great contribution award for promoting industrial and commercial development and employment



- Won the 2019 Happy Enterprise Award (Manufacturing-Precision Machinery)



Customer Service

- Won the KWANG YANG (KYMCO) Outstanding Manufacturer Award in Electric Equipment Category of Corporate Synergy Development Center Supply Chain.
- The "Gold Award" of 12th Public Constructions Category by Executive Yuan.
- The 17th Public Constructions Gold Award "Gold Award" (Special Award for Facilities Engineering Category)
- KTM Supplier Quality Excellence Award
- BRP Excellent Supplier Award
- SEEC participated in 5th Mitsubishi Electric (Taiwan) Cost Management VE (Value Engineering) Achievement Report Meeting and Competition-Won the first place "Best Excellence Award" and "Efforts Award"
- Automobile Equipment Business Group was awarded the Annual Outstanding Manufacturer of CMC.



Happy Workplace

- Received One-Star award from the Labor Bureau of the Taipei City Government [Happy Enterprise Award]
- Won the 2015 Taiwan High-Salary Top 100 Index Enterprise
- Certified the "Health Promotion Label for Independent Certification of Healthy Workplaces" by the Health Promotion Administration (HPA) of Ministry of Health and Welfare
- "Qualified Nursing Room Certification" by the Health Bureau of Taipei City Government

Governance

Corporate Governance

Sustainable business growth and profit

	2017	2018	2019	2020
Comprehensive operating income (millions)	22,214	24,984	26,039	25,684
Net profit after tax (millions)	1,384	1,471	1,739	1,597
Earnings per share (NT\$)	2.55	2.72	3.21	2.93
Dividend (NT\$)	1.3	1.5	1.6	1.6
Distribution rate %	51%	55%	50%	55%

Results of corporate governance evaluation in the past three years

Year (number of sessions)	Evaluation score	Listed company ranking	Industry ranking (Non-financial electronics with a market value of more than 10 billion NT\$)
2020 (session 7 th)	68.62	36%~50%	41%~60%
2019 (session 6 th)	71.4	36%~50%	41%~60%
2018 (session 5 th)	66.35	51%~65%	61%~100%

R&D innovation: ratio of R&D investment capital expenditure to revenue

Unit:/Thousand NT\$	R&D expenses as a percentage of revenue			Investment tax credit			
	2018	2019	2020	Unit:/ thousand NT\$	2018	2019	2020
Comprehensive operating income	24,983,824	26,038,773	25,684,003	Application amount	36,162	31,686	28,843
R&D expenses	619,430	582,143	547,667	Approved amount	22,696	尚未核定	-
percentage %	2.48%	2.24%	2.13%	Approved ratio	63%	-	-

Disadvantaged groups / employees with disabilities

The number of employees with disabilities employed in 2020 is up to 15 persons (slightly 6, moderately 3 and severely 3). According to the law, when employing severely physically and mentally handicapped persons, each employed person can be counted as 2 persons. It is accounting for 0.78% of the SEEC total employees.

year	2017	2018	2019	2020
Total number of local employees in Taiwan	1922	1967	1981	1919
Number of employees with disabilities	23	23	22	15
Number of Aboriginal employees	7	11	13	16
Number of Aboriginal employees / Total number of local employees in Taiwan	1.20%	1.17%	1.11%	0.78%
Number of Aboriginal employees / Total number of local employees in Taiwan	0.36%	0.56%	0.66%	0.83%

Frequency of employee disability injuries

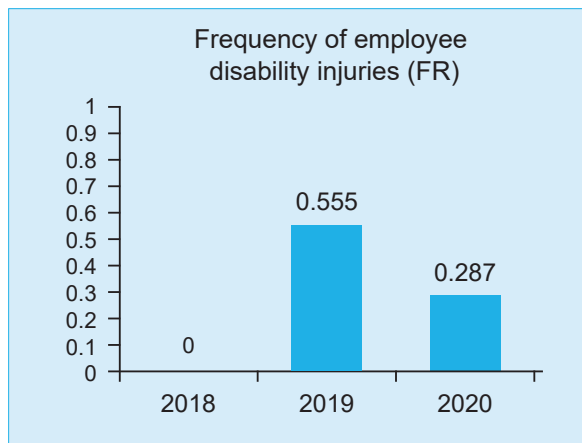
Occupational Injury Report in 2020

Event agent : Stacker to carry materials

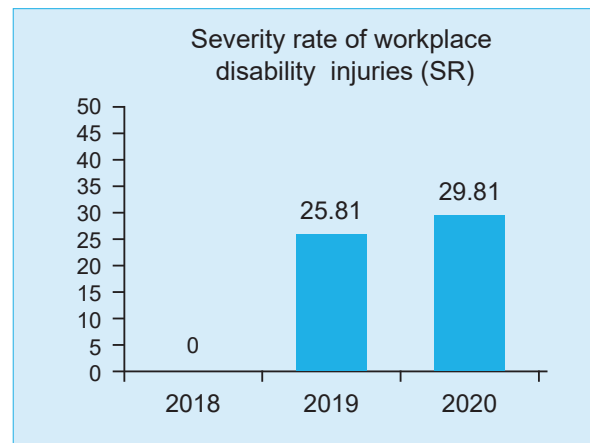
Event description : The small equipment carried by the stacker was not properly secured, and the center of gravity was unstable when the load was moved into the room. When the employee saw the situation, he went to support the equipment. The equipment still fell, causing the employee's calf fracture and injury.

Further improvements:

1. Risk assessment of materials carried by stacker, re-examine and revise safety operation standards.
2. Strengthen the risk awareness of operators, carry unconventional material risks and control the operating area of the stacker.
3. On-the-job safety and health education and training for stacker operators.



(number of disability injuries / total working hours) × 1,000,000



(total lost days / total working hours) × 1,000,000

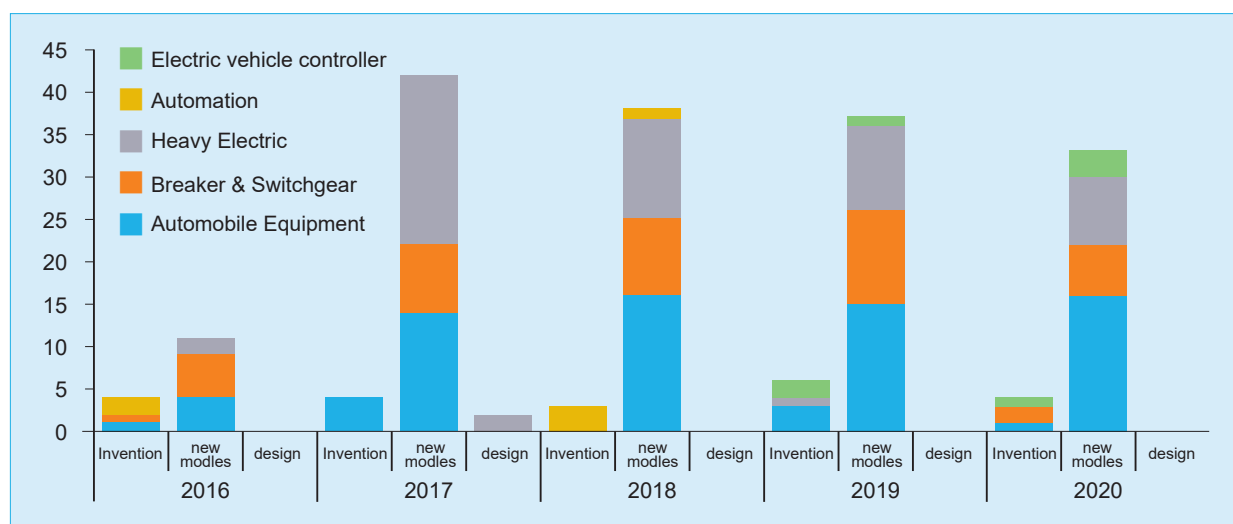
Patent acquisition: to ensure the "novelty" and "progressiveness" of the product to avoid infringement and being infringed

The company focuses on product, manufacturing, and quality innovation, and applies for patents to ensure innovation results.

In 2020, the whole company obtained 37 innovations (including 4 inventions and 33 new models).

Statistics of the number of patent acquisitions across the company from 2016 to 2020

Business Group	2016			2017			2018			2019			2020			Total
	invention	new model	design	invention	new model	design	invention	new model	design	invention	new model	design	invention	new model	design	
Automobile Equipment	1	4	0	4	14	0	0	16	0	3	15	0	1	16	0	74
Breaker & Switchgear	1	5	0	0	8	0	0	9	0	0	11	0	2	6	0	42
Heavy Electric	0	2	0	0	20	2	0	12	0	1	10	0	0	8	0	55
Automation	2	0	0	0	0	0	3	1	0	0	0	0	0	0	0	6
Electric vehicle controller	0	0	0	0	0	0	0	0	0	2	1	0	1	3	0	7
total	4	11	0	4	42	2	3	38	0	6	37	0	4	33	0	184



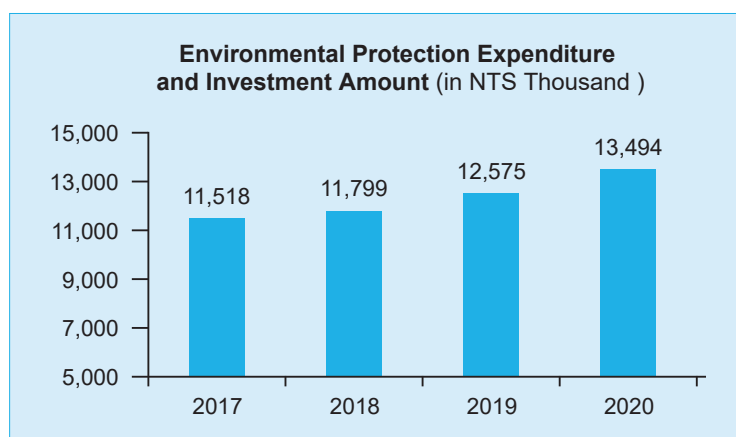
Environment

Environmental Performance Protection Service

	2019	2020		2021
	Achievement	Target	Achievement	Target
Waste recycling	127t	130t	139t	145t
Water consumption reduction / year	720t	500t	580t	500t
Replace mercury daylight lamps with energy-saving lighting fixtures / year	1970 lamps	800 lamps	260 lamps + Improvement of 8 sets of injection molding machines	200 lamps
Energy saving target/year	255Mwh	100Mwh	113Mwh	100Mwh

Environmental Protection Expenditure and Investment Amount

Environmental pollution prevention and control expenditure: air pollution prevention and control operation expenses, water pollution prevention operation expenses, pollution prevention hardware equipment construction investment and various waste removal and treatment expenses in 2020: NT\$ 13,494 thousand



Major Energy-saving Enhancements in 2020

1. According to the frequency of use, the 500W mercury lamp in the manufacturing area of the factory will be replaced with a high-efficiency power-saving LED120W, the total number is 60.
2. Energy-saving improvement for the heater of 60KW injection molding machine with high power consumption. A total of 8 sets of machines are equipped with an energy-saving insulation system.

- After the improvement, the annual electricity saving is 113Mwh/year, and the CO₂ emission is reduced by 57,396Kg. (According to Taipower's 2019 annual electricity carbon emission coefficient: each kilowatt-hour of electricity emits about 0.509 kg of CO₂.)
- Calculated based on the percentage of revenue growth, total carbon emissions will be reduced by 5.1% in 2020 (※ base year: 2016)

2020	Energy-saving improvement of office lighting		Energy-saving improvement of plant lighting		Heat preservation improvement of injection molding machine heater		Statistics		Improve performance
	Before improvement	After improvement	Before improvement	After improvement	Before improvement	After improvement	Before improvement	After improvement	
Improvement instructions	T5 tube	LED tube	Traditional mercury lamp	LED	No insulation design	Heat preservation equipment			Lighting 260 (units) + Improvement of 8 sets of injection molding machines
Energy consumption (W)	42	22.5	500	120	About 60KW	About 60KW	260+8	260+8	
Quantity (pcs)	200	200	60	60	8 sets	8 sets			
Use time (hours)	12	12	12	12	12	12			
Annual power consumption (Degrees / 300 days)	30,240	16,200	108,000	25,920	183,032	166,390	321,272	208,510	112,762 (degrees) 113 (MWH)
CO ₂ Emission Reduction							163,527	106,132	57,396 kg

Carbon Footprint Certification

The company proactively invests in product carbon reduction verification. Oil-immersed amorphous and high-efficiency transformers have passed ISO 14067 greenhouse gas emission verification and obtained carbon footprint certification.

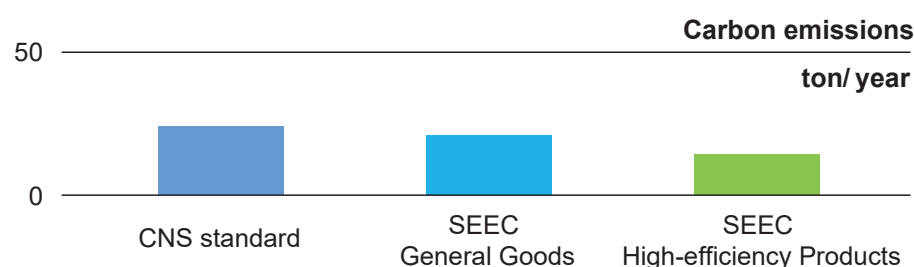
Greenhouse gas audit: high-efficiency transformer

stage	emissions	unit	Proportion (%)
Raw material stage	5.81	kgCO ₂ e/1KVA Transformer	81.76%
Manufacturing stage	1.30	kgCO ₂ e/1KVA Transformer	18.24%
Total	7.11	kgCO ₂ e/1KVA Transformer	100.00%

Carbon emissions: amorphous transformers

stage	emissions	unit	Proportion (%)
Raw material stage	5.87	kgCO ₂ e/1KVA Transformer	81.92%
Manufacturing stage	1.30	kgCO ₂ e/1KVA Transformer	18.08%
Total	7.17	kgCO ₂ e/1KVA Transformer	100.00%

Actively promote "high-efficiency" transformers and other related products, with more optimized designs and the use of high-quality raw materials, to manufacture products with higher efficiency and lower losses compared to ordinary transformers.



Greenhouse gas emissions

Goal: Continue to improve energy management, put forward at least one energy management improvement initiatives every year, and achieve a reduction in per capita carbon emissions from electricity consumption. Energy consumption in 2020 due to revenue growth, although the reduction target has not been reached, the increase in energy use has not exceeded the revenue growth rate.

CO ₂ Emission conversion	2016	2017	2018	2019	2020	Remark
Electricity (MWH)	15,984	16,231	17,084	17,436	17,914	For every 1KwH (degree) of electricity used, 0.509 kg of CO ₂ is produced.
Water (metric tons)	24	29	31	33	32	For every 1 metric ton (degree) of water used, 0.156 kg of CO ₂ is produced.
Diesel (liter)	1,091	1,654	1,779	1,628	1,756	For every liter of diesel used, 2.615 kg of CO ₂ are produced.
Gas (kg)	180	152	130	142	153	Every kilogram of gas (LPG) used, 1.798 kilograms of CO ₂ is produced.
Total	17,280	18,065	19,024	19,239	19,855	

SEEC's Carbon Reduction Target

SEEC produces smart capacitors and high-efficiency transformers to provide customers with high-stability and low-energy power distribution products. Compared with traditional transformers, it saves about 4,828 and 5,884 KW in 2019 and 2020 respectively, and reduces carbon dioxide emissions by about 22,331 and 27,214 tons of CO₂. Cost savings of NT\$ 6.31 and 76.85 million. In 2023, it is expected to save 6,500 kW of energy, reduce carbon emissions by 30,000 tons of CO₂, save NT\$ 84 million, and avoid cutting down 3,000,000 trees. (refer to attachment I)

Energy-saving, carbon-reduction, cost-saving, high-efficiency calculations (Attached Table 1)

year	2019	2020	2021 (Estimate)	2023 (Estimate)
Energy-saving	4,828 (KW)	5,884 (KW)	6,500 (KW)	6,500 (KW)
Carbon-reduction	22,331 (Ton)	27,214 (Ton)	30,000 (Ton)	30,000 (Ton)
Cost-saving	6,310 (NT\$ Ten thousand)	7,685 (NT\$ Ten thousand)	8,400 (NT\$ Ten thousand)	8,400 (NT\$ Ten thousand)
Cut trees less	2,233,100 (tree)	2,721,400(tree)	3,000,000 (tree)	3,000,000 (tree)

High-efficiency Distribution Transformer Features















A. Power fee saving \$\$

Reduce copper and iron loss, achieve the goal of "ultra-low loss" and "ultra-high efficiency", achieve the goal of "energy saving" and save electricity bills.

B. Energy saving and carbon reduction CO₂

The higher the efficiency, the lower the energy consumption, energy saving, carbon reduction and environmental protection.

SEEC's Sustainable Goals





Corporate Governance	Sustainable Development Governance	    	<p>8. Sustainable economic growth, everyone has a job.</p> <p>9. Establish infrastructure, promote sustainable industry, and accelerate innovation</p> <p>13. Responding to climate change and its risk management</p> <p>16. Implement sustainable development and establish an effective and inclusive system</p> <p>17. Strengthen global partnership for sustainable development</p>
Environment	Circular Economy	  	<p>6.1 } Sustainable management of water resources</p> <p>6.4 }</p> <p>6.a }</p> <p>7. Improve the use of green energy, energy efficiency, and energy infrastructure.</p> <p>12.2 Efficient use and management of natural resources</p> <p>12.4 Properly manage waste to reduce the impact on health and the environment.</p> <p>12.5 Recycling and reuse, reducing waste generation</p>
Society	Co-prosperity social economy	     	<p>3.6 Reduce traffic accidents</p> <p>3.8 Ensure health and medical well-being</p> <p>3.a Smoking cessation advocacy</p> <p>4.3 Improve high-quality technical and vocational education</p> <p>4.7 Learning knowledge and skills, sustainable development education</p> <p>4.a Lifelong learning</p> <p>5. Gender equality</p> <p>5.a Equal sharing of social natural resources</p> <p>8.5 Realize full production and employment, equal pay for equal work</p> <p>8.7 Eliminate oppressed labor</p> <p>8.8 Promote a safe working environment</p> <p>16. Promote a peaceful and inclusive society</p> <p>16.5 Reduce corruption</p> <p>17. Promote the development of environmental protection technology</p>





Short, Medium and Long-term Goals

© Calculated based on 2016

Topic oriented	Target project	Short-term	Medium-term	Long-term
Governance	Recycling of waste materials (waste paper, waste pallets, scraps)	125T	130T	135T
	Greenhouse gas emissions (metric tons)	19,889	20,000	20,000
	Environmental protection expenses and investment amount (NT\$ thousand)	12,575	13,400	14,500
Environment	Hydrogen ion concentration (ph) value	6.88	7.4	7.0
	Suspended solids (SS) value	4.69	18.27	10.00
	Chemical oxygen demand (COD) value	17.33	41.8	20.0
	Zinc (Zn) value	0.07	0.15	0.15
	Total waste	5%↓	6%↓	6%↓
	Turnover rate	2%↓	3%↓	3%↓
	Proportion of full-time staff	95%	95%	95%
Society	Proportion of female employees	2%	2%	2%
	Multi-function execution rate	96%	96%	96%
	Contract main supplier evaluation	100%	100%	100%

Sustainable Goals and Actions

	SDGs goals	Secondary goal	Target action	Corresponding chapter
	Good Health and Well-being	Health promotes employee well-being	Provide consulting and systematic management Salary and benefits Regularly organize safety promotion courses such as traffic, fire protection, first aid training, etc. Provide maternity benefits	Care of Employees
	Quality Education	Ensuring channels and vocational training for all classes of education	Employees career development and training Use campus seed projects, special classes for salespersons, and industry-university cooperation to enhance professionalism	Care of Employees
	Clean Water and Sanitation	Increase the water use efficiency of various business groups to ensure sustainable water supply and recycling	Install water-saving device (induction faucet, two-stage flushing equipment) To achieve wastewater treatment, recycling, and reuse equipment in the future	Environmental Protection
	Decent Work and Economic Growth	Increase production capacity through diversification, technological upgrading and innovation, improve energy and production efficiency, and balance economic and environmental balance	Economic performance Green energy products Energy management Diversified employment, providing fair labor-employment relations and sufficient job opportunities Design a salary award system from the perspective of long-term development of talents to provide newcomers with high security Monthly salary and newcomer orientation plan	Corporate Governance Care of Employees

	Industry, Innovation and Infrastructure	Improve energy efficiency and adopt clean and environmentally friendly technology and industrial processes	Green energy products Energy Management/Greenhouse Gas and Air Pollution Emission Management	Sustainable Operations
	Sustainable city	Provide a safe, affordable, usable, and sustainable transportation system for all people to improve road safety	Electric vehicle development Transport system engineering participation	Sustainable Operations
	Responsible Consumption and Production	Sustainable management and use of natural resources Promote sustainable development information and awareness	Research and develop low-carbon innovative services Regularly publish sustainability reports reporting sustainability as raw material/waste management Greenhouse gas and air pollution emission management	Environmental Protection
	Climate Action	Incorporate response measures into strategic climate risk reduction and education	Carry out carbon management and verify through third-party verification Promote the effectiveness of carbon management (such as carbon labels) to employees, customers, and suppliers	Environmental Protection

Major Theme Management

Corporate Sustainability Issue Management Procedure

In line with the GRI sustainability reporting standards and the industrial characteristics of the manufacturing industry, the company conducts identification, analysis, evaluation, ranking, confirmation and review of major themes management processes based on sustainability, materiality, completeness, and the inclusiveness of stakeholders. The output results are discussed and confirmed by the CSR Committee.

Major Issues Verification Procedures

The company collect information from various channels to understand which issues reflect significant economic, environmental, and social impacts of the organization; or may materially affect the evaluation and decision-making of stakeholders.

Collect opinions from external stakeholders and discuss sustainable business trends, such as the United Nations Sustainable Development Goals, to explore potential opportunities and major risks.

We also collect issues of concern from the internal management team and the operation of various functional organizations via interviews and other methods. The results will be reflected in the materiality assessment process to determine the major themes.

1. Stakeholder identification.

With reference to the experience of the motor industry and the definition of stakeholders in the GRI Standards, the CSR team organized relevant departments to discuss and identify the major stakeholders of the SEEC, which are investors, employees, customers, suppliers, communities, government agencies and NGOs.

2. Analysis of issues concerned by stakeholders

SEEC communicates with stakeholders on a regular or irregular basis through various stakeholder communication channels. A task force, composed of related departments from headquarter and representatives of various factories, is responsible for the compilation of relevant disclosure information and the identification of major issues related to stakeholders. Analyze the impacts to the company's operations through previous practical operation experiences. With reference to the GRI Standards and the "Industry Reference Indicators" published by GRI, summarize a total of 26 issues of concern to stakeholders so as to prepare a questionnaire and publish it on the company's official website for interested parties to fill out. At the same time, increase the questionnaire filling rate and the coverage ratio of the stakeholders.

3. Identification of concerned issues

Collect sustainability-related information from the United Nations Sustainable Development Goals (SDGs), industry norms and standards, industry benchmarks, and organizational annual goals. The company leverages online questionnaires to collect stakeholders' feedback on sustainable issues of concern.

Therefore, by identifying and communicating with stakeholders to understand their valuable opinions, SEEC can discover the risks of the company's operations, and respond to major issues of concern to stakeholders through the relevant content of this report.

Step 1: Understand the Sustainable Development Goals (SDGs)

Conduct in-depth analysis of 17 goals and 169 detailed items to understand the content of each goal, the benefits to the company, and the basic responsibilities that the company needs to meet.

Step 2: Risk trend and impact assessment

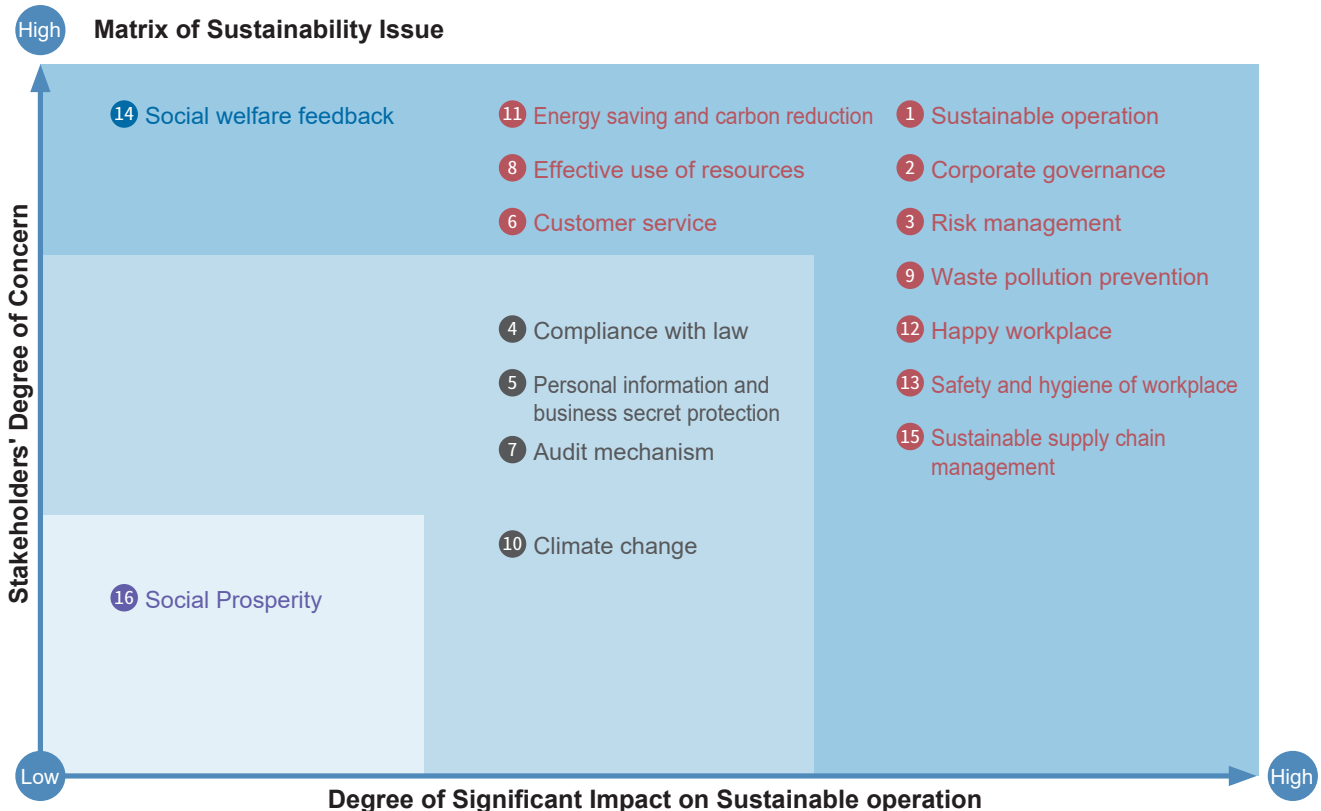
Senior executives and internal experts of each business group are invited to identify themes and other related issues based on risks, so as to understand the internal mitigation actions to each risk, and to assess the impact and future influence of the company.

Step 3: Negotiation between stakeholders

In order to make sustainable business governance more effective, the members of the CSR Committee discussed and reorganized the 31 sustainability issues last year into 16 in order to strengthen the communication and gather consensus.

Statistically analyze the degree of concern of various stakeholders on sustainability issues. Use the aforementioned various channels to collect information and classify the stakeholder's relevance to the company's governance, environmental, and social aspects:

Face to	Concerned About Issues
Governance	1. Sustainable operation 2. Corporate governance 3. Risk management 4. Compliance with law 5. Personal information and business secret protection 6. Customer service 7. Audit mechanism
Environment	8. Effective use of resources 9. Waste pollution prevention 10. Climate change 11. Energy saving and carbon reduction
Society	12. Happy workplace 13. Safety and hygiene of workplace 14. Social welfare feedback 15. Sustainable supply chain management 16. Social Prosperity



Step 4: Focus on the issue analysis

Analyze the degree of evaluation of the affected stakeholders and the degree of significant impact on the economy, environment and society. Use questionnaires to investigate various stakeholders so as to understand their interest in the issue.

- Analyze the relevance of the United Nations Sustainable Development Goals (SDGs) and the company.
- The company conducts internal analysis of the importance of issues, professional judgments, and the corresponding departments evaluate the impact of each issue on the company's operations.
- Consolidate the concerns of the issues of the stakeholders, and the analysis of the company's internal materiality, according to the relationship between the issues and the stakeholders and the impact of the company's operations.
- Arrange the priority in a two-sided score matrix.

Step 5: Decision on major issues

The management committee is in charge to analyze the issues of concern, "assessment that affects stakeholders" and "significant impacts on the economy, environment, and society" to analyze their significance.

In addition to exposing issues that have a high degree of impact on the company's operations and the outside world, this report also covers issues that are of high external concern but less attention to internal issues as a direction for vigilance and improvement, including "climate change" issue.

Step 6: Disclosure of major issues and boundaries

After completing the aforementioned analysis, the company defined 16 major issues. Draw a matrix of major issues of concern based on the "degree of relationships affecting stakeholders" and "economic, environmental and social impacts".

Comparison of Significant Issues

Face to	Concerned About Issues	Significant Issues of GRI	Sustainable Development Goals (SDGs)	Concerned stakeholders
Governance	Sustainable operation	Economic performance	<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>9</div><div>INDUSTRY, INNOVATION AND INFRASTRUCTURE</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div></div>	Investors Employees Customer Supplier
	Corporate governance	Compliance with law		
	Risk management	Management policy		
	Compliance with law	Compliance with law		
	Customer service	Marketing and labeling		
	Audit mechanism	Compliance with law		
	Personal information and business secret	Customer privacy		
Environment	Effective use of resources	energy	<div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>13</div><div>CLIMATE ACTION</div><div></div></div></div>	
	Waste pollution prevention	Emission of waste water and waste pollution		
	Climate change	Indirect economic shock		
	Energy saving and carbon reduction	energy		
Society	Happy workplace	Relationship of labor-employment	<div><div><div>3</div><div>GOOD HEALTH AND WELL-BEING</div><div></div></div><div><div>4</div><div>QUALITY EDUCATION</div><div></div></div><div><div>8</div><div>DECENT WORK AND ECONOMIC GROWTH</div><div></div></div><div><div>12</div><div>RESPONSIBLE CONSUMPTION AND PRODUCTION</div><div></div></div><div><div>10</div><div>REDUCED INEQUALITIES</div><div></div></div></div>	
		Labour relations		
		Training and education		
		Diversity of employees and equal opportunities		
		Child labor		
		Forced or compulsory labor		
	Safety and hygiene of workplace ¹⁵	Safety and health of occupation		
	Sustainable supply chain management	Supplier environmental assessment		
		Supplier labor practice evaluation		
Procurement practice				
Social Prosperity				
Social welfare feedback				

Verification

Major and minor issues are submitted to the CSR committee meeting for deliberation, and will be put into the company's annual plan and strategic planning of each business division. Besides, the mitigation actions will be implemented in the company's annual plan and the daily work of each department.

Disclosure

At the end of the year, the implementation status of those major and minor issues, communication channels and frequency of communication will be organized and disclosed in the SEEC Sustainability Report

Stakeholder negotiation

Through the statistical analysis of the questionnaire of the stakeholders, and the confirmation adjustments during communication, the issues of concern of each stakeholder are listed. The definitions of the issues of concern of the various stakeholders are counted based on the questions of this type of stakeholder in the stakeholder questionnaire. The issues that accumulate higher scores and the issues that are frequently raised are the major issues will be communicating with stakeholders.

Stakeholder	Issues of Concern	Issues Communication Channels / Frequency	Effectiveness
Investors	Operation performance Corporate governance Risk management Compliance with law Audit mechanism Climate change	<ul style="list-style-type: none"> General meeting of shareholders, once per year Corporate briefings, irregular Market Observation Post System, irregular Investment area of company website Extraordinary shareholders meeting, irregular Shareholder's hotline, shareholder mailbox, any time 	<ul style="list-style-type: none"> There is a stock affairs department, which is responsible for stock affairs, as the bridge of company and shareholders. The website has a "Stakeholder Area", which provides investor transparent information. Set up a spokesperson system to provide a contact window with shareholders and legal person investment institutions to maintain a good relationship with investors Participate in investment forums and statutory press briefings held by domestic and foreign securities companies, and hold briefings with investors or shareholders from time to time.
Customer	Operation performance Corporate governance Risk management Compliance with law Protection of personal information and business secret Customer relationship management	<ul style="list-style-type: none"> Customer service hotline, service sales hotline, product dedicated window, / Irregular Product sales service tracking, satisfaction questionnaire survey, / Irregular Official website, product selection media (APP, product CD, catalog), / Irregular Distributor discussion and education training, / Irregular 	<ul style="list-style-type: none"> Through the unblocked communication channels of telephone and e-mail, customers can contact the corresponding window in the first time. Ensure the progress of product sales and service quality through telephone and CRM system. Through the update and maintenance of the official website, keep up-to-date and correct information for customers to inquire. Provide product selection APP, product application data CD and catalogue according to customer needs to provide customers with diversified environment use. Modify the catalog label according to customer needs to provide customers with more effective information. According to customer needs, provide 1-2 times a year intensive education and training, and assist customers with internal (employee) and external (customer) education and training from time to time.
Employees	Operation performance Corporate governance Risk management Compliance with law Happy workplace Safety and hygiene of workplace	<ul style="list-style-type: none"> Labor-management meeting, once per quarter Labor Union meeting, once every 2 months Occupational Safety and Health Committee, once / every 3 months Employee Welfare Committee, once per quarter Forum for newcomers and senior executives, once every six months 	<ul style="list-style-type: none"> The head of human resources and the board of directors and supervisors of the labor union hold a symposium every year. In 2020, the attendance rate of human resources supervisors is 100%. The attendance rate of the union directors and supervisors was 100%. SEEC has set up employee complaint methods and various channels for publicity to ensure that employee discrimination will not occur. Therefore, in 2020, there is no discrimination or violation of human rights in the company. There are more than 500 proposals in 2020.

Stakeholder	Issues of Concern	Issues Communication Channels / Frequency	Effectiveness
Employees		<ul style="list-style-type: none"> ● Staff seminars of all levels / irregular ● Human resources service mailbox, appeal system / anytime ● Education and training course questionnaire / every time ● SEEC Bimonthly publication, 1 issue / every 2 months 	
Community	Operation performance Corporate governance Compliance with law Effective use of resources Waste pollution prevention Safety and hygiene of workplace Social Prosperity	<ul style="list-style-type: none"> ● Telephone (each responsible unit of the company), public welfare activities / irregular ● Industrial zone service center / irregular ● Regional joint defense in industrial zone / once per quarter ● The company's website sets up a communication mailbox / irregularly ● Volunteer activities / irregular 	Donate Der-Xing Park to provide green environment and high-quality recreational space for residents in Shilin District. Invest manpower and material resources NT\$ 810,000 / 3 years to help residents to maintain the park together. And handle various smart, healthy and happy activities to promote the community and society to establish the learning culture.
Supplier	Operation performance Corporate governance Compliance with law Supply chain management	<ul style="list-style-type: none"> ● Supplier evaluation, annual supplier re-evaluation / irregular ● Supplier assessment / once per year ● Supplier evaluation / irregular ● Supplier assessment / 1 time / quarterly ● Supplier counseling / irregular ● Purchase contact / irregular 	<ul style="list-style-type: none"> ● Through supplier evaluation and auditing, in addition to establishing a unified list of qualified dealers within the group, it strengthens the benefits of improving the quality of SEEC and global suppliers and reducing costs. ● On average, each supplier visits and communicates at least twice a year.
Government Agencies	Operation performance Corporate governance Compliance with law Audit mechanism Waste pollution prevention Safety and hygiene of workplace	<ul style="list-style-type: none"> ● Participate in various seminars and training courses of competent government agencies / irregularly ● Participate in environmental safety related exchanges in the service center of the industrial zone / irregularly 	<ul style="list-style-type: none"> ● Establish an occupational safety and health management system based on OHSAS 18001 and CNS15506 (Taiwan Occupational Safety and Health Management System). ● Promote the work of occupational safety and health management systematically to ensure that the management system is verified and complies with government laws and regulations. ● Environmental management follows the ISO 14001 environmental management system, implements environmental performance with standardized operations, and ensures that the management system has passed verification and complies with government regulations. ● Continue to invest in energy-saving equipment to reduce energy resource consumption.
NGO (Non-Governmental Organization)	Operation performance Corporate governance Risk management Compliance with law Energy saving and carbon reduction	<ul style="list-style-type: none"> ● Non-financial information disclosure / irregular ● Meeting participation, irregular (e.g. high-voltage laboratory technical expert meeting) ● Co-organized activities / irregular (e.g. ability test comparison blind sample provided) 	Actively participate in external organizations and initiatives, such as Enterprise Sustainability Development Association, Electric Power Association, Republic of China Quality Association, Orthographic Mark Association, Taipei Metrology and Measurement Business Association, Taiwan Research Institute New Generation Electric Power Research and Development Center, TAF National Certification Foundation, Metalworking The Center, ETC Electrical Inspection Center, Taiwan Intelligent Automation and Robot Association, Electrical Engineering Society, Taiwan Electric Power and other associations, NGOs, etc. Organize activities to contribute to promote domestic and foreign industry and economic exchanges, and promote the development of Taiwan's green energy technology.

1

Corporate Governance

- 1.1 Company Profile
- 1.2 Governance Structure
- 1.3 Operating performance
- 1.4 Sustainable Products Operation and Development
- 1.5 Corporate Governance
- 1.6 Risk Management
- 1.7 Corporate Social Responsibility Policy and Management

Eight items of SDGs goals



7 items of ESG

- Sustainable Operation and Development
- Information transparency
- Operating performance
- Risk Management
- Green Energy Development
- Code of Ethics and Conduct
- Compliance with law

4 items of CSR Indicators

- Economic Performance
- Ethical Integrity
- Information Disclosure
- Corporate Governance

Management Principles

Innovation and growth – the vitality of the enterprise is innovation and growth

Investing in emerging fields and pursuing the source of growth is the driving force for us to thrive, and it is also the cornerstone for us to reach the peak.

Strengthen core competence – the key to competitiveness is to strengthen core competence

The environment is constantly changing, and we continue to work hard to strengthen our core competence, enhance our competitiveness, and respond to various challenges.

Sustainability and soundness – the key to a long-term business is sustainability and soundness

There are many risks in the course of business operations. For sustainable development, we are committed to establishing a solid system to well manage risks and fulfil our corporate responsibilities to the society, so as to live in harmony with the environment, society, and mankind.

Policy and procedure – To comply with the latest standards of the "Corporate Governance Evaluation" published by the Taiwan Stock Exchange every year, the company review and enhance the policies and procedures in all aspects, so as to improve the quality of corporate governance in an all-round way. In addition, through the information provided by the competent authority and external consultants, the company's existing internal management mechanism is appropriately adjusted to implement the latest corporate governance trends in daily operating procedures.

Business Policy of SEEC

Corporate Vision and Business Policy for 3 years



1.1 Company Profile

All-round solution integrator

SEEC has been established for more than 60 years, and it has a leading position in electric power, electrical machinery and automation. Recently, it has actively invested in new energy and energy saving engineering system integration to provide customers with all-round industrial solutions.

Automobile electric products

Established alliance partnerships with Japanese major manufacturers, such as Mitsubishi Electric and Mitsubishi 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 highly 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 IE4.0 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.

Organization Scale

Company Name	Shihlin Electric & Engineering Corporation	Established Date	November 03,1995
Chairman	Emmet Hsu	Main products and services	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)
Location of Headquarter	16F., No.88, Sec.6, Zhongshan N. Rd., Taipei City	Corporate Website	http://www.seec.com.tw
Company Operating Base	Taiwan / Automobile Equipment Business Group, Heavy Electric Business Group, Breaker & Switchgear Business Group, Automation Business Group China / Wuxi Shihlin Electric & Engineering Co., Ltd., Changzhou Shihlin Auto Parts Co., Ltd., Shihlin Electric (Suzhou) Power Equipment Co., Ltd., Xiamen Shihlin Electric & Engineering Co., Ltd., Suzhou Shihlin Electric & Engineering Co., Ltd., Kingdom Trading Shanghai Co., Ltd., Shihlin Technology (Shenzhen) Co., Ltd., Mitsubishi Electric Shihlin Automotive Changzhou Co., Ltd., Mitsuba Shihlin Electric (Wuhan) Co., Ltd., Changzhou Shihlin Auto Parts Co., Ltd., Mitsubishi Electric Low Voltage Equipment (Xiamen) Co., Ltd. Vietnam / Vietnam Shihlin Electrical Engineering Ltd., Shihlin Electric & Engineering Equipment Vienam Co., Ltd.		
2020	Total number of employees / 4,582 (Including overseas regions) 1,919 (Taiwan area)	Average age of employees	39.5
	Consolidated revenue / 25,684 million (NT\$)	Employee Education	More than 69% are university degree

SEEC 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 SEEC 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, SEEC 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 SEEC 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.

Advantage Integration

With its excellent independent manufacturing technology as its competitive advantage, Shinlin Electric 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

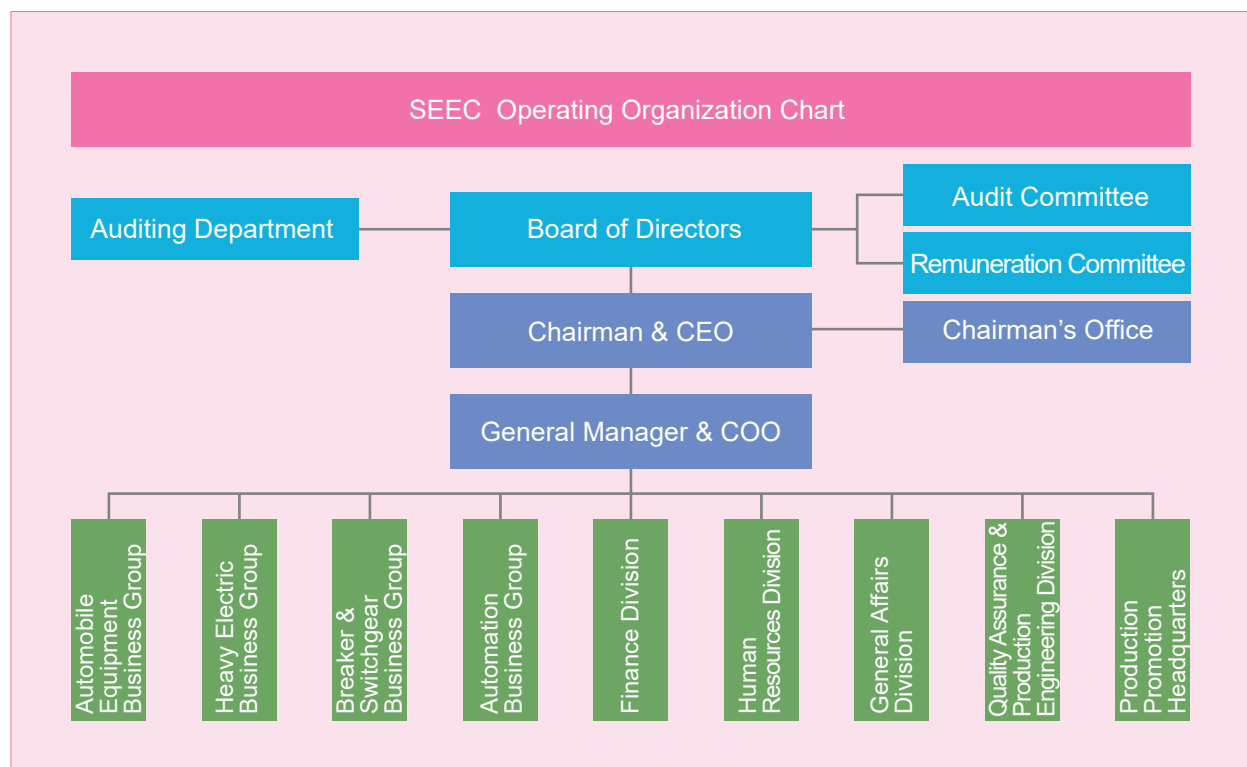
Promote the continuous improvement of "the establishment of R&D centers, the construction of cross-strait R&D teams, the research and development in close cooperation, resource integration, cross-business group cooperation, patent layout, reliability verification technology, international certification 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 SEEC 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.

1.2 Governance Structure



Business Description of Each Department

Department	Responsible for business
Chairman's Office	1. Coordinate the strategic planning and operation management as well as other matters of the entire company. 2. Coordinate the investment matters of the entire company.
Human Resources Division	1. Coordinate the HR resource planning of the company, management, development 2. Employee education and training business, employee welfare, labor affairs system 3. Assisting overseas HR.
General Affairs Division	Coordinate the general affairs of the entire company, factory affairs, general affairs, safety and health, environmental protection, and the operation and management of Yeang Der Building.
Finance Division	Coordinate the cost management of the entire company, fund transfer, accounting affairs, taxation processing, shares affairs, and assisting overseas financial management and operations.
Quality Assurance & Production Engineering Division	Coordinate the quality and production technology of the entire company to upgrade and improve, promote equipment utilization, labor hour management, and quality assurance system improvement.
Information Service Center	Coordinate the information development of the entire company, information security, strategic formulation and execution of information use and order, and assisting the company with information system establishment.
Controller Research & Development Project	In response to the development of EV and multi-axis servo control, the Company integrates the business groups of both electrical parts for vehicle and automation to accelerate the development schedule for responding to future development on markets and organizations.
Production Promotion Headquarters	To manage all the Company's smart manufacturing and core technology, promote the lean production and accelerate the improvement.
Heavy Electric Business Group	1. Coordinate the R&D, production and manufacturing of power transformation, power distribution device, and capacitor products. 2. Coordinate the sales of power transformation, power distribution device, and capacitor products. 3. Coordinate power transportation turnkey, system product operations.
Automobile Equipment Business Group	Coordinate the R&D, production and sales of overseas and domestic auto-electric and special motor product.
Breaker & Switchgear Business Group	1. Coordinate the R&D, production and manufacturing of no fuse circuit breaker and electromagnetic switch. 2. Coordinate the sales of no fuse circuit breaker and electromagnetic switch products. 3. Coordinate digital and safety industry product sales.
Automation Business Group	1. Coordinate programmable controller (PLC), touch panel, variable-frequency drive, server motor, sensor product and other product R&D, production and sales. 2. Coordinate CIM connection integration project, production machinery and power control system project, monitoring system project, and other device and product as well as project installation and construction.

1.3 Business Performance

In 2020, the global economic growth rate was decreased to -3.5%, as the world ravaged by the COVID-19 pandemic, resulting in massive damage to the global economy. The global expansion momentum also became sluggish under the influence of the U.S-China trade war. With the efforts of the management team and all staff, our consolidated revenue in 2020 was NT\$25,680 million, down 1.4%; the consolidated pre-tax profit was NT2,190 million, down 1.3%, with only a minor impact.

	2017	2018	2019	2020
Net operating income (NT\$ million)	22,214	24,984	26,039	25,684
Operating gross profit (NT\$ million)	4,257	4,605	4,880	4,738
Net profit after tax (NT\$ million)	1,384	1,471	1,739	1,597
Return on assets (%)	3.9	3.9	4.4	3.9
Return on equity (%)	6.3	6.4	7.3	6.3
Pre-tax income to paid-in capital ratio (%)	35.0	41.2	42.7	42.1
Net income margin (%)	6.2	5.9	6.7	6.2
EPS (NT\$)	2.55	2.72	3.21	2.93
Purchase real estate equipment and plant	532	618	794	534

1.4 Sustainable Products Operation and Development

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 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	
Four-wheel Electric Vehicles /	Starter motor	Alternator
	Fuel Pump	Cooling Fan
DC product series /	Transaxle Motor	
	DC Gear motor	



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 have 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 Vietnam (North Vietnam)
Electric Equipment for
Two-wheeled Vehicles



Shihlin Electric & Engineering
Equipment Vietnam (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 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 solid foundation, the company is actively expanding into overseas markets. At present, the company have 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 development.

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 core competitiveness, the company actively cooperate with Mitsubishi Electric in strategic alliance to strive for the international market together. In order to establish core manufacturing advantages, the Mitsubishi Electric's e-factory smart production line is introduced and set up locally to achieve intelligent manufacturing, promote efficiency, and enhance competitiveness. At the same time, the product quality is more stable, which greatly enhances the trust of customers.

With cross-strait resource allocation and R&D integration, the company provide various low-voltage switches for factories, buildings, housing construction, machinery plants, and public works. Recently, the company have introduced waterproof leakage protection switches for street lamps and DC products required by the new energy market, so as to provide the most competitive products for customers to ensure the safety of users' electricity consumption. Through the establishment of IE4.0 smart production, the company deploy a global distribution network to provide the most complete low-voltage power distribution system products, and achieve the goal of satisfying customer expectation of one-stop service.

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.

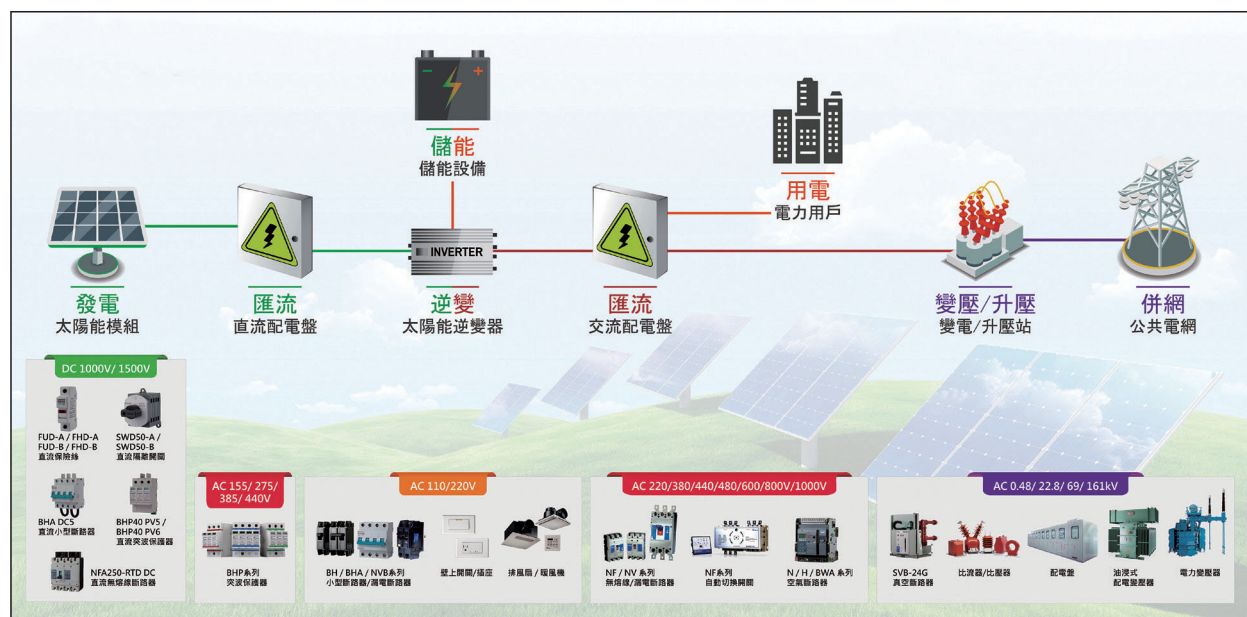
DC Low Voltage Switch Products for DC Power Distribution

- 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.moeaboe.gov.tw/ECW/populace/web_book/WebReports.aspx?book=M_CH&menu_id=142

SEEC is 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 SEEC 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

Knowledge of Electricity Safety

SEEC Primary School-Home Distribution Box Series.	Leakage prevention, no leakage at three points.!	Home safety, no leakage.	

SEEC / 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>

Bus Advertising Icon / Electricity Safety is SEEC.



Scan the QR code to immediately learn about household electrical safety related information.

Heavy Electric Business Group



In 1955, when SEEC 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 345kV1260MVA ultra-high voltage transformer, used in operation of nuclear power plants.

In 2017, it's granted the KEMA242kV200MVA 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 highly 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 (SKTR) to meet the needs of various special loading.

Products and Capacity

Produce the highest-level 345kV1260MVA 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, SEEC 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, SEEC has actively cooperated with system manufacturers to develop special transformers for solar substations. In foreign markets, the company have also cooperated with local solar substation 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. SEEC 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, SEEC 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.

Report management

- 1 Scheduled report export
- 2 Grouped reports

Demand offload management

- 1 Master electricity consumption information
- 2 Uninstall management to avoid overtime
Below 10%, 2 times the price
Over 10%, 3 times the price
- 3 Demand bidding, additional revenue

Electricity analysis

- 1 Unit electricity consumption chart analysis
- 2 Divisional electricity bills are shared equally
- 3 Set the improvement goals



Improve electricity efficiency

- 1 Data analysis to improve energy-consuming equipment
- 2 Analysis of production and energy consumption, mastering the cost

Optimization of personnel efficiency

- 1 Turn complexity into simplicity, improve efficiency
- 2 Shorten data, integration man-hours
- 3 Save labor cost

Centralized management

- 1 Master power information to ensure safety
- 2 Alarm warning, shorten abnormal judgment

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 Save labor cost

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, SEEC Group 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.

Shinlin Electric Systems Construction 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 SEEC. It is the first time that the contractor and subcontractor won the gold awards simultaneously.



In recent years, SEEC has obtained a number of major public sector construction project tenders, and has won many awards related to the quality of public constructions by the Ministry of Economic Affairs. This shows that the company 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 SEEC 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 (SEEC 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.



▲ Group Deputy CEO Hsieh and the SEEC engineering team took a photo with Minister of Transportation Lin Jialong on the first flight



▲ Electrification of Taiwan Railway South Link Line -SEECi Construction Team

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



Corporate Governance

Governance goals and performance

2017

- Amend the "Articles of Association"
- Amendments to the "Rules of Procedure of the Board of Directors"
- Revision of "Internal Control Implementation Rules" and "Internal Audit Implementation Rules"
- Formulate "Rules on the Scope of Duties of Independent Directors"
- Establishment of three independent directors
- Establish an "Audit Committee" and formulate the "Audit Committee Organizational rules".
- Re-election of board members
- Revision of the "Code of Practice on Corporate Governance" and the "Code of Integrity Management"
- Regularly assess the independence of the company's visa accountant

2018

- Revised the "Processing Procedures for Engaged in Derivative Financial Commodity Transactions".
- Revise the "Internal Control Implementation Rules" and "Internal Audit Implementation Rules". Supplement (recommendation) to elect 1 Executive Director
- In response to the internal adjustment needs of Deloitte & Touche (Taiwan), the Company's CPAs was replaced.
- Regularly review the independence of the company's CPAs.

2019

- Formulate "Standard Operating Procedures for Handling Directors' Requests".
- Regularly review the independence of the company's CPAs.
- Revision of "Internal Control Implementation Rules" and "Internal Audit Implementation Rules"

2020

- Amend the "Articles of Association"
- Amendments to the "Rules of Procedures for the Board of Directors' Meeting".
- Amendments to "Articles of Rules for the Election of Directors".
- Revised "Evaluation Method of Board of Directors Performance"
- Revision of the "Rules for the Scope of Duties of Independent Directors".
- Revision of the "Organizational Rules for the Audit Committee".
- Regularly review the independence of the company's CPAs.
- Revision of "Internal Control Implementation Rules" and "Internal Audit Implementation Rules"

Optimize Corporate Governance

SEEC 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 corporate governance organization structure is under the shareholders meeting with a board of directors, an audit team, a remuneration committee, and an education and training development committee. And other organizations, and make good use of high-quality corporate governance to ensure that the company's operations are maintained in the best condition.

SEEC's operating team includes four major business groups of the Automobile Equipment Business Group, the Breaker & Switchgear Business Group, the Heavy Electric Business Group and the Automation Business Group, the human resources department, the general affairs department, the financial department, the information center and the Quality Assurance & Production Engineering Department.

With the wholehearted input of the management team and all colleagues, the company continues to strengthen its corporate physique and competitiveness, and fully demonstrate the results in its operating results. SEEC strictly abides by business ethics, attaches importance to environmental protection, develops green products, implements employee care and community care, and safeguards shareholders' rights and interests. This is the principle of the sustainable operation of SEEC. With the wholehearted investment of the management team and all colleagues, the company continues Strengthen corporate physique and enhance competitiveness, and fully demonstrate the results in operational results.

SEEC strictly abides by business ethics, attaches importance to environmental protection, develops green products, implements employee care and community care, and protects shareholders' rights and interests. This is the corporate philosophy of the sustainable operation of SEEC.

Board of Directors

The highest governance organization of the company is the board of directors, which is elected by shareholders and is responsible for the management and performance of the company. The company's

articles of association specify that the company shall have 15 to 19 directors with a term of three years. The candidate nomination system is adopted by the shareholders meeting. Elected from the list of candidates, The directors are eligible for re-election. Among the number of directors in the preceding paragraph, the number of independent directors shall not be less than three, and shall not be less than one-fifth of the number of directors.

In 2014, the shareholders' meeting passed the amendment to the "Articles of Incorporation" and the candidates for directors and supervisors were changed to a candidate nomination system. 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. A sound and efficient board of directors is the foundation of good corporate governance. In order to continuously improve the quality of corporate governance and strengthen the independence and diversity of the board of directors.

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 / Hanaoka Hisao	Japan	Managing Director	June 19, 2020	Keio University Faculty of Law	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	COO of the Shihlin Electric & Engineering Corp.	✓	✓
Chanching Co., Ltd. Representative / Kan, Chin-Yu	R.O.C	Director	June 19, 2020	High school	Chairman of Extension Development Co., Ltd.	✓	✓
Yeang Der Investment Co., Ltd. Representative / Lo, Chun-Tien	R.O.C	Managing Director	June 19, 2020	Tamkang University Department of Aerospace Engineering	COO of Business Groups of Shihlin Electric & Engineering Corp.	✓	✓
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	Deputy Chief of Operation of Shihlin Electric & Engineering Corp.	✓	✓
Yeang Der Investment Co., Ltd. Representative / Yang, Tsun-Ching	R.O.C	Director	June 19, 2020	Taipei Institute of Technology Mechanical Engineering	Deputy Chief of Operation of Shihlin Electric & Engineering Corp.	✓	✓
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, Cherng 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.	✓	✓

Operations of Audit Committee

In accordance with the company's Articles of Incorporation, the Board of Directors meetings are held at least once a quarter to supervise and understand the implementation of the business plan, the expression of financial statements, audit reports and their tracking. A total of 5 meetings were held in 2020, and the average attendance rate of all directors in person (excluding delegates) reached 82.7%. Important resolutions of the board of directors are also published on the investor area of the company's website, and important company regulations such as the company's Articles of Incorporation, Corporate Governance Codes of Practice, and Corporate Social Responsibility Codes of Practice are publicly available for inquiries.

Operations of Audit Committee in 2020		
Number of Board Meetings	Actual Attendance Rate of Directors	Completed Important Regulation Formulation / Revision
5 Meetings	Reached 82.7%	Amendments to the "Articles of Association". Amendments to the "Rules of Procedure of the Board of Directors" Amendments to the "The Rules for Election of Directors" Amendments to the "Board Performance Evaluation Method." Amendments to the "Rules for the Scope of Duties of Independent Directors" Amendments to the "Organizational Rules of the Audit Committee"

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.

Case of avoidance of interest is as follows:

Shihlin Electric & Engineering Co., Ltd. Minutes of the 3rd meeting of the 20th Board of Directors

Time: November 06, 2021(FRI) 10:00 am

Place: 16th Floor, Yeang Der Building, No. 88, Section 6, Zhongshan North Road, Taipei City.

Proposal: Proposed donation of NT\$6,000 thousand to Memorial Foundation of Mr. Ching-Teh Hsu.

Explanations:

1. The Memorial Foundation of Mr. XXX was established in 1983 with the purpose of engaging in the research and development of industry and commerce in the Republic of China, talent cultivation and other related public welfare undertakings.
2. Based on social contribution and community participation, the company has long-term sponsored or sponsored local ecological conservation activities, cultural activities, and supports local cultural education and rooting.
3. In order to expand giving back to the society, donate to public welfare, and fulfill corporate social responsibility, it is planned to donate NT\$6,000,000 to the Memorial Foundation of Mr. XXX in 2021 to deepen culture and art, support the creation of a good operating environment for the sports industry, and assist public security improvement, caring for the police, etc.
4. This case was approved by the 2nd Audit Committee of the Second Session (Nov. 06, 2021) and submitted to the Board of Directors for resolution

Resolution:

Due to the avoidance of interests in this case, the chairman of XXX, the executive director of XXX and the director of XXX are interested parties and do not participate in the discussion and voting. The chairman appoints the executive director of XXX as the acting chairman. After consulting by the acting chairman, all other directors present have no objection. The case passed.

Continued Education Arrangements 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, and publishes the training status in the annual report and public information observatory <https://mops.twse.com.tw/mops/web/t100sb07>.

Professional Committee

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

Committee	Composition / Professional Functions
Business Decision Executive Committee	<ul style="list-style-type: none"> • The highest guiding unit for operation and strategic planning • The members include the group, the deputy chief executive officer, the general manager and the BU deputy general manager level and above • Weekly operation meeting is held every week • A business meeting is held every month. The meeting will make analysis reports on the current operating conditions, review the revenue and achievement of benefits, and make a review of future operating goals or business strategies, and follow up at the next meeting.
Audit Committee	<ul style="list-style-type: none"> • The members of the committee are independent directors (3 seats) of the board of directors. • Handle in accordance with the company's "Audit Committee Organization Regulations" • Matters to be considered include: company financial statements, company auditing and accounting policies and procedures, company internal control, 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 • The audit committee meeting is held at least once a quarter • A total of 4 meetings were held in 2020, and the average attendance rate of all audit committee members (excluding entrustment) reached 100% • 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
Remuneration Committee	<ul style="list-style-type: none"> • Formulate and regularly review the policies, systems, standards and structure of directors and managers' performance evaluation and remuneration • Regularly assess and determine the remuneration of directors and managers
Education Training Development Committee	<ul style="list-style-type: none"> • Responsible for the research and development, compilation, budgeting, supervision and evaluation of the company-wide education and training courses in the group
Information Security Management Committee	<ul style="list-style-type: none"> • Formulate personal data protection management policies and operating procedures • Regularly promote information security protection and drills
Safety and Health Management Committee	<ul style="list-style-type: none"> • Each BU has a "Safety and Health Center" • Obtained a safe workplace certification • 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

Communication with Independent Directors

Independent directors of the company have direct communication channels with internal audit supervisors and certified accountants, regularly check the company's financial and business conditions, and communicate directly with management units. Upon completion of the semi-annual and annual financial statement review, the certified public accountant reports the review or review results to the audit committee, as well as other communication matters required by relevant laws and regulations. In addition to providing independent directors' audit reports on a monthly basis, the audit supervisor also conducts separate business reports based on independent directors' requirements. In the quarterly audit committee meetings, internal audit reports are also conducted to fully communicate the implementation and effectiveness of the audit business, and increase responses. Aging analysis of accounts receivable, inventory aging analysis, and subsidiary company missing improvement report to strengthen corporate governance.

Important Resolutions of the Board of Directors (2020)

Date	Important Resolutions
March 13, 2020	<ol style="list-style-type: none"> 1. Proposal of distribution of 2019 employee remuneration and Director compensation. 2. Proposal of 2019 business report and financial statement. 3. Proposal of distribution of 2019 surplus. 4. Proposal of convene date, location, and agenda of 2020 Shareholders' Meeting, location for reception and acceptance of shareholders' proposals, periods of reception and acceptance and e-voting. 5. Proposal of Election the 15 directors (including 3 independent directors) for the 20th term of directors. 6. The 2020 Annual Meeting of Shareholders accepts issues related to shareholders nominating directors (including independent directors) candidates. 7. The list of candidates for directors (including independent directors) nominated by the board of directors is submitted for approval. 8. Proposal to lift non-competition restrictions on the newly elected Directors and the representative of Juridical Persons and their representatives. 9. Consent to lift the restrictions on the prohibition of competition for managers of the company. 10. Based on the self-inspection results, issue the "Internal Control System Declaration" of 2019.
May 08, 2020	<ol style="list-style-type: none"> 1. Amendments to the "Articles of Incorporation". 2. Provide financing endorsement guarantee to Shihlin Electric (Suzhou) Power Equipment Co., Ltd for USD 3,000 thousand and ChangZhou Mitsubishi Electric Shihlin Automotive Co., Ltd. for RMB 19,600 thousand. 3. Formulate the "Board Performance Evaluation Method". 4. Proposal for amendment to "Regulations Governing of Implementation of Internal Control" and "Regulations Governing of Implementation of Internal Auditing"
June 06, 2020	<ol style="list-style-type: none"> 1. Election of the Managing Director. 2. Election of the Chairman. 3. Appointment of Members of the 4th "Remuneration Committee".
August 12, 2020	<ol style="list-style-type: none"> 1. Proposal of consolidated financial statement of January-June of 2020. 2. Provided financing endorsement guarantee to Changzhou Shihlin Auto Parts Co., Ltd. for USD 2,500 thousand, Xiamen Shihlin Electric &Engineering Corp. for USD 3,000 thousand and RMB 10,000 thousand, Suzhou Shihlin Electric &Engineering Corp. for USD 7,000 thousand, Shih-lin Electric Engineering Equipment Vietnam Company Limited USD 7,000 thousand. 3. Donation of NT\$ 3,000 thousand to Memorial Foundation of Mr. Ching-Teh Hsu. 4. Proposal for amendment to "Regulations Governing of Implementation of Internal Control" and "Regulations Governing of Implementation of Internal Auditing" 5. Regular assessment of independence of CPAs appointed by the Company.
November 06, 2020	<ol style="list-style-type: none"> 1. Proposal of 2021 business operation plans and budgets for loss coverage. 2. Proposal of 2021 audit plans. 3. For developing business and hedging foreign exchange risks, the Company intended to apply for a credit line of NT\$ 15.85 billion for the financing in 2021. 4. Proposal of compensation for Directors and managers. 5. Donation of NT\$ 6,000 thousand to Memorial Foundation of Mr. Ching-Teh Hsu.

6. Capital increase NT\$80,000,000 for the subsidiary.
7. Amendments to the “Rules of Procedure of the Board of Directors” and “The Rules for Election of Directors”.
8. Revised the “Rules for the Scope of Duties of Independent Directors” and the “Organizational Rules of the Audit Committee” and the “Board Performance Evaluation Method.”

Annual Shareholders' Meeting

The shareholders' meeting is composed of all shareholders. According to relevant regulations, Annual Shareholders' Meetings and extraordinary shareholders' meetings are held from time to time. Every shareholder can submit opinions and resolutions to the company at the shareholders' meeting. The company has a stock management unit responsible for handling suggestions or questions raised by shareholders, and has a spokesperson and an agent spokesperson to handle and respond. The company has also set up websites in both Chinese and English to disclose financial and corporate governance-related information. Shareholders can interact with the company via telephone and e-mail.

Electronic voting system

In order to improve information disclosure and fully communicate with shareholders, the shareholders' regular meeting adopts a case-by-case voting method to vote on proposals. Since 2015, an electronic voting system has been implemented to effectively protect the rights and interests of shareholders. The electronic voting system was implemented for the first time in 2015, with a turnout rate of 4.04% (attendance rate of 83.56%), which has increased year by year. In 2017, the turnout rate was 5.64% (attendance rate of 92.45%). In addition, the directors of the company's board of directors actively participate in the regular shareholders meeting, and the director attendance rate of the shareholders meeting in 2020 will reach 60.0%.

Annual Shareholders' Meeting	Electronic Voting Rate	Attendance Rate of Shareholders	Attendance Rate of Directors
2018	5.96 %	85.22 %	92.86 %
2019	5.6 %	85.74 %	73.33 %
2020	5.28 %	94.1 %	60.0 %

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 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 of the SEEC, 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.

Audit System Implementation Process



In 2020, 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 keep the company's operations at low or extremely low risks.

Internal Control System

In order to promote the company's effective and honest operation, SEEC has established an internal control system. Its main tasks are:

1. Ensure that the company's policies and regulations are actually implemented.
2. Strengthen the control of business risks.
3. Strengthen the transparency of operations and financial information.
4. Enhance and evaluate the performance of each department of the SEEC.

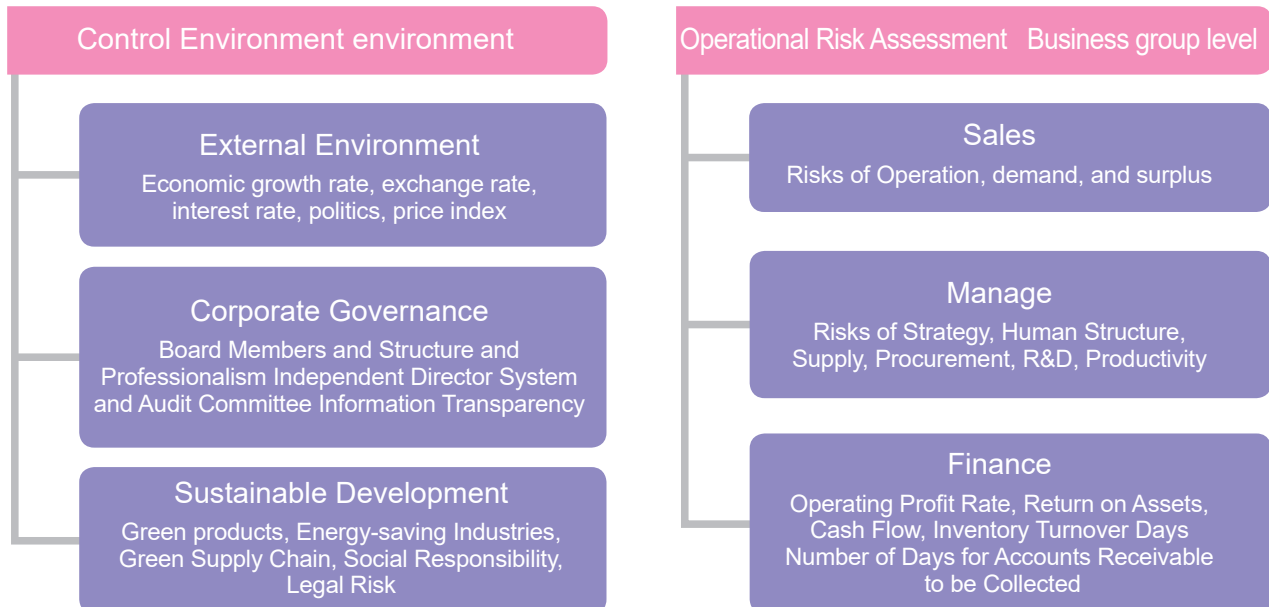
The internal control system covers all operations of SEEC. Except accounting and finance, the company's functions in planning, organization, control and management, as well as the sales, procurement, materials, engineering, personnel, research and development and other businesses adopted Procedures and standards.

According to the provisions of the Securities and Futures Bureau of the Financial Supervision and Administration Commission, the company divides the company's

general operating activities into sales and collection cycles, procurement and payment cycles, production cycles (including environmental protection and safety and health), payroll cycles, financing cycles, real estate, eight cycles of plant and equipment cycle, investment cycle, research and development cycle, as well as computerized processing operations and various other management operations. At the same time, through regular internal inspections and review meetings of the legal audit team, continuous supervision and control of related systems and operating procedures are carried out, to achieve effective improvement of internal systems and optimization of corporate governance.

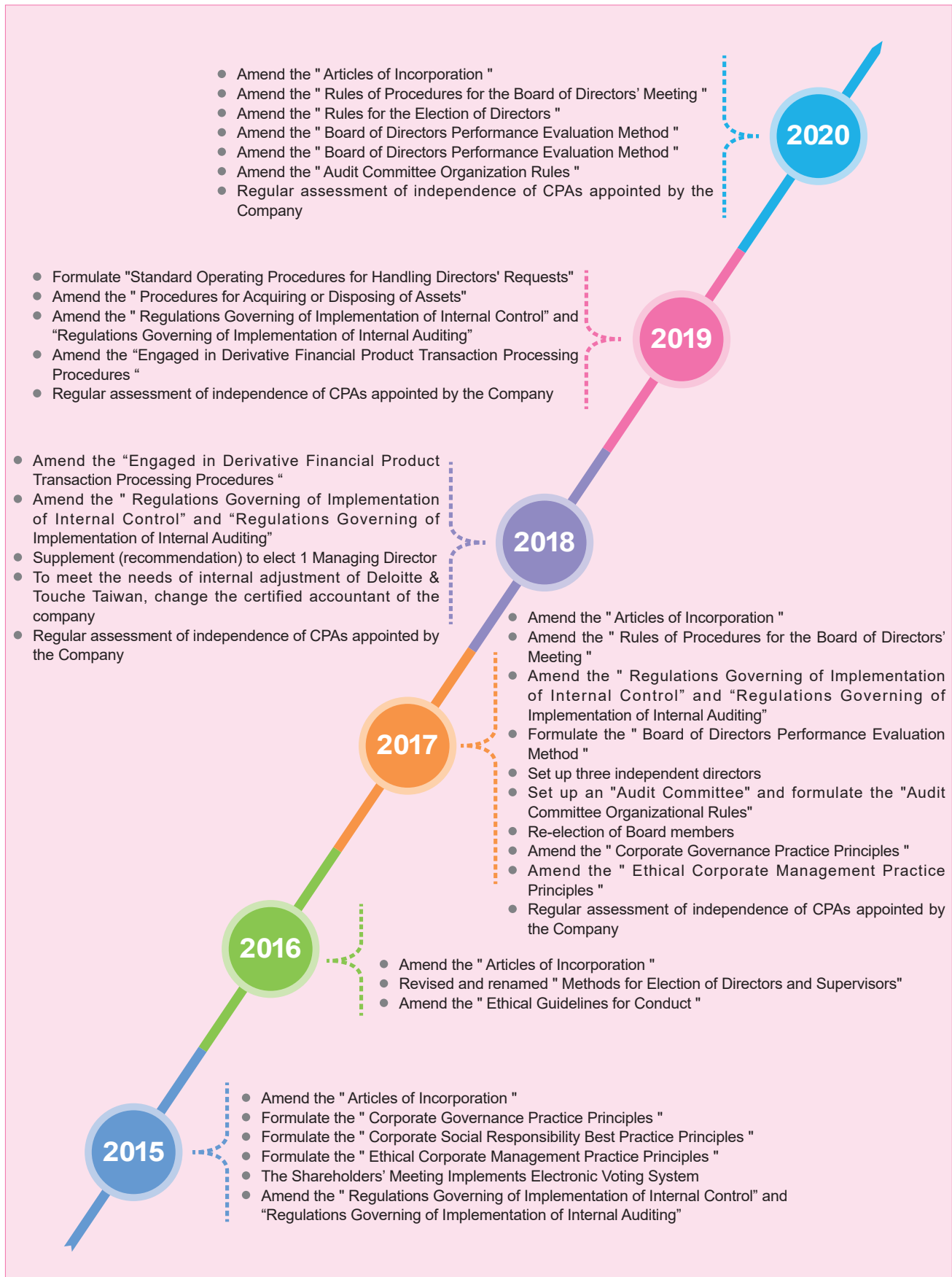
In addition to the internal control system, SEEC has established management systems in specific areas in each plant, such as ISO14001, OHSAS18001, ISO9001 and others. The plant conducts regular compliance checks with relevant laws and regulations in accordance with the management system requirements, 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.

Information Disclosure and Transparency



Participation of External Organizations and External Initiatives

- SEEC'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, was appointed as the director and 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.

- SEEC actively participates in various associations, NGOs, such as the Electric Power Association, Smart Automation Association, Taiwan Chamber of Commerce, etc., and contributes to promote domestic and international industry and economic exchanges, and hopes to become a driving force for Taiwan's industry.
- Mr. Emmet Hsu, Group CEO, 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.

- The company's sustainability report follows the global sustainability reporting organization (Global Reporting Initiative, referred to as GRI) published GRI standards: core options for compilation.
- The direction of information disclosure in the Sustainability Report corresponds to standards such as the "Code of Practice for Corporate Social Responsibility of Listed Companies".

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

1.6 Risk Management

Compliance-based ethics code, Ethical Behavior, Integrity Code

In order to facilitate the company's sustainable development, the company implement the ethical behavior and integrity management, as well as establish and maintain a good corporate governance framework. The company formulated and disclosed the "Code of Practice on Corporate Governance" on the company's website in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" so as to achieve the following goals: 1. Establish an effective corporate governance framework; 2. Protect the rights of shareholders; 3. Strengthen the functions of the board of directors; 4. Fulfill the functions of the audit committee, 5. Respect the rights of stakeholders, 6. Improve information transparency. The training and promotion activities are conducted on a regular basis.

Business Group Risk Management and Response to the Automobile Equipment Business Group

After countries around the world have announced the ban on the sale of fuel vehicles, many car manufacturers that originally held a wait-and-see attitude have turned to actively invest in electrification. In addition to the original supply chain of electric vehicles, many 3C and industrial mechanical and electrical companies have also invested in seeking business opportunities.

On the other hand, China has gradually shifted its role as the "world factory" to India and Southeast Asia due to the improvement of labor conditions and the risk of the epidemic, making the price competition of auto parts with overseas competitors even more severe when the domestic auto market is saturated. In addition, the epidemic is slowing down, and the global economy is recovering. Raw material prices are expected to continue to rise. Under the influence of various environmental factors, the development of the Automobile Equipment Business Group also faces many challenges.

Environmental Risk	Countermeasures
Taiwan's auto market is saturated and imported cars have a high market share	Increase investment in the export market and expand the technical cooperation with strategic partners
Electric cars become mainstream, 3C/industrial mechanical and electrical companies are rushing into the market	Latest technology transferred from the strategic partners and undertaken by own R&D team
The epidemic has slowed down, the economy has recovered, and the prices of raw materials have risen	Establish an optimal procurement point mechanism to reduce procurement risks
China has gradually shifted its role as the "world factory", India and Southeast Asia are competing for low prices, Taiwan have not joined regional organizations and there is a risk of tariff barriers.	Continue to reduce operating costs, increase customer value and evaluate the use of Vietnamese factories to reduce tariff barriers

Business Group Risk Management and Response to the Breaker & Switchgear Business Group

Due to the impact of the China-US trade sanctions, many Taiwanese businessmen returned to and invest in Taiwan. In 2020, the demand for switches for housing construction and office construction will continue to grow. However, the COVID-19 epidemic in early 2020 has rapidly expanded and impacted the global market. The economic growth forecast for the China and overseas markets are inevitably downward revision. That will also seriously affect the development of the housing construction, factory office and machinery industry. Those are main users of switches.

Business Risk	Countermeasures
1. The impact of low-priced products in Taiwan/China and the demand for short-term delivery of orders	1. Improve product competitiveness / strengthen procurement coordination
2. Southeast Asia's high-end products muscle into low-end markets / low-end brands grab the market	2. Shift to European and American market development
3. Material and personnel costs are rising	3. Development of the second source of raw materials / improvement of personnel efficiency

Business Group Risk Management and Response to Heavy Electric Business Group

The main product, transformers, is facing pricing fluctuations in materials such as crude oil and steel, which affects cost control. Even if global energy demand will bring new business opportunities to transformers, the Heavy Electric Business Group still needs to consider how to compete with other manufacturers in the same industry and maximize profits. By leveraging a strong distribution and service team as well as the development of new products, the group proactively muscled into the green energy market such as solar, wind, and energy storage, from the original single product sales to a one-stop shop.

A big new market has been created under the government's green energy policy. Many major international manufacturers have begun to enter the domestic market. Manufacturers in the same industry have also followed the market trend and expanded their product pipelines. The Heavy Electric Business Group has also created new demands through active proposals and rectification from the passive elimination of the old

market, and has completed the product supply chain, further becoming the leader of private substation turnkey projects.

Business Group Risk Management and Response to Automation Business Group

1. As the factory automation (FA) industrial control products of the Automation Business Group are sold to the global market, the products urgently need to obtain various international certifications to facilitate the integration of the global market; in addition to the newly developed products that have passed the international certification, the group will also comprehensively review and various existing products and plan to obtain international certification.
2. In order to provide a more complete system integration solution, the group will not only continue to invest in research and development resources, but also integrate external (System Integrator, academy, and the Industrial Technology Research Institute) and internal resources to fully integrate "industry-university-institute" so as to become the best partner of intelligent automation in the industry.

3. The recent increase in global raw material prices has affected the increase in manufacturing costs. In addition to strengthening the strategic alliance and cooperation of suppliers, the design of shared materials will also be strengthened to develop products with high added value.
4. Since the outbreak of the epidemic in 2020, crowd control, commercial flow control and logistics control have brought significant changes to the previous business model. The group will increase the proportion of online marketing, actively participate in various online matchmaking activities, and provide guidance and support to customers' e-commerce sales.

Sustainable Risk Management

Sustainable Risk Management Organizational Structure and Policies

The company has established a sound risk management organization structure, including the Board of Directors, Audit Committee, Compensation committee, Personal Data Protection Committee, Training and Development Committee, and Safety and Health Management Committee. The Board of Directors governs and supervises the effective operation of the company's risk management system and mechanism; the Audit Committee assists the Board of Directors in supervising the company's risk management matters.

The Governance of Climate Change Risks and Opportunities

In order to respond to the impact of climate change on business operations and the disclosure of information that specifically presents climate change, SEEC assessed the opportunities and risks that climate change may bring to the company and reported to the board of directors and incorporated climate change factors into the process of operational strategy planning and decision-making. We actively promote various environmental protection, energy-saving and carbon reduction measures, reduce greenhouse gas emissions, promote high-efficiency green energy products, etc., to mitigate and adjust the operational impact of climate change; continue to improve climate change in line with the international climate change framework as well as continue to promote climate-related strategies and management to respond to changes in the general environment.

The Risks of Climate Change

Climate Change Risk Identification	Climate Change Risk Identification	Countermeasures (Financial Impact)
Policies and regulations	In response to the enhanced environmental protection regulations on carbon dioxide emission, we have improved the existing products and services, which has increased operating costs.	Reduce operating costs by improving efficiency and reducing costs
Operational equipment impairment	Operations are interrupted due to climatic disasters, such as computer mainframes shut down, or service interruptions due to equipment impairment.	For the information system, strengthen the UPS system and backup mechanism; for operation equipment, take precautionary measures every time a typhoon or heavy rain warning is issued.
Customer default	Customers might be impacted by the climate change and consequently causes subsequent account defaults.	Purchases insurance to cover the risk of natural disasters, and also takes factors such as extreme weather into consideration in the collateral assessment operations.
Industry systemic risk	Industries that are susceptible to environmental changes, may create a certain impact on the overall account balance once systemic risks occur.	For those green energy industry projects, take into account whether the assets are guaranteed in response to Taiwan's special climate environment.
Renewable energy, fuel taxes and regulations	Changes in laws and regulations may affect the amount of green energy industry subsidies and other conditions, and the reduction of subsidies will reduce developers' willingness to undertake.	Cooperate with vendors with competitive niche to avoid being unable to operate after the subsidy is cancelled.
Rising cost of raw materials	Due to climate change, the cost of raw materials for bulk commodities has increased, which consequently has an impact on the manufacturing process.	Control the impact on raw material-related demand based on industry.

The Opportunities of Climate Change

Climate Change Risk Identification	Climate Change Opportunities Identification	Possible Business Development for Company Operations (Financial Impact)
Incentive policy	When replacing equipment, apply for relevant energy-saving subsidies in accordance with government subsidy policies.	Review the government policies of each region, cooperate with the purchase of equipment that meets the requirements, and submit the subsidy application form to the government window after collecting relevant information.
Efficient, low-carbon products or services	Will provide renewable energy projects such as solar substations and wind power, and produce many low-carbon and environmentally friendly industries such as electric vehicles. At present, we have accumulated experience in a number of large-scale projects.	With the development of domestic and global low-carbon and green energy trends, we will continue to increase the engagement proportion of offshore wind power, solar substations, and related environmentally friendly industries in the near future.

Participate in public construction	In response to the government's green energy policy, in recent years, we have actively participated in large-scale offshore wind power and solar substation projects, and have continued to enhance our professional green energy engineering capabilities.	By winning the Public Construction Golden Quality Award, we will increase the number of cases in the domestic public construction market and increase the opportunities for related cases to be invited for evaluation, allowing us to undertake more large-scale public construction cases.
Looking for new business opportunities	With the development of large-scale energy projects such as offshore wind power and solar substations, the proportion of domestic industrial chain localization continues to increase. The Asia-Pacific region continues to attach importance to green energy, and many countries have highlighted green energy as an important goal. It is estimated that related industries will grow very fast in the future.	Based on domestic experience in undertaking related industries, assisting in the expansion of other green energy cases is conducive to medium and long-term business growth.

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. The head office sets 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.

Conduct relevant stress tests on the impact of interest rate risk and exchange rate risk. Evaluate the company's financial status and major risk factors to reduce the company's accumulation of risks and formulate its response and related measures.






Climate Change Risk Management

Incorporate climate change risk management procedures and mechanisms into the overall risk management framework, and use a comprehensive assessment method to identify major risks and discuss their corresponding measures. According to the company's structure and its industrial characteristics, identify short-, medium- and long-term climate change risks and opportunities, evaluate the method once a year, assess the risks that may occur, and implement corresponding countermeasures based on the potential impact. In the future, we will continue to strengthen the assessment and review of the possible impact of climate change risks from all aspects. In addition to adopting adjustment strategies to mitigate the impact of climate risks, we will more actively grasp business opportunities to innovate and develop related industries and business growth.

Actively invest in product carbon reduction certification verification processes. At present, amorphous and high-efficiency transformers are under ISO14067 review of greenhouse gas emissions verification process, and carbon footprint verification has been completed. Pass and got the certificate of the ISO14001 environmental management system verification. We will comply with government environmental regulations, and reduce the impact of products or activities on the environment.

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 protection for details)

Vision	Practice sustainable management			
	    			
Goal	Health and safety of workplace	Greenhouse Gas Control	Green energy-saving products	Integrity and compliance
Management Policy	OHSAS 18001 TOSHMS	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	Energy saving and carbon reduction 10%	Carbon reduction products grow by 10% every year	Participate in RCC meetings regularly

Major Issue of Risk Management Framework

Major Issue	Risk Evaluation	Risk Management Policy or Strategy
Environment	Environmental protection	The company is committed to environmental protection and responds to green and clean production. Through the PDCA management cycle, it effectively reduces pollution emissions and the impact on the environment; at the same time, plans and implementation programs are drawn up every year, and the progress of various goals is tracked and reviewed regularly to ensure that the goals are achieved.
Society	Product safety	All products of the company comply with government regulations or national standards CNS or internationally well-known standards (IEC, IEEE...) as well as service laws; and are committed to the development of energy conservation and waste reduction, and comply with the RoHS regulations of the European Union. Through rigorous quality assurance management. The company provide customers with sound product quality. At the same time, in order to ensure the quality of customer service and enhance customer satisfaction, the company set up customer service hot lines and communication websites. The company actively conduct customer service satisfaction surveys on a regular basis every year to strengthen our relationship with customers. The mutually beneficial and common prosperity relationship with customers has become the cornerstone of the sustainable development of the enterprise
Corporate governance	Statute compliance	By establishing a governance organization and implementing an internal control mechanism, the company ensure that all personnel and operations of the company actually comply with relevant laws and regulations.

Sustainable Management Risk Control Operations

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 of SEEC can grow steadily, and the promise of sustainable operation can be realized in detail. Risk control at different levels is summarized as financial capital risk, safety and health and environmental protection risk, and regulation risk.

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	The company is 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.
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	The customer's account goes into the debit. Patented technology was counterfeited by peers Anti-monopoly and anti-bribery	<ul style="list-style-type: none"> ● Conduct risk mitigation training of accounts receivable collection every year and strengthen information collection and customer status observation. ● Patent and trademark application to protect intellectual property rights. ● Conduct anti-monopoly and anti-bribery training.

Moral Integrity

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.

These policies shall apply to all subsidiaries, foundational juridical persons whose direct or indirect donation funds accumulatively exceed 50%, and other institutions or juridical persons with substantial control capabilities and other group enterprises and organizations.

In 2017, SEEC 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, there was no employee corruption incident in 2020.

Privacy Protection

The company's sales and promotion activities are handled in compliance with the Fair Trade Law, Computer-Processed Personal Data Protection Law, Trademark Act, and the requirements of the National Communications Commission and other government laws and regulations. Therefore, there was no violation of government regulations in 2019. In terms of distribution management, the company does not impose price restrictions on dealers in contracts. We conduct relevant laws and regulations education and training programs from time to time for employees and distributors to raise awareness of relevant laws and regulations, and provide internal and external complaint channels, and are committed to responding to and resolving the opinions of stakeholders in a timely manner.

1.7 Corporate Sustainable Operation Policy and Management

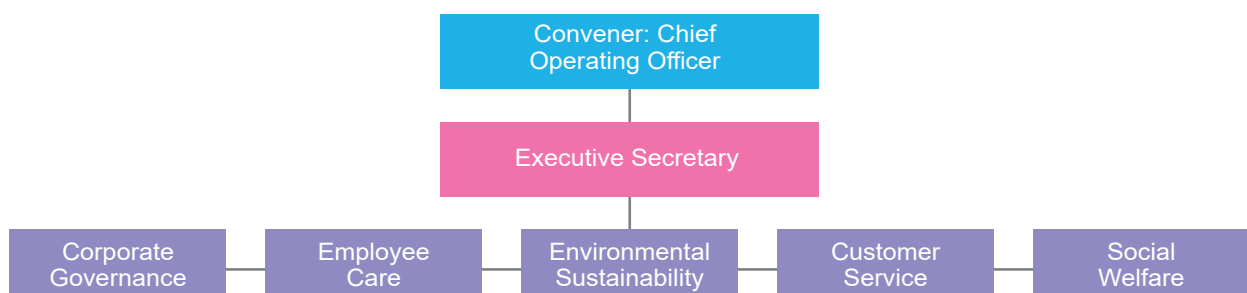
The company formulated the "Articles of Association of the Corporate Social Responsibility Committee of SEEC" in June 2017 to assist the company in practicing corporate social responsibility and to promote economic, environmental and social progress.

The company adheres to the three major goals of corporate social responsibility, "Economy, Society, and Environment". The company establish a sound corporate governance strategy for sustainable operation; obtain reasonable benefits; take care of the responsibilities of individual employees and families, and maintaining social welfare so that disadvantaged groups have been taken good care. The company 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 the Corporate Sustainability Committee



Responsibilities of Committee Member

Convener (Chairman)	Executive Secretary (Member)	Implementation member. Group leader
<ol style="list-style-type: none"> 1. Formulate corporate social responsibility policies 2. Formulate the company's CSR policies and goals 3. Conduct meetings and review CSR planning 4. Supervise the committee members to perform CSR work 	<ol style="list-style-type: none"> 1. Monitor the tasks of the committee and implement P-D-C-A work 2. Follow up the resolutions of the committee meeting 3. Review the execution performance and report it in the meeting 4. Ensure continuous improvement activities 5. Manage the production process and schedule control of the annual report 	<ol style="list-style-type: none"> 1. Promotion, maintenance and improvement of the CSR system 2. Research and improve various CSR management projects 3. Implement the social responsibility policy of the executive team 4. Supervise the executive committee and team members and ensure the achievement of CSR short-term and long-term goals

Functions of Each Task Group of the Committee

Corporate Governance	Employee Care	Environmental Protection
<ol style="list-style-type: none"> 1. Sustainable organization strategy 2. Operational risk management 3. Regulations compliance 4. Protection of shareholders' rights and interests 5. Internal audit management 	<ol style="list-style-type: none"> 1. Cultivate outstanding talents 2. Employee education and training 3. Reasonable compensation and performance appraisal 4. Workplace health and safety 5. Internal CSR promotion 	<ol style="list-style-type: none"> 1. Promote sustainable environmental policies 2. Promotion of energy-saving and carbon-reduction management programs 3. Waste Management 4. Resource usage and management 5. Pollutant discharge and management
Social Welfare	Supply Chain management	Customer Service
<ol style="list-style-type: none"> 1. Community engagement 2. Charity feedback 3. Promotion of employee charity activities 	<ol style="list-style-type: none"> 1. Supplier evaluation 2. Supplier audit and risk management 3. Raw material traceability management 	<ol style="list-style-type: none"> 1. Product safety and service 2. Handling of customer complaints 3. Customer relationship management 4. Customer satisfaction survey

2

Product Responsibility and Safety

- 2.1 Product Quality and Safety Management
- 2.2 Commodity Safety and Labeling
- 2.3 Safe Products Development
- 2.4 Products Traceability Tracking
- 2.5 Customer Satisfaction
- 2.6 Supply Chain Management



3 Items of SDGs Goals



6 Items of ESG

- Product Liability Safety • Health and Safety • Supply Chain Labor Regulations • Resource Regeneration
- Energy Saving and Carbon Reduction • Product Carbon Footprint

7 Items of CSR indicator

- Waste Recycling • Environmental Protection • Information Disclosure • Procurement Practice
- Code of Ethics • Supply Chain Labor Regulations • Marketing and Labeling

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.

Quality Assurance & Production Engineering Division

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.

Institutions	Verification Standard	Type of Registration and Scope of Approved Registration	Verification Frequency
Automobile Equipment Business Group	IATF 16949: 2016	1. Design and Manufacturing of Starter, Alternators, Ignition Coils, Switches, Fuel Pumps, Wiper System, Fan Motor System, AC Generator and Starting Motor and Integrated Starter Generator. 2. Manufacturing of 2 Wheels Electric Vehicle Motor and Controller.	1. Supervision and evaluation / once a year 2. Renewal evaluation / once every three years 3. Verification Agency / TUV SUD Taiwan 4. Verification traceability / IATF (Certificate No.0313118)
Breaker & Switchgear Business Group	ISO 9001: 2015 (Latest version)	<ul style="list-style-type: none"> ● No-fuse circuit breaker ● Electromagnetic switch ● Wiring appliances ● High and low voltage capacitors ● Leakage circuit breaker 	1. Supervision and evaluation / once a year 2. Renewal evaluation / once every three years 3. Verification agency / verification of the management system of the Metal Industry Research and Development Center 4. Verification traceability / TAF / IAF
Heavy Electric Business Group	ISO 9001: 2015 (Latest version)	<ul style="list-style-type: none"> ● Transformers for power/distribution ● Oil-immersed / resin-type / dry-type reactor ● High / low voltage switchboard / MCC panel ● Distribution board / monitoring system ● Proportional pressure device / Proportional flow device ● Gas insulated switchgear ● Lightning arrester / high voltage switch (street lamp / fuse link / circuit breaker / Segmentation...) ● Electronic meter 	1. Supervision and evaluation / once a year 2. Renewal evaluation / once every three years 3. Verification agency / verification of the management system of the Metal Industry Research and Development Center 4. Verification traceability / TAF / IAF
Automation Business Group	ISO 9001: 2015 (Latest version)	<ul style="list-style-type: none"> ● Inverter ● Human-machine interface ● Servo motor ● Servo drive ● Programmable controller 	1. Supervision and evaluation / once a year 2. Renewal evaluation / once every three years 3. Verification agency / verification of the management system of the Metal Industry Research and Development Center 4. Verification traceability / TAF / IAF

Quality Management System Verification Certificate of Various Institutions



Quality Awareness Training and Certification Assessment:

In addition to the internal institutionalized management of each business unit, the responsible department of the head office will also perform the following training and assessment tasks:

1. To promote the training of reviewing the past and knowing the new for employees (planned 357 → actual performance 428 person-times)
2. Quality compliance confirmation check (plan 84 → actual result 90 times)
3. Research and development of new regulations and verification benchmark verification (plan 48 → actual performance 51 times). and other quality enhancement work.
4. Develop a professional certification and allowance evaluation system, and implement professional evaluation of quality control personnel in 2020 (117 in Taiwan and 103 in overseas bases) to ensure professional improvement.

Develop a professional certification and allowance evaluation system, and implement professional evaluation of quality control personnel in 2020 (117 in Taiwan and 103 in overseas bases) to ensure professional improvement.

External

In addition to the external training and assessment of various business units, the responsible department of the head office cooperates with external resources to handle the following training and assessment:

1. Invite external professional organizations to provide quality on-site professional training (such as the Republic of China Institute of Quality, BSI, etc.).
2. Send staff to participate in the qualification examinations for professional and technical personnel such as CQT quality control technicians, CQE quality control engineers, etc. held by the Quality Society. (As shown in the figure below) Total: In 2020, the quality assurance related education and training sponsored by the head office will invest NT\$ 870,000, with a total of 989 person-times participating in the training, and a total of 3,282 person-hours.



▲ Professional training / certification, written examination and practical assessment of quality control personnel 117 person-times (from May to July 2020, the assessment of domestic quality control personnel throughout the company)



▲ Professional training / certification, written examination and practical assessment of quality control personnel 117 person-times (from May to July 2020, the assessment of domestic quality control personnel throughout the company)

The number of people with a quality professional certificate from the Quality Society of the Republic of China

License type	2018 before	2019	2020	total
CQT Quality Control Technician	78	7	1	86
CQE Quality Control Engineer	13	1	1	15
CRE Reliability Engineer	8	1	0	9
CSQP Service Quality Professional	2	0	0	2
Quality Manager / Consultant	2	0	0	2
Total :	103	9	2	114

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 2020 (applying the improvement methods of Japanese small groups). A total of 119 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.

The Company Encourages Obtaining Licenses and Pays Related Fees



Category	AG	BG	EG	LG	Total
Section Chief	6	10	9	4	29
Team (Group) Leader	15	9	21	3	48
Overseas	9	24	4	5	42
Sub-total	30	43	34	12	119

Product Liability

"Positive innovation" is the driving force for the sustainable operation and growth of "SEEC". After more than 60 years of market refinement, the praise of customers represents reliability and trust to the company. We adhere to "innovation & risk management", and improve our "action ability" in the face of global market competition, and accelerate technological breakthroughs. We are also ensuring "speed", expanding the range of leading competitors, grasping "market fluctuations", ensuring that decisions are in line with customer needs, strengthening "overseas layout", creating the best interests of strategic products, and encouraging "high-quality talents", and providing the best compensation to retain talents.

Amidst stability and innovation, the company will continue to grow, improve and become the industry's No. 1. With responsible attitude towards products, not only require products to meet the needs of customers, but also maintain sound quality in all important stages of R&D, manufacturing, sales and use of products, so as to eliminate any safety risk on customers.

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.

Example 1:

The heavy power plant 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.

Example 2:

In 2019, the heavy power plant accepted TAF's extended field evaluation every three years (this time also includes the new version of ISO17025:2017 specification transition). After the evaluation has been completed, the TAF accredited extension (including transition) evaluation case. The company, as member in listed high voltage products companies in the domestic the manufacturing industry, has taken the lead to obtain TAF's "ISO17025:2017" certification, both in Chinese and English version.



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 / Newly acquired in 2020, a total of 7 main models + 5 series models have obtained approval letters (a total of 97 items), as shown in Table 1.
2. Low-voltage switch category / As of 2020/12, a total of 61 items shall be subject to inspection and voluntary registration (18 items newly acquired in 2020). The excerpt is shown in Table 2.
3. Industrial automation products / newly obtained UL and CE third-party certification in 2017 (such as servo motors, drives, inverters, etc.)
4. Vehicle electrical equipment category / meets the requirements of car factory durability test and road vehicle test

Table 1: High-voltage Electrical Equipment (contents of the approval letter of the Ministry of Economic Affairs' Energy Bureau announcement in 2020)

Name of High-voltage Electrical Equipment	Type and Model	Series Type Model	The Standard on Which it is Based	Approval Date
Current Transformer (CT)	CMD-2KH	CMD-2KH	IEC61869-2 (2012)	2020/01/13
Current Transformer (CT)	CMD-2SV	CMD-2SV	IEC61869-2 (2012)	2020/01/13
Current Transformer (CT)	CMD-2KVN	CMD-2KVN	IEC61869-2 (2012)	2020/01/15
Power and Distribution Transformers	SCP-161	---	IEEE Std C57.12.00 (2015) IEEE Std C57.12.90 (2015)	2020/02/18
Power and Distribution Transformers	DI	---	IEC 60076-1 (2011)	2020/06/11
Oltage Transformer (PT)	TM-2TF	TM-2TF (P-Series)	IEC 61869-3 (2011)	2020/12/08

Table 2: Low-voltage Switch (Announcement by the Bureau of Standards, Inspection and Quarantine of the Ministry of Economic Affairs)

No	Type	Series Model	Certificate Number	Registration Date	Issue Date	Effective Date	The standard on Which it is Based	2020 Newly Acquired
1	SVB 50	BV-50B, BV-50B, NVB-50L, NVB-50UL 系列	CI416061171147	106.02.25	109.02.17	112.02.24	CNS5422(95)CNS 15663	●
2	NF100-BTD	NF100-BTD	CI415061171130	106.03.03	109.03.30	112.03.02	CNS14816-2(93) CNS 15663	●
3	BA4000-HN	BA4000-HN 3P, 4P	V419041170359	109.04.28	109.04.28	112.04.27	CNS14816-2(93)	●
4	NF1600-E	NF1600-E 3P	V419041170360	109.05.07	109.05.07	112.05.06	CNS14816-2(93)	●
5	NF250-HT	NF250-HT 3P	V419041170348	109.05.07	109.05.07	112.05.06	CNS14816-2(93)	●
6	NF400-HN	NF400-HN 2P, 3P, 4P	V414041170158	104.12.23	109.08.07	112.08.22	CNS14816-2(93)	●
7	NV400-HN	NV400-HN 延時、非延時型 3P, 4P	V414041170169	104.12.23	109.08.07	112.08.22	CNS14816-2(93)	●
8	NF630-HN	NF630-HN 3P, 4P	V415041170177	105.3.1	109.08.07	112.08.22	CNS14816-2(93)	●
9	NF800-SN	NF800-SN 3P, 4P	V415041170188	105.3.8	109.08.07	112.08.22	CNS14816-2(93)	●
10	NF125-HT	N125-HT 3P	V419041170380	109.08.17	109.08.17	112.08.16	CNS14816-2(93)	●
11	NF100-UE	NF100-UE 3P, 4P	V413041170106	103.3.11	109.08.18	112.08.22	CNS14816-2(93)	●
12	NF250-UE	NF250-UE 3P, 4P	V411041170031	101.06.27	109.08.21	112.08.21	CNS14816-2(93)	●
13	NF400-UE	NF400-UE 3P, 4P	V411041170042	101.08.10	109.08.21	112.08.22	CNS14816-2(93)	●
14	NF800-RN	NF800-RN 3P, 4P	V411041170064	101.11.19	109.08.21	112.08.22	CNS14816-2(93)	●
15	NF400-RTD	NF400-RTD	V416041170243	106.07.17	109.08.21	112.08.22	CNS14816-2(93)	●
16	NF250-HS	NF250-HS 3P, 4P	V411041170020	101.03.30	109.09.01	112.08.22	CNS14816-2(93)	●
17	NF800-RE	NF800-RE 3P, 4P	V411041170053	101.09.25	109.09.01	112.08.22	CNS14816-2(93)	●
18	NV800-RN	NV800-RN 延時、非延時型 3, 4P	V412041170083	102.8.29	109.09.04	112.08.22	CNS14816-2(93)	●

正本

經濟部標準局 函

受文者：士林電機股份有限公司

主旨：貴局申請高壓電氣設備型式試驗報告審查，經審查合格，詳如說明，請查照。

說明：一、依據「經濟部標準檢驗局與原產地及高壓電氣設備施行試驗作業要點」規定及貴公司108年12月20日(108)士電安電字第134號品用所申請證書(附件申請編號18800278750)及其申請資料辦理。

二、貴局申請主要內容如下：
(一)申請人：士林電機股份有限公司重慶廠。
(二)設備項目：電力及配電變壓器。
(三)設備中文名稱：電力變壓器。
(四)主要型式或型號：S2P-1E1。
(五)設備規格及性能：3台、10kV/22.8kV、1200kVA/1500kVA/1800kVA(ONAN/ONAF/ONPF)、60Hz、導體材質：銅-鋁、核心：高導磁矽鋼片。
(六)試驗機構名稱及報告編號：財團法人台灣電力研究試驗中心 T2020190034。

(七)試驗報告依據標準：IEEE Std C57.12.00 (2015)、IEEE Std C57.12.90 (2013)。

三、本台辦理時有試驗報告發文日期起7年有效，貴廠申請後，應於有效期間內完成備案。

四、倘有「經濟部標準檢驗局與原產地及高壓電氣設備施行試驗作業要點」第17點規定之情事者，應自事實發生日起1個月內檢附相關文件向本局申請變更。

五、貴廠對本台分發如有不服，應自本台分發送達之日起30日內，備具詳細書面理由(均含附件)逕向本台或分發本台，送本局向經濟部提起訴願。

此致：士林電機股份有限公司重慶廠
財團法人台灣電力研究試驗中心

局長游振偉

Approval letter for type test of high-voltage electrical equipment obtained in 2020

2.2 Product Safety and Labeling

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 2020. In conjunction with the promotion of the new version of the quality management system in 2020, 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	✓	✓
	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)	✓	✓

Well-known impartial institutions implement product testing (KEMA, TUV, UL, CSA):

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. Examples are on the right:

Item	CE	UL	TUV	KEMA
Power and distribution transformers	0	1	0	3
Circuit breaker	1	0	1	0
Electromagnetic contactor	0	0	2	0
Auxiliary device	0	0	0	0
Thermal power station	0	0	0	0
Servo motor	6	1	0	0
Frequency converter	6	0	0	0



▲ 2019 KEMA 燃燒試驗合格證



▶ 2019 KEMA 型式試驗合格證

2.3 Security Product Development

In addition to focusing on product safety, labeling and reliability, the company is more active in the following applications to develop and provide various safety-improved products:

1. Car safety. Example / A number of new technologies related to fuel pumps for two-wheeled vehicles, a voltage control device with automatic detection function (patent obtained from the Republic of China)
2. High-voltage power system safety. Example / new technology of power equipment products, transformer lifting structure (patent obtained from the Republic of China)
3. Low-voltage power system safety. Example / Leakage circuit breaker, double break point circuit breaker structure (patent obtained by the Republic of China)



▲ Voltage control device with automatic detection function -Safety 2019/10



▲ Thermal overcurrent relay structure-electrical safety 2019/5

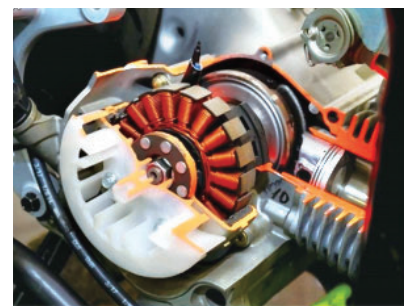


▲ Transformer lifting structure-personnel safety 2019/3

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 launched the following products for consumers to enjoy the effects of energy saving and carbon reduction. Example: Automotive: Starter generators for locomotives (when the bike is stopped and waiting for the traffic light, the engine will be turned off and stop the engine running ---saving fuel and reducing CO2 emissions), high-efficiency integrated fuel motor system, assisting customers in the locomotive industry to introduce a new generation of environmental protection regulations. Independently develop high-efficiency motors for electric locomotives to generate electricity, with efficiency and economic scale, 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

Carbon Footprint Mark Verification

Obtained the verification statement in September 2017, and obtained the seal certificate in November 2017.



▲ High Efficiency Type Certificate



▲ Amorphous Type Certificate

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. Example: Pass the environmental protection mark certification.

產品名稱	型號	廠商名稱	類別	規格標準或 環境計畫	標章編號	證書期限
乾式變壓器(非浸油型) Dry-Type Transformer	EVD-3000-2 (三檔 60Hz 2000kVA 22.8/11.4kV-600V 3/3T)	士林電機股份有限公司	1	75 乾式變壓器	11121	2021/2/22
非晶合金鐵心高壓油浸式 2000kVA Amorphous High Efficiency Oil-Immersed Distribution Transformer	----	士林電機股份有限公司	1	100 乾式變壓器	13851	2020/4/26
非晶合金鐵心乾式變壓器 Amorphous Cast-resin Dry-Type Transformer	AVD1-2000 三檔60Hz 2000kVA 22.8/11.4kV-380/220 V	士林電機股份有限公司	1	75 乾式變壓器	14655	2020/12/7
高壓油浸式變壓器 High Efficiency Oil-Immersed Distribution Transformer	500kVA	士林電機股份有限公司	1	100 乾式變壓器	16830	2022/10/31
高壓油浸式變壓器 High Efficiency Oil-Immersed Distribution Transformer	750kVA	士林電機股份有限公司	1	100 乾式變壓器	16831	2022/10/31
高壓油浸式變壓器 High Efficiency Oil-Immersed Distribution Transformer	1000kVA	士林電機股份有限公司	1	100 乾式變壓器	16832	2022/10/31
高壓油浸式變壓器 High Efficiency Oil-Immersed Distribution Transformer	1500kVA	士林電機股份有限公司	1	100 乾式變壓器	16833	2022/10/31
高壓油浸式變壓器 High Efficiency Oil-Immersed Distribution Transformer	2000kVA	士林電機股份有限公司	1	100 乾式變壓器	16834	2022/10/31
非晶合金鐵心油浸式變壓器 Amorphous High Efficiency Oil-Immersed Distribution Transformer	1000kVA	士林電機股份有限公司	1	100 乾式變壓器	16835	2022/10/31



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 servo controllers, replace traditional motors with poor efficiency and energy consumption. Products meet the requirements of CE certification and RoHS verification.

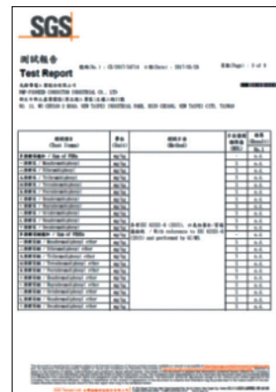
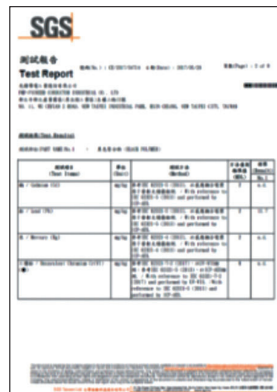


▲ High-efficiency, high-precision products



▲ 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

End-of-Life-Span Products

- ① Automotive electrical equipment / When the customer intends to scrap the vehicle, the relevant electrical equipment will be disposed of at the vehicle's professional resource recycling plant.
- ② Low-voltage switch / Because it is installed in the customer's machine tools, power panels, and home appliances, it is also processed in the resource recovery plant. Products conform to RoHS, easy to recycle resources.
- ③ Heavy-duty electric products / The interior is mostly recycled copper, iron, aluminum, insulating oil and other materials, and more resources are used for recycling.
- ④ Industrial control products / Because they are installed in customers' machines, equipment, and control panels, they are processed in a resource recovery plant.



▲ The company's products are mostly recycled circuit boards, copper, iron, aluminum and other materials, which are of high value in the recycling plant.

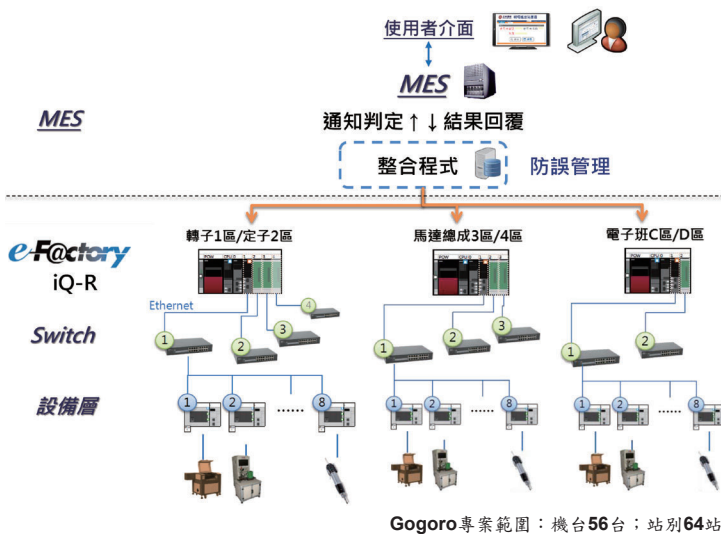
Packaging Material Recycling

- ① Automotive electrical equipment / use sustainable recycling racks or use recyclable cartons with reduced packaging materials.
- ② Low-voltage switch / use simple packaging industrial bags and recyclable packaging boxes for continuous recycling.
- ③ Heavy-duty products / Take transformers as an example, mostly naked, without packaging (transportation/storage should be covered by a reusable canvas cover).
- ④ Industrial control products / use simple packaging industrial bags and recyclable packaging boxes that can be continuously recycled.

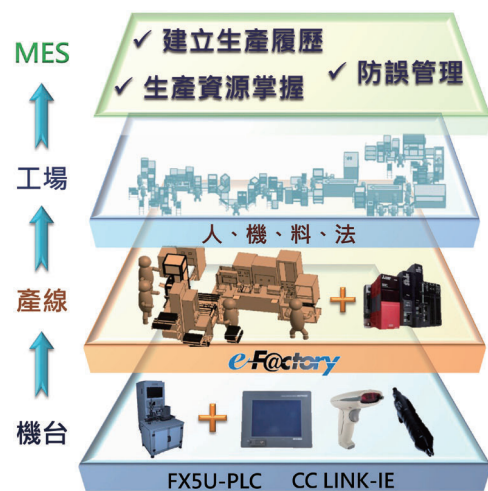
2.4 Product Traceability

In order to ensure the traceability of the manufactured products, SEEC has introduced the MES (Manufacturing Execution System) system to ensure the quality of product production through system monitoring from the order, production, and process control to the completion of the product. And through the database, graphical user interface, open architecture and other related information, so that suppliers, property management, production, equipment maintenance, quality control and other processes are integrated, real-time production information on the factory production line, web or other notifications. The method is accurately transmitted to the user to monitor, thereby improving the enterprise's manufacturing process and increasing the production efficiency, and through this, the establishment of production history, production resource control, and error prevention management, so that every product can be clearly known to customers.

MES and e-factory Structure



System Structure



2.5 Customer Satisfaction

SEEC conducts customer satisfaction surveys on products, quality, price, delivery, and service every year. In 2020, the overall satisfaction rate is 88.88%, and all aspects of satisfaction are maintained at a sound level.



Management Principle

Customer privacy protection: In order to maintain the security of customer privacy rights, the company has set up a privacy protection planning and enforcement team to collect, process, reproduce, use, transmit, file, delete, and destroy the personal data of customers. Formulate the personal data protection management procedures, which clearly define the specific implementation of personal data protection, and conduct necessary training for relevant staff, so that all levels of the company can be familiar with various regulations and legal requirements.

Touched Service

Providing customer-satisfactory services has always been the purpose of SEEC. Taiwan is located in a subtropical typhoon area, and wind disasters will cause safety risks in electricity use. In order to reduce the risk of customers using electricity, the primary goal of the company is to reduce the losses caused by customers' power supply issues, and sometimes even the protection of electricity for the whole people, without any accidents. Therefore, when the customer's product is used with problems or the power supply safety is affected, the company will deal with it immediately. There were two rush repairs in 2020, TPC Southern Thermal Power Plant's " casing damage affecting the heart body " and Corning Glass Factory's in Central Taiwan Science Park " damaged by external short circuit accident ". Taiwan Power Company sent a special letter to thank SEEC for assistance.

台灣電力股份有限公司南部發電廠 函

地址：80661高雄市中區成功二路5號
聯 絡 人：陳士康
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受文者：士林電機股份有限公司

發文日期：中華民國109年5月21日
發文字號：南部字第1098054830號
類別：普通件
密等及解密條件或保密期限：
附件：

主旨：南火GT22主變壓器順利完成檢修、回裝及併入系統供電，承蒙貴單位協助特此感謝。

說明：

- 一、GT22主變壓器於108/11/14發生故障，其間歷經拆卸、送原廠鑑定故障原因、設備檢修及回裝測試等過程。
- 二、上述過程期間承蒙貴單位大力協助使GT22主變壓器能順利於109/5/14加入系統，GT22機組於109/5/15完成啟動併聯供電，特此感謝。

正本：士林電機股份有限公司
副本：交 往 處 理 室

廠 長 劉 榮 輝

2.6 Supply Chain Management

Core Goals and Vision

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.



Management Performance

The Total Number of Suppliers Inspected

Year	BU	2017	2018	2019	2020
Number of Key Suppliers	A	120	131	146	150
	B	41	40	38	38
	E	36	36	36	36
	L	54	52	22	39
Number of Supplier Appraised	A	17	4	8	8
	B	16	15	12	12
	E	12	12	6	7
	L	9	8	8	8

Supply Chain Management Strategy

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's cooperative manufacturers are mainly divided into import suppliers and cooperative manufacturers. The cooperative manufacturers are divided into cooperative factories and cooperative vendors. The company urges manufacturers must abide by the "Supplier Social Responsibility Commitment", "Environmentally Hazardous Substances Guarantee", "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 2020, more than 100+ companies have signed the "Supplier Social Responsibility Commitment Letter".

Supplier Social Responsibility Commitments

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.

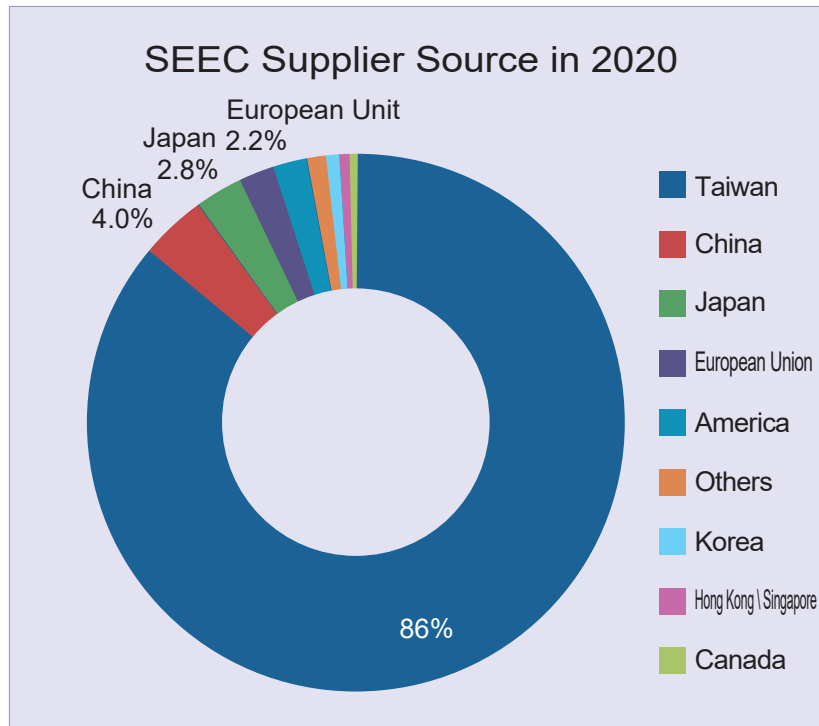
05. Supervision, Evaluation, Accountability and Learning

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.

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 2020. 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 2020, 86% of the purchases made by Taiwanese factories, which are based in Taiwan.



Use and Management of Major Raw Materials

When purchasing raw materials, the company considers factors such as quality, price, delivery time, and after-sales service to determine suppliers. And our procurement guiding principles urge us to use green, environmentally friendly materials and manufacturing processes.

Major Raw Material Usage and the Source	2019		2020	
	Usage	Taiwan Purchase Ratio	Usage	Taiwan Purchase Ratio
Iron (including silicon steel)	20,050	61.8%	22,098	67.7%
Copper	6,000	85.5%	7,500	83.2%
Aluminum	300	94.5%	332	95.2%
Insulating oil	4,100	73.3%	5,000	76.5%

Note: In addition to the direct purchase of materials, there are also methods such as outsourcing and component purchase. The raw materials listed above are only the major raw materials

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 raw metal materials such as copper and aluminum, our suppliers must purchase materials from the London Stock Exchange (LME); while 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.

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 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.

Supplier Audit

In order to help the cooperative factories to improve their operating capabilities and the

overall management, the company will conduct 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.

Supplier Rewards and Risk Control

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	Order amount flat
Level C	New parts are not allowed to be manufactured, volume reduction, transactions are not allowed, and those without obvious improvement
Level D	Counseling to improve; if grade D for 3 consecutive months, it will be eliminated.

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.

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.



3

Care of Employees

- 3.1 Tissue Activation and Rejuvenation
- 3.2 Human Resources Policy
- 3.3 Cultivate Outstanding Talents
- 3.4 Reasonable Compensation and Promotion system
- 3.5 Workplace Health and Safety



4 Items of SDGs Goals



7 Items of ESG

- Health and Safety
- Salary and Welfare
- Human Development
- Health and Safety
- Employee Care
- Communication Channel
- Labor Management Harmony

11 Items of CSR indicator

- People-Oriented
- Labor Management Harmony
- Diversity and Equality
- Social Development
- Lifelong Learning
- Labor Human Rights
- Employee Care
- Workplace Safety and Hygiene
- Recourse Mechanism
- Information Disclosure
- Salary and Welfare

Core Goals and Vision

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 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.

The company 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.

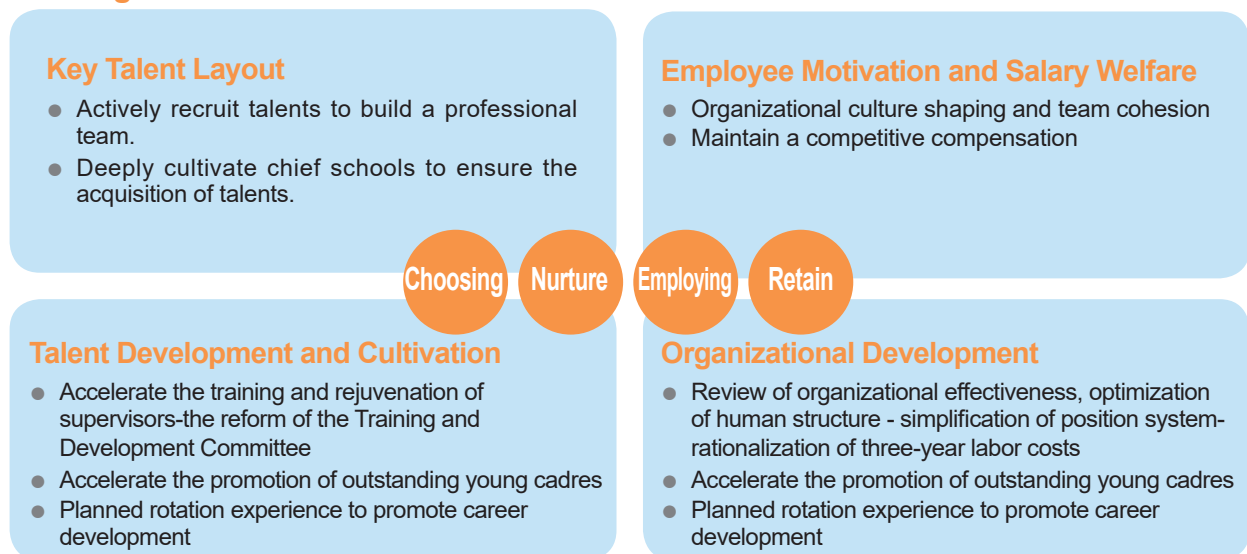
3.2 Human Resources Policy

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.

Working Priorities of HR



Cultivate Outstanding Talents

Formulate the long-term development strategy of organizational talents based on the business strategy development policy, design a reasonable organizational structure and deploy the most suitable talents of all levels, focus organization and talent development, cultivate outstanding supervisors at all levels. Furthermore, planting core technologies and the inheritance of knowledge and technology is one of the company's focus on talent development.

Average training hours: 16.3 hours

Turnover rate: 8%

Create a Friendly Workplace

Through systematic health management methods, construct a complete welfare system, create a safe working environment, and care for the physical and mental health of colleagues.

Various types of clubs: 20

Work injury rate: 0.287 per million

[Certification] Ensure a Friendly Working Environment with External Standards



"Excellent Nursing Room Certification" by the Taipei City Government Health Bureau
Set up breastfeeding rooms to protect women's right to breastfeed.

(Validity period Sep. 2017~Aug. 2021)



"Healthy Workplace Self-certified Health Promotion Mark" by the National Health Administration, Ministry of Health and Welfare, Executive Yuan

Committed to promoting a smoke-free environment, implementing health promotion measures, and establishing a good working environment.

(Validity Period Jan. 2018~Dec. 2021)

3.3 Cultivate Outstanding Talents

Talent Training and Career Development

The employee development strategy that emphasizes continuous learning has always been a key success factor of the SEEC, and it is even more important in the current challenging economic environment. The company provides employees with a wide range of learning opportunities and resources, and tailors a personal development plan for each employee based on personal career development needs and company needs as well. SEEC's 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.

New Employee Training

The company recruit new employee every year, which is the driving force for the company to continue to keep going. Anticipate that through the training courses, every new colleague can be familiar with his job faster. The training courses are mainly divided into two days. The first day is mainly for colleagues to meet each other and introduce the products and factories of each plant. The next day is to go to the head office to conduct a discussion session between new colleagues and the heads of the various business groups. It mainly includes

workplace ethics compliance laws, explaining the laws and regulations that companies should comply with, including the Company Law, Securities Exchange Act, Business Accounting Law, Political Donations Act, Criminal Law, and Anti-Corruption Act, etc., as the basic prerequisite for company management to protect the company and its own rights and interests. In addition, there are safety and health related courses to teach new colleagues about job site safety concepts, first aid CPR training, AED instructions and so on. Through large-scale and well-planned training programs, help new employees quickly understand the operating mode of the factory.



▲ Senior Executives' Forum / Encourage New Colleagues



▲ Everyone listened attentively to the chief's explanation of the product



▲ Colleagues know each other

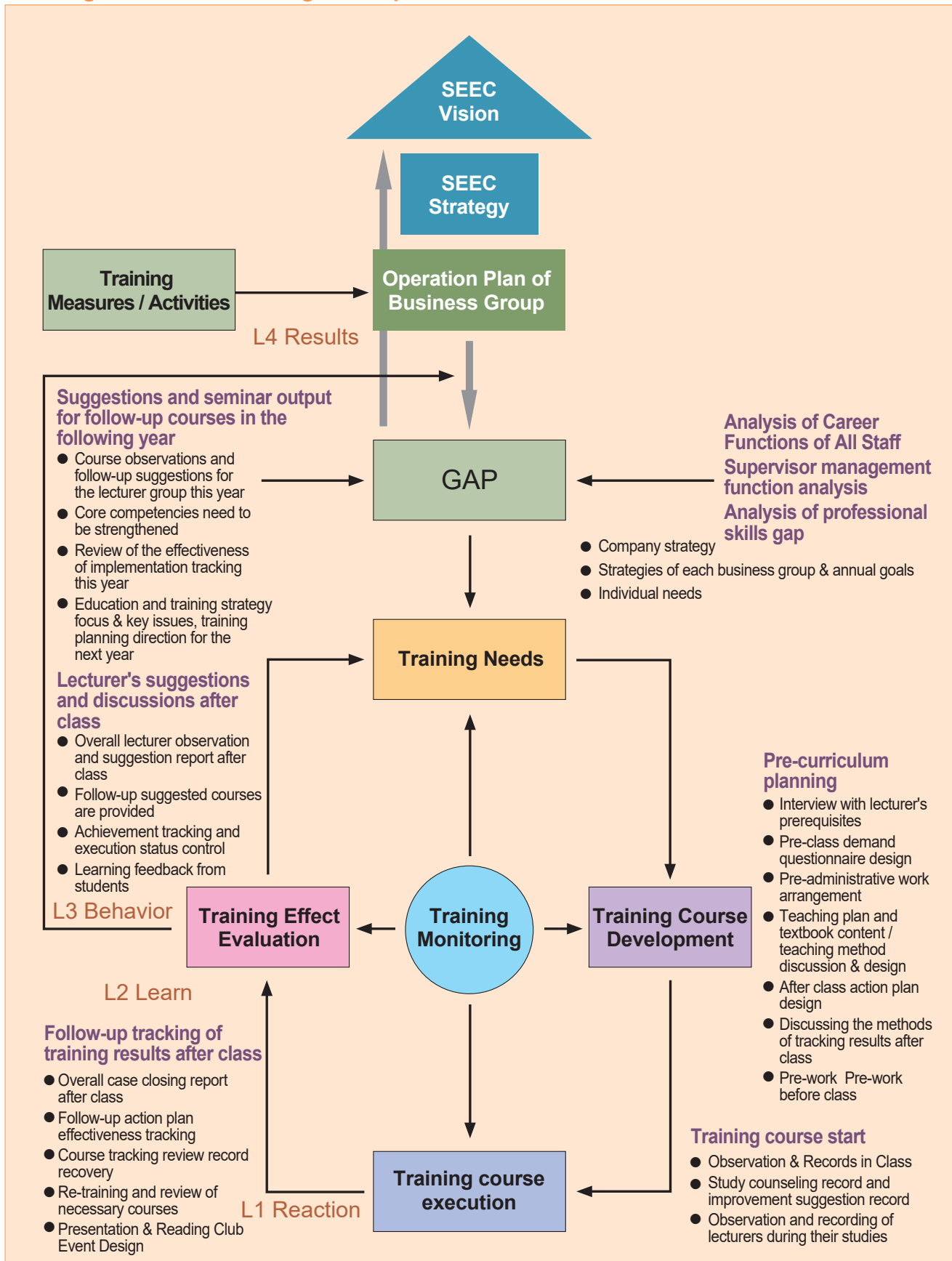


▲ The new colleagues are engrossed in listening to the explanation of the transformer by the chief of the Heavy Electric Business Group

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	Strategy management	Financial analysis	Know people and employ people	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	Business Management Academy	SEEC Network Academy	Culture and life new knowledge lecture	IT Application Course	Key talent succession training	Reserve Officer (MA) Training	Internal lecturer Training	Pre-departure Training	Service quality improvement	Overseas training and inspection
Section chief			Leadership	Management by objectives	Project management	Supervisor course / non-human resources												
Team leader / Class leader			Problem analysis and solution skills	Time management	Presentation skills	TW squad leader												
General staff			Efficiency /improvement Self-management															
New recruits (less than one year)			New employee training	Team cohesion														

Planning Process of Learning Development



AED "Automated External Defibrillator" First Aid Course

AED (Automated External Defibrillator), called "Automated External Cardiac Defibrillator", currently the company has installed AEDs in each plant, including 2 in the head office, 2 in the Automobile Equipment Plant, 2 in the Heavy Electric Plant, and 2 in the Xinfeng Plant, 1 in Hsinchu single dormitory, 1 in dormitory for foreign employees, 1 in Taipei branch, 1 in Taichung branch, 1 in Tainan branch, and 1 in Kaohsiung branch, 14 in total. The purpose of the deployment is to ensure every employee can get an AED nearby to save lives and give peace of mind.

In addition to setting up the best AED, 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 teach 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 September 2020, the employees who have passed the initial qualification certification are 26 persons from the head office, 21 persons from the Taipei branch, 275 persons from the Automobile Equipment Plant, 186 persons from Xinfeng Plant and 262 from Heavy Electric Plant. 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.



Special Training Program

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.

MA 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 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 and A-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.

Number of trainees in each BU and each level

BU	Position Level	The First echelon (2014)	The Second echelon (2016)	The Third echelon (2017)	The Fourth echelon (2018)	The Fifth echelon (2019)
AG	Manager	2	0	0	0	1
	Section chief	4	6	3	1	2
	Team leader	0	0	5	4	2

BG	Manager	2	4	0	0	2
	Section chief	4	5	7	2	2
	Team leader	2	1	1	3	2
EG	Manager	3	1	0	0	2
	Section chief	6	4	4	4	4
	Team leader	3	3	2	4	2
LG	Manager	2	1	0	0	2
	Section chief	1	3	4	4	2
	Team leader	1	0	3	1	2
STAFF	Manager	0	1	0	0	3
	Section chief	0	5	1	1	2
	Team leader	0	4	4	5	4
Total Person		30	38	34	29	34



▲ Each BU supervisor also encourages the MA colleagues to challenge themselves and take it to the next level.



▲ MA colleagues share their self-expectations for training



▲ The supervisor and the colleagues of MA (5) hope that the MA of this ladder will support each other and stimulate the sparks.

Average Training Hours

In 2020, the training hours for primary and middle-level managers are significantly lower than those of the previous year. This is mainly due to the COVID-19 epidemic. In the first half of 2020, training courses were postponed or cancelled depending on the situation to avoid cluster infections. From then on to the second half of 2020, the domestic epidemic slowed down, consequently we conducted internal training and technology sharing as the mainstay. The average number of people will be more, and the average hours will be reduced. The total training hours of employees are 31,187 hours, and the average training hours per person is 16.3 hours.

KPI	Quantitative indicators	Year			
		2017	2018	2019	2020
Human Resource Development Index	1. Average training hours per person per year = annual training hours / total number of person	20.45	23.93	25.18	16.3
	3. Average number of training times per person per year = annual training number / total number of person	4.08	4.7	3.95	3.4
	4. Annual training budget implementation ratio = annual implementation amount/annual training budget	80.10%	88%	105%	69%
	5. Annual training hours execution rate = annual execution hours / annual training hours	101.60%	100%	90.4%	71%

Life-long Learning

In addition to providing internal training courses, the company encourages colleagues to learn proactively and actively participate in external training. The company also provide subsidies for external training, such as graduate degree/credit training, language learning or other professional skills, and online learning resources.

In 2020, a total of 3,555 hours of foreign language training such as English and Japanese was subsidized; 5,732 hours of general training such as capabilities improvement and self-development; EMBA and other degree credit training; a total of 249 times and 3,606 hours of external training courses was subsidized.

Employee Training Courses

Category	Narration	2019		2020	
		Number of trainees	Training hours	Number of trainees	Training hours
On-the-job training	Professional and experience learning, work conferences, technology research and development studies, on-site teaching and other professional skills related training	1042	3216	835	1787
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.	1221	7305	766	3992
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.	291	515	111	240
Self-learning	Rich e-learning course, negotiation skills, language, management, professional technology sharing, etc.	104	5200	79	3555
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.	2504	12177	2009	8083
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.	395	2831	186	1785

3.4 Reasonable Compensation and Promotion System

Compensation Structure

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.

Fair Compensation

The salary of new recruits maintains the industry's P75 level. After the probation period, the salary of regular employees will be adjusted by NT\$2,000, and the outstanding employees will be promoted and salary adjusted every year, and the

talents will be promoted and retained.

Number of Full-time Employees Who are not in Supervisory Positions, Average and Median Salary

	2019	2020	Variance
Number of full-time employees in non-supervisory positions	1,901	1878	- 23
Average salary (thousand dollars)	972	967	-5
Median salary (thousand dollars)	802	818	+16

Promotion Policy

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.

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.

Disabled Colleagues

The number of employees with disabilities employed in 2020 reached 15 (slightly 6 people, moderately 3 people, and severely 3 people). According to the law, when employing severely physically and mentally handicapped persons, each employed person can be counted as 2 persons, accounting for 0.78% of the total employees.

Year	2017	2018	2019	2020
Total number of local employees in Taiwan	1922	1967	1981	1919
Number of employees with disabilities	23	23	22	15
Number of indigenous employees	7	11	13	16
Number of employees with disabilities / total number of local employees in Taiwan	1.20%	1.17%	1.11%	0.78%
Number of indigenous employees / total number of local employees in Taiwan	0.36%	0.56%	0.66%	0.83%

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.

Friendly Workplace Environment

The salary verification of all colleagues is not differentiated by gender, but varies according to their job category and job level. The salary of employee is reviewed and decided based on their expertise, education, previous professional experience and with reference to the market benchmark. Those who are promoted in accordance with the company's "Promotional Measures" may be promoted and adjusted in accordance with the company's "Salary Management Measures" in order to maintain salary competitiveness.

Compensation Status of Female and Male Employee

	2019				2020			
	Total salary		Monthly salary		Total salary		Monthly salary	
Rank	Female	Male	Female	Male	Female	Male	Female	Male
Executives	0.98	1	0.79	1	0.90	1	0.81	1
Middle and Low Level Managers	0.85	1	0.88	1	0.86	1	0.87	1
Staff	0.86	1	0.82	1	0.82	1	0.83	1

◎ According to gender statistics, the ratio of the average annual salary of male and female employees by level and nature of work, has been employed for more than one year by 2020/12/31

Equal Workplace and 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 2019.

Leave Without Pay/ Parental Leave System

The company pays attention to the family life of employees and the care of the next generation. In addition to providing employees with maternity allowance to encourage childbirth, it also provides all employees with maternity/paternity leave and parental leave in accordance with the law to protect employees' rights to work after reinstatement. So that all employees can take care of newborns with peace of mind, so as to enjoy family happiness.

Item	Gender	2017	2018	2019	2020
Number of people applying for leave without pay in the current year	Male	2	4	0	0
	Female	12	12	10	13
	Total	14	16	10	13
The number of people who should be restored to leave without pay (A)	Male	1	2	0	0
	Female	9	10	4	14
	Total	10	12	4	14

The number of people who should be reinstated and the number of people who were reinstated (B)	Male	0	0	0	0
	Female	6	5	5	8
	Total	6	5	5	8
Reinstatement rate (B/A)	Male	0%	0%	0%	0%
	Female	67%	50%	40%	57%
The number of persons who should be reinstated and reinstated during the previous year (C)	Male	1	0	0	0
	Female	3	10	5	6
	Total	4	10	5	6
Number of employees who have worked for more than 12 months after reinstatement (D)	Male	0	0	0	0
	Female	3	7	5	6
	Total	3	7	5	6
Retention rate (D/C)	Male	0%	0%	0%	0%
	Female	100%	70%	100%	100%

Labor-Management Relationship

Manpower Structure and Ratio of Male to Female Employment

The recruitment policy is based on the equality of human rights, and there is no discrimination in gender, race, age, politics, marriage or family status, etc., making the composition of colleagues more diversified. In 2020, the total number of employees is 1,919, and female employees account for 28.3%. Among the 516 managers, 37 are women (7.2%), 58 are senior managers, 185 are mid-level managers, 273 are junior supervisors, and 1403 are general colleagues. Due to the characteristics of the industry, there are 1330 males (69.3%), higher than 589 females (30.7%). Due to the special nature of the manufacturing industry, the most of old employees are male, and the male proportion of business executives is relatively high. In recent years, not only has the proportion of female employees grown year by year, but the proportion of female supervisors has also continued to grow.

Manpower Structure Table

		Executives		Middle Level Supervisor		Low Level Supervisor		Staff		Subtotal		Total
		Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	
2019	Total Persons	2	60	5	172	29	251	531	931	567	1414	1981
	Under 30 years old (inclusive)	0	1	0	0	0	0	177	322	177	323	500
	Proportion	0%	2%	0%	0%	0%	0%	33%	35%	31%	23%	25%
	31-50 years old (inclusive)	0	9	4	107	26	191	298	498	328	805	1133
	Proportion	0%	15%	80%	62%	90%	76%	56%	53%	58%	57%	57%
	Over 50 years old (inclusive)	2	50	1	65	3	60	56	111	62	286	348
	Proportion	100%	83%	20%	38%	10%	24%	11%	12%	11%	20%	18%
2020	Total Persons	2	56	7	178	28	245	552	851	589	1330	1919
	Under 30 years old (inclusive)	0	1	0	0	0	1	166	336	166	338	504
	Proportion	0%	2%	0%	0%	0%	0%	30%	39%	28%	25%	26%

2020	31-50 years old (inclusive)	0	9	6	115	26	189	288	463	320	776	1096
	Proportion	0%	16%	86%	65%	93%	77%	52%	54%	54%	58%	57%
	Over 50 years old (inclusive)	2	46	1	63	2	55	98	52	103	216	319
	Proportion	100%	82%	14%	35%	7%	22%	18%	6%	17%	16%	17%

Structure of New and Leaving Employees

Due to the characteristics of the manufacturing industry, the majority of new employees are young male colleagues. The structure of the turnover ratio is similar, with the highest proportions of male under 30 years old. In 2020, the turnover rate of all employees is 8%. In order to reduce the turnover rate, we implement care activities for new employees on regular basis. For employees who plan to resign, his/her supervisor will conduct interviews to understand the reasons and for further evaluation on improvement plans.

		New Employees						Leaving Employees					
		2018		2019		2020		2018		2019		2020	
		Number of persons	%	Number of persons	%	Number of persons	%	Number of persons	%	Number of persons	%	Number of persons	%
gender	male	183	9%	148	7%	99	5.2%	138	7%	155	8%	131	7%
	female	46	2%	51	3%	34	1.8%	34	2%	41	2%	39	2%
	Total	229	12%	199	10%	133	6.9%	172	9%	196	10%	170	8%
age	Under 30 years old (inclusive)	151	8%	127	6%	90	4.7%	95	5%	94	5%	51	3%
	31-50 years old (inclusive)	60	3%	60	3%	40	2.1%	69	4%	68	3%	65	3%
	Over 50 years old (inclusive)	18	1%	12	1%	3	0.2%	8	0%	34	2%	54	3%

© Remarks: The number of resignations includes retired employees

Employee Education Level

	2017		2018		2019		2020	
	Number of persons	%	Number of persons	%	Number of persons	%	Number of persons	%
Total Persons	1,922	100.0%	1967	100.00%	1981	100%	1919	97.07%
Below University	934	48.6%	908	46.16%	894	45.13%	602	30.45%
Bachelor	709	36.9%	756	38.43%	782	39.48%	1019	51.54%
Master	275	14.3%	296	15.05%	299	15.09%	293	14.82%
PhD	4	0.2%	7	0.36%	6	0.30%	5	0.25%

Communication Strategy

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 this year. 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.

Grievance Mechanism

Labor Agreement	Measure
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

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
Working for more than 3 years	30 days

Labor complaints: In 2020, a total of 0 colleagues applied to the competent authority for labor dispute mediation.

Labor Organization

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 "Industry 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. At present, 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 labor selection is held every year, with 1 model for every 25 people selected. In 2020, a total of 69 model labor representatives were selected, and they were publicly praised in the factory and published in company monthly magazines.

Welfare and Retirement System

Category	Content
Welfare Measures	Year-end bonuses, festival bonus, dividend, proposal bonuses, and business bonuses. R&D allowance, R&D achievement bonus, internal lecturer allowance Labor Day gifts, festival gifts, birthday vouchers, travel subsidies, club activities.
Retirement Policy	1. According to the "Labor Standards Act", retirement pension is calculated based on the years of service of employees and the average salary of the six months before retirement. 2. In accordance with the provisions of the "Labor Pension Act", a 6% retirement pension is allocated to the individual account of the Labor Insurance Bureau based on the employees' monthly salaries.
Performance Bonus	The bonus will be issued based on the company's operating performance and profitability, and the company target is achieved.
Employee Trust Holdings	A certain amount of employee's salary is withdrawn every month, and the company will give a certain proportion of rewards based on the amount of the withdrawal.
Employee Rewards	Various incentive schemes commend outstanding teams and individuals to affirm the efforts and contributions of employees, including team awards for outstanding performance, personal awards, veteran employee recognition and travel subsidies, model labor awards, etc.
Welfare Committee	Organize employee tours from time to time and provide various welfare-related subsidies such as weddings, funerals, celebrations, and employee child scholarships to cater for the needs of employees at all levels. Organize one day trips, various ball games and family days.
Employee Insurance	In addition to labor insurance and national health insurance, the company buys employee group insurance, all employees are covered by the insurance, and if overseas employees are sent to bring their family members, their family members will be included.
Group Insurance	Accidental death: 2 million for general employee, 5 million for sales personnel & stationed sites, 10 million special engineering projects, 10 million for overseas employee and senior executives

Group Insurance	The coverage includes: injury insurance, specific injury rider, aviation injury rider, surgical medical group insurance
	Anxin Group Health Insurance (Daily Ward Expenses Insurance)
	Anxin Group Health Insurance (Intensive Care Unit Compensation Insurance)
	Anxin Group Health Insurance (Outpatient Insurance before and after Hospitalization)
	Accidental injury medical rider, accident emergency rider, burn and scald ward rider
	PS:Employee and family members can also participate in the company group insurance at their own expense and at a preferential rate.
Car Insurance	Company car for vice president and above will be covered by type-II car insurance. Car for associate-level supervisors will also be covered by type-II car insurance which the company will subsidize half of the insurance premium.

Application of Employee Welfare (including family members)

Welfare item	Application Times	Amount (NT\$)
Hospitalization allowance	305	290,550
Funeral allowance	39	400,000
Education allowance	1,843	3,602,400
Travel subsidy	1,521	7,605,000
Employee club subsidy	-	1,431,383
Others (marriage, retirement, work injury)	75	1,813,800

Code of Employee 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 2020.

It also requires all employees and supervisors to uphold the business philosophy of "Righteousness, Diligence and Thrift" and strictly abide by the company's established integrity work standards; in case of improper external interference, they should promptly report to the company for assistance. They are required never commit bribes even they might lose business. All units must implement internal control and internal audit work in order to maintain the overall high-quality corporate image.

Harmonious Human Rights Social Policy

Our labor policy clearly stipulates commitments such as "Respect for labor, Protect labor rights, Fulfill social responsibilities", "Company labor management system must comply with labor-related laws and regulations and other requirements". When recruiting new employees, comply with the laws and regulations for every 100 employees to hire a physically and mentally handicapped employee so as to ensure equal opportunities for disadvantaged groups.

Life and Social Development / Promoting the Physical and Mental Health of employees

The balance between work and family has always been an important issue for working people, and the employee travel benefits provided by SEEC is to help employees not only to enhance relationship with other colleagues, but also to encourage their family members to participate together.

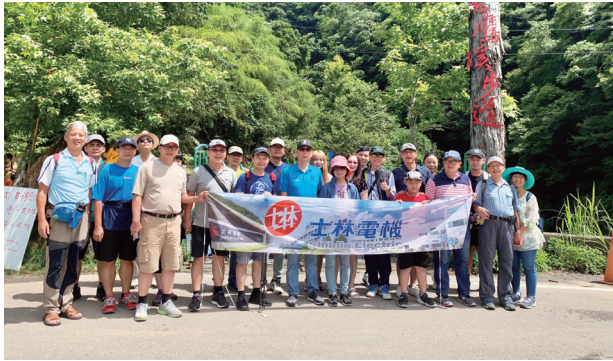
Quality Assurance & Production Engineering Division ~ A trip to the most beautiful ATayal Tribe [Smangus, Cinsbu, Eagle Creek]



▲ Take pictures of Internet celebrity style at Hexing Station



▲ Group photo shoot at Love station



▲ Group photo shoot at the entrance of Eagle Creek Trail



▲ Lipu Waterfall on Eagle Creek



▲ Group photo shoot at the entrance of Eagle Creek Trail



▲ Dining at Yu Lao Green Wood Restaurant



▲ Group photo shoot at the Centennial Church in Cinsbu



▲ Group photo shoot in front of the entrance of the Centennial Church in Cinsbu

Human Resources Division & General Affairs Division Joint Department Tourism / [Wuling Farm] Tour



▲ Wuling National Forest Recreation Area



▲ Smoke Falls



▲ The camping area of Wuling Farm, full of autumn pine trees



▲ Hand made scallion pancakes

3.5 Workplace Health and Safety

Occupational Safety and Health Committee

Set up a safety and health management committee in accordance with the law.

Chairman: the top manager of the factory will be the director.

Committee members: employee representatives account for more than one-third of the total number of committee members.

Regular meetings: Meetings are held every three months. The agenda of the meeting includes 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 and any other matters.

Safety promotion and training

- ISO45001 Occupational Safety and Health Management System, which was officially released in March 2018, to replace OHSAS18001. The company has completed the ISO45001 verification and conversion processes in June 2020.

- In order to improve employees' awareness of work safety, relevant education and training courses are implemented every year in accordance with legal requirements, including general safety training, on-the-job safety and health training, supervisor-level safety and health training and safety and health training for organic solvent operation supervisor, hypoxic operation supervisor, specific chemical substances operation supervisor, dust operation supervisor, stationary crane, stacker, boiler operator and contractor, as well as 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



▲ Three-ton crane operation training (foreign employees)



▲ Safety training for crane hoisting operations (foreign employees)



▲ Defense regiment training

Emergency Drills, Fire Drills

Regularly arrange fire-related incident drills twice a year. Through the regular group training, the purpose of those drills is to improve the response ability of employees reduce the loss of life or property when disasters occur.



▲ Introduction of fire extinguishing facilities



▲ Firefighting drill



▲ Fire rescue drill



▲ Firefighting drill

Safety and Health Management Performance

As for safety management, the company has invested various resources to implement and strive to maintain ISO45001 (Occupational Safety and Health Management System) and TOSHMS (Taiwan 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



▲ Handle the health inspection service in the factory by the Health Bureau.



▲ Employees' blood pressure measurement



▲ Blood Pressure Health Lecture

- 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. 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.
- 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
- In accordance with the guidelines of the Occupational Safety and Health Administration of the Ministry of Labor, SEEC formulates the following measures as planned: (1) Unlawful violations in the performance of duties; (2) Maternal health protection technology in the workplace; (3) Prevention of diseases caused by abnormal workload; (4) Human hazard prevention plan.



▲ Factory epidemic prevention / body temperature measurement



▲ Handle regular employee health check

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. [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 & breakfast options for foodies, etc.]
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.
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.

The company has passed the verification of the occupational safety and health management system:

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

- The company 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, and guiding the company to build systematic safety and health management system which is towards the world trend.

4

Environmental Protection

- 4.1 Energy resource use and waste output management
- 4.2 Water resources use and management
- 4.3 Waste reduction and management



3 Items of SDGs Goals



6 Items of ESG

- Climate Change
- Resource Consumption
- Waste Recycling
- Ecological Conservation
- Environmental Education
- Resource Management

5 Items of CSR Indicator

- Circular Economy
- Waste Recycling
- Environmental Protection
- Compliance
- Information Disclosure

Core Goals and Vision

Commit to abide by government laws, international conventions and environmental protection regulations.

Pollution prevention source-side management and control: Regular review and continuous improvement through the environmental management system in line with the nature and scale of the organization.

Conserve energy and resources, recycle and reuse. Thoroughly implement energy conservation and resource conservation and recycle to reduce waste of resources.

Regular disclosure of environmental performance-disclosure of the company's environmental management implementation status to the public.

Management Mechanism

Management methods: The company has introduced an environmental management system, passed the ISO 14001 environmental management system certification, complies with government environmental laws and regulations, and reduces the impact of products or activities on the environment.

Continuous improvement: According to the environmental management system, the prevention and control of major pollution in production activities will be further extended to source management toward the use of materials, and the use of environmentally hazardous substances is prohibited or restricted.

Evaluation mechanism: The transitional verification (ISO14001:2015) Environmental Risk Management System was completed in June 2017. From the perspective of product life cycle, conducted the evaluation process from raw material acquisition, production, transportation, use to disposal, the complete life cycle, so as to minimize environmental impact with the most environmentally friendly production methods.

ISO 14001 環境管理系統之驗證通過實績：

Environmental Management System	Automobile Equipment Plant	Xinfeng Plant	Heavy Power Plant
ISO 14001 certification passed	2000	2000	1998
ISO 14001: 2015 Transition Verification	2017	2017	2017

Environmental Protection Expenditure

Improvement plan: Enhance the improvement of environmental pollution prevention facilities and supervision and management operations, pay attention to regular maintenance and repair of environmental protection equipment, and improve the efficiency of equipment to meet the standards of environmental protection laws and regulations.

	2020	2021	2022
Expected Improvement	1.Improve the effectiveness of air pollution control equipment. 2.Ensure that air pollution, waste water, waste, and noise prevention equipment meet environmental protection standards.	1.Ensure air pollution, waste water, waste, and noise prevention equipment meet environmental protection standards. 2.Replace energy-saving lighting fixtures and install water-saving equipment.	1.Ensure air pollution, waste water, waste, and noise prevention equipment meet environmental protection standards. 2.Replace energy-saving lighting fixtures and install water-saving equipment.
Amount (NT\$ thousand)	22,000	20,000	20,000

Ecological Benefits

The development and promotion of the eco-efficiency concept of economic and environmental win-win is a turning point for the crisis of enterprise. From understanding the risks and investment feedback of the eco-efficiency initiative, construct a new sustainable model.

SEEC attaches great importance to the sustainable operation of enterprises and the sustainable development of the environment. In the management policy, a clear goal is set: fulfilling social responsibilities and providing advanced products and services that are environmentally friendly and energy-saving, such as electric vehicle products, energy-saving frequency conversion products, high-efficiency transformers, wind power industry, etc., striving for a sustainable environment.

The company sets a power saving target of 100MWH/year for 2021, reduce water consumption by 500t, and maintain CO₂ emissions at the same level as in 2020, and continue to strive for energy saving and carbon reduction.

Improvement Item	2019	2020	2021 Target	
	Achievement	Target	Achievement	Target
Waste recycling	127 t	130t	139t	145t
Water consumption reduction / year	600 t	500t	580t	500t
Replace mercury fluorescent lamps with energy-saving lighting fixtures / year	1970 lamps	800 lamps	260 lamps + Improvement of 8 injection molding machines	200 lamps
Energy saving target / year	255Mwh	100Mwh	113Mwh	100Mwh

2020	Energy-saving improvement of office lighting		Energy-saving improvement of plant lighting		Heat preservation improvement of injection molding machine heater		Statistics		Improve Performance
	Before	After	Before	After	Before	After	Before	After	
Improvement	T5 tube	LED tube	Traditional mercury lamp	LED	No insulation design	Thermal insulation equipment			Lighting 260 (lamps) + 8 units Injection molding machine improvement
Energy consumption (W)	42	22.5	500	120	60kw	60kw	260+8	260+8	
Quantity (pcs)	200	200	60	60	8	8			
Usage time (Hour)	12	12	12	12	12	12			
Annual power consumption (Degrees/300 days)	30,240	16,200	108,000	25,920	183,032	166,390	321,272	208,510	112,762 (Degree) 113 (MWH)
CO ₂ Emission reduction							163,527	106,132	57,396 kg

1. Total carbon emissions from electricity consumption in 2020 (CO₂ e): 19,855 T

Calculated based on the percentage of revenue growth, which is 5.1% less than the total carbon emissions from electricity consumption in 2016

2. The total water consumption for the whole year of 2020 is 204,295 M³ compared with the total water consumption in 2019, a decrease of 2.4%. (The recycling of washing water in the process saves about 580t/year)

4.1 Energy Resource Use and Waste Output Management

Energy Resource Use and Management

The main energy resources used by the company are electricity, diesel, liquefied petroleum gas (LPG), tap water, and various usage statistics.

Year \ Item	Electricity Consumption (MWH)	Tap Water Consumption (tons)	High-grade Diesel Consumption (kiloliter)	Gas Consumption (kg)
2020	35,194	204,295	672	85,372
2019	34,255	209,239	623	78,843
2018	33,564	210,754	680	72,193
2017	31,887	183,267	633	84,430

Energy Saving and Greenhouse Gas Management

- Promoting various energy-saving improvement plans, proposing energy-saving improvements for manufacturing processes, etc., continuously improving CO₂ emissions. and promoting outstanding results year by year, it can effectively help the planet alleviate the burden of the greenhouse effect.
- The lighting energy-saving program, combined with the demonstration and promotion subsidy program of the Energy-saving Performance Assurance Project of the Energy Bureau of the Ministry of Economic Affairs, assists the company in implementing the lighting energy-saving improvement project.
- With the progress of era, frequent industrial activities have caused global warming, which has threatened the sustainable development of mankind. The company is committed to energy saving and carbon reduction, not only designing high energy efficiency products but also implementing the reduction of carbon emissions during the production process.
- Actively invest in product carbon reduction verification. At present, amorphous and high-efficiency transformers are subject to ISO 14067 greenhouse gas emissions verification, and carbon footprint verification has been completed.

1. Carbon Emissions: Amorphous transformers

階段	排放量	單位	比例 (%)
Raw Material Stage	5.87	kgCO ₂ e/1KVA Transformer	81.92%
Manufacturing Stage	1.30	kgCO ₂ e/1KVA Transformer	18.08%
Total	7.17	kgCO ₂ e/1KVA Transformer	100.00%

2. High Efficiency Transformer

階段	排放量	單位	比例 (%)
Raw Material Stage	5.81	kgCO ₂ e/1KVA Transformer	81.76%
Manufacturing Stage	1.30	kgCO ₂ e/1KVA Transformer	18.24%
Total	7.11	kgCO ₂ e/1KVA Transformer	100.00%

Environmental Improvement Performance

- Implement office lighting and air conditioning start-up temperature control, air-conditioning temperature control to reduce power usage.
- Replace high-energy-consuming lighting with energy-saving lamps in phases. Switching to LEDs for both lamps with the same illuminance can save 60% of power usage.
- Implement time-sharing operation of high-energy-consuming electrical equipment in the manufacturing process to reduce the high load of capacity.
- Continue to promote the improvement of the drying furnace process, adopt batches of centralized drying operations to reduce the number of drying furnaces and reduce the use of electricity.

4.2 Water Resources Use and Management

- Waste water containing heavy metals and waste water from various operations generated by the company's process, it is collected to the wastewater treatment plant in the industrial zone after pre-treatment of the wastewater.
- Actively improve the process to increase the proportion of waste water recycling, improve the anti-spillage of air-conditioning water, install water-saving equipment in sanitary facilities, control the frequency of cleaning the exterior walls of the factory, and save water for irrigation and greening of landscapes, etc., to achieve the goal of sewage recycling. Improve water efficiency and reduce sewage discharge.
- 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.

Wastewater Treatment Equipment:

	Process Description	Name of Processing Equipment	Discharge Pipe Number	Prevent Pollutants
1	Sheet metal pickling	Lubrication wastewater treatment equipment	Heavy metal	pH, Chemical oxygen demand, suspended solids, iron, zinc
2	Metal surface treatment	Pickling and cleaning wastewater treatment equipment	Heavy metal	pH, Chemical oxygen demand, suspended solids, iron, zinc



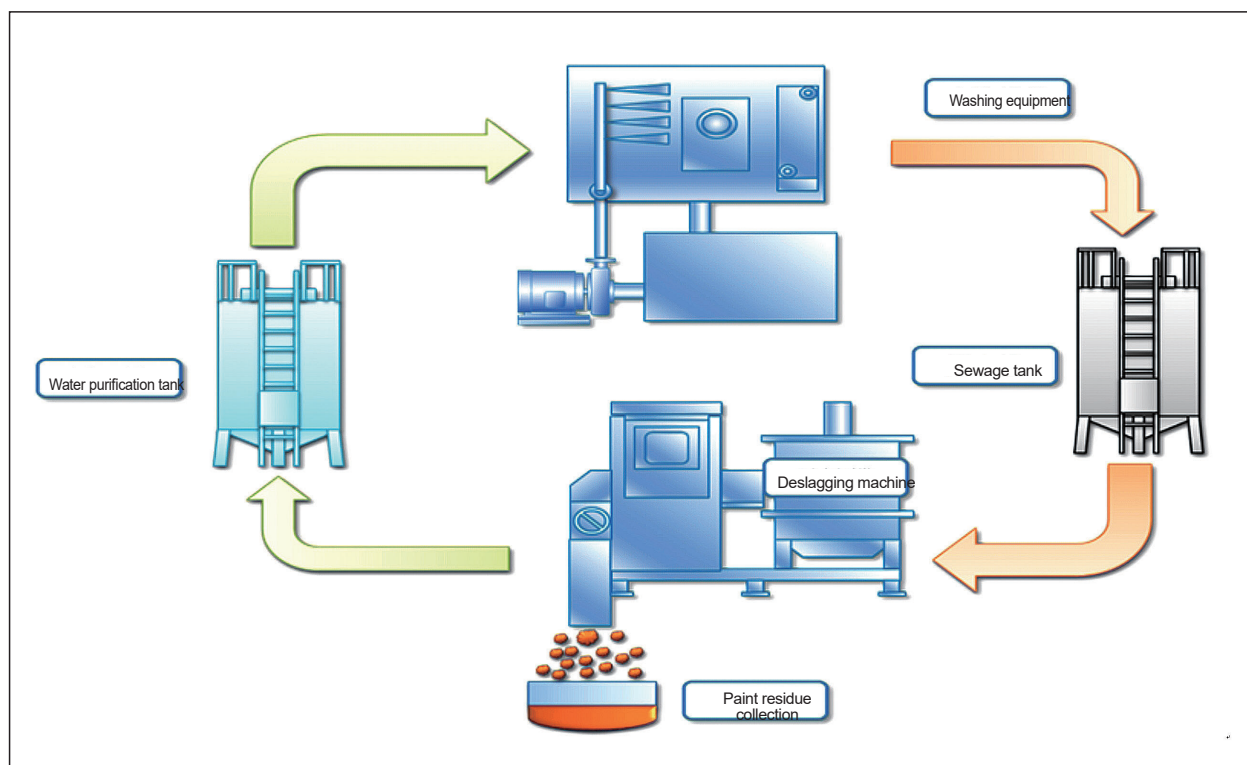
▲ Wastewater Treatment Equipment

- Wastewater discharge testing: The wastewater treatment plant of the management center of the industrial zone send staff to the factory to sample and test the water quality every month. The test results from 2017 to 2020 are in compliance and far below the discharge standards.

Test Items	Hydrogen ion concentration (pH)	Chemical Oxygen Demand (COD)	Suspended Solids (SS)	Soluble Iron (Fe)	Zinc (Zn)
Emission Standards	5~9	480 mg/l	400 mg/l	10 mg/l	5 mg/l
2017	8.4	14.1	5.4	ND	0.14
2018	7.5	20.1	5.6	0.02	0.07
2019	6.88	17.33	4.69	0.00	0.07
2020	7.4	41.8	18.7	0.00	0.15

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.
- Continue to improve the reduction of waste liquid in the coating process, and effectively separate the solid and liquid parts of the waste liquid produced in 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 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 CO₂ emissions.
- In 2020, the actual water consumption was reduced by 580 tons.



4.3 Waste Reduction and Management

- Zero waste is the ultimate goal of waste management. The total waste reduction and waste recycling are the strategies, and 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.
- 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 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.
- 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.
- Industrial waste notification system: In accordance with the relevant government waste laws and regulations, establish a quality balance chart, clearly define the types and output of various wastes, implement independent management, and regularly report implementation status online.

Types and Treatment Methods of Industrial Waste :

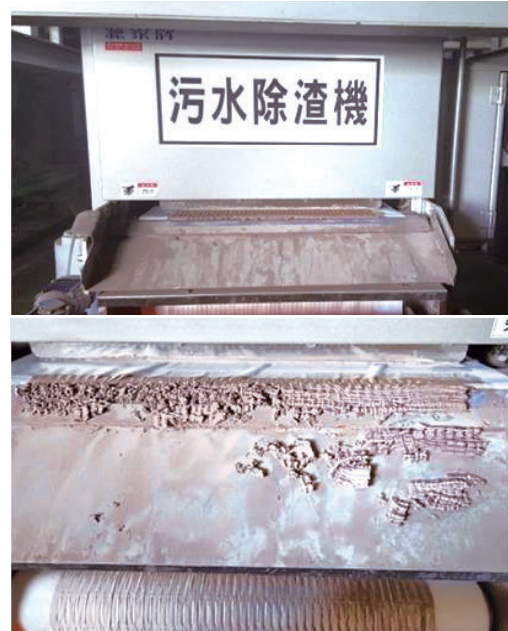
Waste item	Intermediate Processing Method	Final Treatment Method
Mixture of domestic garbage and waste rubber	Incineration	Burying
Waste solvent, waste plastic mixture	Incineration	Burying
Waste wood mixture, waste wood pallet	Recycle / Incineration	Recycle / Burying
Waste oil mixture	Physical treatment	Recycling
Waste cable mixture, mixed hardware waste	Physical treatment	Recycling
Waste electronic components	Physical treatment	Recycling
Metal-containing printed circuit board waste and its powder	Physical treatment	Recycling
Waste copper, waste metal, waste iron, waste paper, waste plastic	-	Recycling
Organic sludge, inorganic sludge	Heat treatment	Recycling
Restaurant food waste	-	Animal feed Organic fertilizer



▲ Waste removal and disposal

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 CO₂ emissions.



▲ Waste reduction improvement / sewage slag removal

Processing Method	Type of Waste	2017	2018	2019	2020
Incineration / burying	General industrial waste	89.7%	87.7%	87.6%	85.3%
	General industrial waste	0.04%	0.01%	0.01%	0.01%
Reuse	General industrial waste	10.2%	12.3%	12.4%	14.6%
Total		100%	100%	100%	100%

Air Pollutant Emission and Management

Air Pollution Equipment

- The company upholds social corporate responsibility. Most of the coating processes with high pollution impacts in the industry are outsourced. Ours approach is to invest huge pollution prevention equipment and operating costs, including water and electricity, activated carbon replacement, waste liquid, waste treatment costs.. etc, committed to environmental protection.
- 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.
- 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.
- The company has introduced the latest air pollution control equipment, which has been recognized by the environmental protection agency. The coating process has been visited by the other factory for many times.



▲ Waste reduction improvement / sewage slag removal

5

Social Care

- 5.1 Social Welfare Feedback
- 5.2 Community management



7 Items of SDGs Goals



5 Items of ESG

- Climate change
- Resource Consume
- Waste
- Pollution
- Employee Care

9 Items of CSR Indicator

- Circular Economy
- Waste Recycling
- Environmental Protection
- Social Participation
- People Oriented
- Give Back to Society
- Employees care
- Charity Innovation
- Information Disclosure

Core Goal and Vision

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, such as donations to the General Association of Friends of the Police of the Republic of China (through the National and Local Police Friendship Associations, caring about the work and life of the police, providing bonuses for solving crimes, compensation for work-related injuries and emergency assistance), Taipei City Government Fire Department (fire safety inspections, old apartments fire alarms) , caring for the disadvantaged, providing medical donations for the people's body, mind and spirit (Mackay Hospital System, Veterans General Hospital System), creating a high-quality sports culture (Taiwan-Japan Friendship Cup Golf Tournament, Yeang Der TPC Championship, Wei Hong Yeang Der Cup, Yeang Der Changchun Open, Taiwan Women's Professional Golf Association, Amateur Junior Golf Development Foundation), helping the disadvantaged, assisting in social welfare activities (North Taipei Family Support Center, Action for Dreams), donating ambulances, etc. Those above mentioned examples demonstrate the company's specific actions and intentions of giving back to the society. In the future, SEEC 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.





Foundation

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 2020 include: donating to the Mackay Hospital System, the Veterans General Hospital System, the New Taipei City Fire Department, the Hsinchu County Poverty Scholarship, and the Hsinchu County Society. Through the transmission of the foundation, we fulfil our corporate mission of "Taken from the Community, Giving Back to Society" so as to initiate the cycle of social goodness.

5.1 Social Welfare Feedback

The Spiritual Fortress of the Hospital, Transforming the Smart Library

SEEC promotes a healthy workplace. Only when employees maintain a healthy physical condition, the company will move forward. The company provides detailed health examinations for employees every year, which is conducted in the Taipei Veterans General Hospital. In order to ensure doctors in that hospital have a good place for further study and



research, Yeang Der Group donated NT\$ 7 million for the renovation project of the Taipei Veterans General Hospital Library, which assist the hospital in improving the medical research environment as well as providing doctors with advanced and comfortable environment for further study and research. It is a very meaningful project. In addition, Yeang Der Group has specially invested a group of engineering and design teams to fully incorporate the needs of the hospital so as to build a tailor-made library for them. For the hospital, the library is the spiritual fortress.

"Love Box Delivery" - Charity Activities by all Employees

Turning idle materials into a gift of "love", the company cooperated with GIVE543 to create a "Love Box Delivery" service, inviting all employees to participate in donating the idle materials at home, and hiring second-time employment or disadvantaged friends to organize those donations and assisting ethnic groups in special circumstances to obtain employment. They use 12 procedures to put the materials on the shelves for the more than 400 social welfare institutions currently cooperating with the donation platform and the disadvantaged society. The event lasted for three months. A total of 676 items were sent out, and 383Kg of materials were recycled to reduce carbon emissions by 789Kg for the planet.

* For every kilogram of waste output reduced, 2.06 kilograms of CO₂ will be reduced, quoted from "Environmental Protection Agency Taiwan Carbon Footprint Information Network"

Collection of Donated Materials from Various Business Groups of SEEC



▲ Automobile Equipment Plant



▲ Xinfeng Plant



▲ Heavy Electric Plant

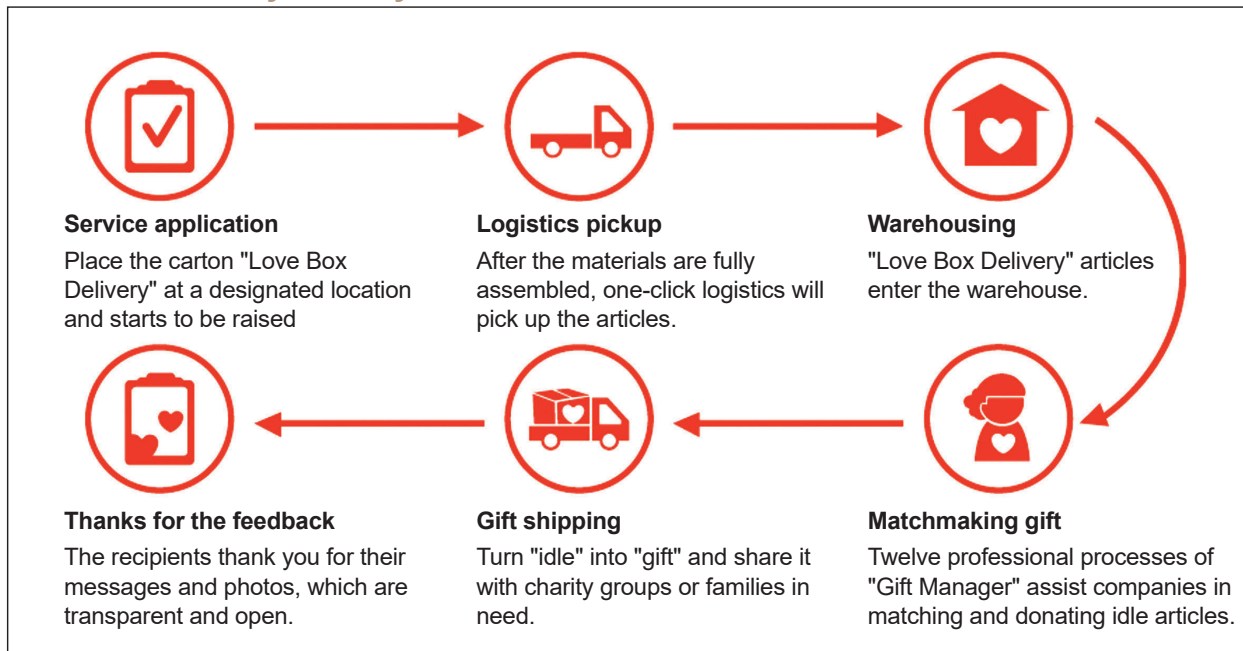


▲ Taipei Branch Office

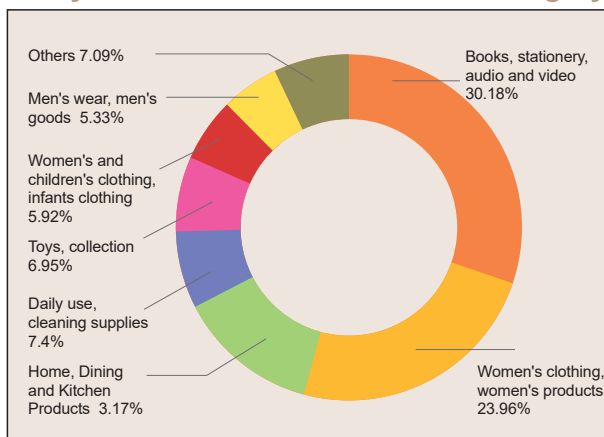


▲ Headquarter

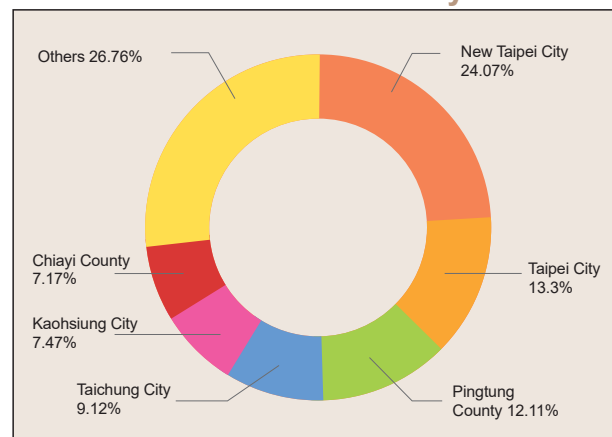
"Love Box Delivery" Charity Process



Analysis of SEEC Donated Goods Category



The Flow of Goods Donated by SEEC



Idle Things Turn into Gifts and Find a Happy Home



Chaozhou Childcare Resource Center

Thanks SEEC

Thank you for sharing the toys, picture books and crayons. All kinds of utensils and clothes, which used to accompany the children at home during their childhood, and now they will grow up with that child with the love of the past and new blessings.
Chaozhou Childcare Resource Center #Partial township to send love



World Peace Council

Thanks SEEC

Thanks to colleagues from SEEC for lovingly sharing such a big Kabi beast puppet. The World Peace Club is used in the children's center of Taoyuan branch. Children who come to participate in activities or supplementary classes must look for Kabi every time they come. The beast is good! Really a super good friend of the kids.



"Love Box Delivery" Performance Evaluation

- Corporate Image / enhance the positive image of the company.
- Employees: Easy / for public welfare and solve the idleness of home materials.
- Corporate Social Responsibility / circular economy, reduce carbon emissions, increase disadvantaged employment, and reduce waste of resources.

Donate Medical Masks

In 2020, severely affected by the COVID-19 epidemic, countries around the world have begun to experience shortages of medical supplies. The United States suffered a lot from this epidemic and lost many precious lives. Among them, especially the elderly with relatively poor immunity, become a high-risk group for infection. Therefore, the long-term care center, where many elderly people are gathered, has become an urgent need for medical aid.

Located in California, the US branch of SEEC has maintained friendly relations with the local community for a long time. Under the instructions of the Chairman, and through the matchmaking of Taipei Economic and



2020年6月26日

士林電機股份有限公司
董事長 許育雄 敬啟

三安電機株式會社
取締役 中島 嘉夫

拝復 貴社ますますご隆昌のこととお慶び申し上げます。
さて、この度新型コロナウイルスによる感染拡大に際しましては、マスク16000枚をご寄贈賜り、ご厚情のほど感謝に堪えません。
御山会長、杉山社長、徳岡専務に代わり深く感謝申し上げます。
頂いたマスクは今後貴社の感染予防対策として、貴社と親交の深い福祉場所等で大切に使用させていただきます。
今後とも貴社のご発展を祈念申し上げ、略儀ながら書中にて御礼申し上げます。 敬具

2020年6月26日

士林電機股份有限公司
董事長 許育雄 敬啟

株式會社 ミツバ
社長執行役員 志田 勝義
常務執行役員 野末 裕
執行役員 本郷 孝司

拝啓 貴社の精神下ますますご清祥のこととお慶び申し上げます。
平素 貴社のご高配を賜り心より厚くお礼申し上げます。
本日、ご寄贈頂きましたマスクが無事弊社に届きました。世界的な感染拡大により、弊園でも入手困難な貴重なマスクをご寄贈頂きましたこと、誠に厚く御礼申し上げます。誠にありがとうございます。
一、施設内において取組の動きも見えますが、二次感染や今後の新異種ウイルスの感染拡大などまだ予断を容れず厳格な対応をしております。
御高配ならびにご厚意のご寄贈を心より御礼申し上げます。
来週となりますが、後にはますますのご清祥とご発展を心より祈念申し上げます。 敬具

▲ Mitsubishi Electric (left) and MITSUBA (right) wrote to thank SEEC for donating masks.

From: Karl.Bachger@ktm.com [mailto:Karl.Bachger@ktm.com]
Sent: Friday, June 19, 2020 12:44 AM
To: SEEC
Subject: THE MASKS ARRIVED ON MY DESK!!
Hi!
I'm very glad to tell you that the masks finally arrived on my desk today and I wanted to Thank you - and Shihlin Management again for the nice gift and care for BMW people!!
The Covid-19 Situation in Munich is much better now and still improving, but we still need to wear - the masks in some office area and the BMW Restaurant.
Many Thanks also on behalf of my Vice President and Purchasing Manager Mr. Schuster-Wolden.
Please give my best regards also to your President Mr. HSU!
Kind regards
Karl
Best Regards
Mr. Berndt/Gentler
Dietrich Schuster
Sales
Sales
Sales
Sales
Sales
Karl Bachger
BMW Motorrad ECE 94-02
BMW Group / Plant Munich
Supplier and Production Network
Purchasing and Plant Quality Management Division / Division
BMW Motorrad
Bullingerstr. 29
85718 München

THANK YOU FROM KTM!

Dear Mr. Ernest Hsu, dear Mr. Cheng Li-Ko, dear Rachel, dear Shihlin team,
Thank you very much for sending us medical masks. We and the entire KTM team are very grateful for your support in this difficult time. We highly appreciate your act of solidarity within the orange family. It is good to know that our reliable partnership gets even stronger with new challenges.
KTM DNA is powerful. We are already working with full strength to recover the lost weeks of isolation. The signs from the markets are positive and our employees can't wait to open the borders again.
Europe's first need to understand the benefits of such medical masks, but we are leaving that to your experience in Asia.
Again, thank you for your strong symbol of partnership in these tough moments. We will use your medical masks to protect our workers and employees in the Mattighofen assembly plant.
Yours faithfully
Ulrich Bär
Vice President Group Purchasing
Markus Fester
Vice President R&D Component Dev.

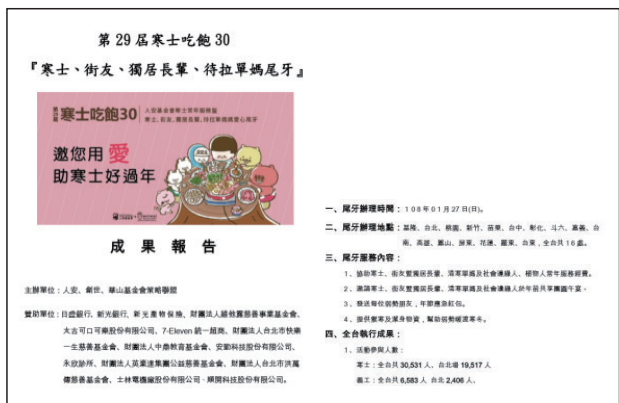
▲ BMW (left) and KTM (right) wrote to thank SEEC for donating masks.

Cultural Office in Los Angeles, the company cooperated with the local NGO MANTOU Foundation (Care Mission USA), jointly donated 20,000 surgical masks to the Gary and Mary West PACE in San Diego County, California, for the elderly and caregivers of the care center.

On May 14 this year, Zhu Wenxiang, Director of the Taipei Economic and Cultural Office in Los Angeles, Wang Zuocheng, President of the MANTOU Foundation, and Attorney Du Huili, who represented the Chairman Emmet Hsu, participated in the donation ceremony. Those surgical masks was accepted by Shelly Lyford, President of West Health (West Health President), and Tim Lash, President of West PACE (Gary and Mary West PACE). They expressed the appreciation to the offices, foundations, and SEEC for the kind and timely assistance during this difficult time.

Help the Disadvantaged to Survive the Cold Winter

In 2019, the company participated in the donation of the 29th "Hanshi, Homelessness, Elders Living Alone, Single Mom" event to help homeless people (homeless / street bum), elders living alone, single mothers, etc., have enough food and clothing in the cold winter. The Zenan Homeless Social Welfare Foundation has long been supporting homeless people (homeless/ street bum), marginalized people, poor students, single mothers, unemployed women, providing protection from the cold and body cleaning supplies, helping the disadvantaged to survive the cold winter. The company worked together with the Foundation to participate in activities in 2019 so as to make our society be full of love and care.



Enhance Taiwan's Competitive Ability in International Sports

In recent years, Yeang Der Group has sponsored Taipei City University to provide scholarships to recruit talented players, cultivate and strengthen the team's competitiveness. The Chairman said that as a local company that values corporate social responsibility, the company will continue to support the development of baseball and cultivate talents to promote this national sports. In 2017, sponsored NT\$ 2 million for the Taipei City University baseball team. Coach Gao Yingjie and

Zhang Cangbin, chairman of the Taipei City University Alumni Association, pledged to assist the coaching team and players to achieve good results within three years, and vow to achieve better results and return to the past glory. From 2018 to 2020, the company will continue to donate to support the athletes of the University of Taipei. It is expected that the University of Taipei will continue to cultivate elite athletes and professional coaches, cultivate professional knowledge and application skills related to sports, and enhance the athletes' ability to compete in the international sports arena.



5.2 Community Mnagement

SEEC has always tried its best to contribute to community participation and charity feedback. 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. It's the example of social welfare.

In 2009, the company generously donated the Yeang Der District Residents Activity Center of Shilin District to the residents of Shilin District. The activity center cost about NT\$20 million. Residents can make appointments to borrow venues for various activities which are good for their physical and mental health so as to promote the establishment of learning culture of the community.



Appendix

Attached Table / High-efficiency TR Energy-saving, Carbon-reduction, and Cost-saving Performance

	KVA	Efficiency		Total Loss(W)		Performance (W)	2018		2019		2020	
		CNS Specification	SEEC Products	CNS Specification	SEEC Products		Sales Volume	Annual Efficiency KW	Sales Volume	Annual Efficiency KW	Sales Volume	Annual Efficiency KW
Energy-Saving (KW)	750	98.25%	99.02%	13,359	7,422	5,937	80	475	80	475	102	606
	1000	98.35%	99.01%	16,777	9,999	6,778	107	725	156	1,057	152	1,030
	1250	98.35%	99.01%	20,971	12,498	8,473	27	229	22	186	40	339
	1500	98.35%	99.01%	25,165	14,998	10,167	93	946	80	813	100	1,017
	2000	98.45%	99.16%	31,488	16,942	14,546	74	1,076	116	1,687	157	2,284
	2500	98.55%	99.16%	36,783	21,177	15,606	75	1,170	39	609	39	609


	KVA	Reduce CO ₂ Emissions	Performance (ton)	2018		2019		2020	
				Sales Volume	Annual Efficiency (ton)	Sales Volume	Annual Efficiency (ton)	Sales Volume	Annual Efficiency (ton)
Carbon Reduction (ton)	750	(7422-13359) / 1000×24hrs×365days ×0.528 (CO ₂ kg / degree)	27	80	2,197	80	2,197	102	2,801
	1000	(9999-16777) / 1000×24hrs×365days ×0.528 (CO ₂ kg / degree)	31	107	3,354	156	4,891	152	4,765
	1250	(12498-20971) / 1000×24hrs×365days ×0.528 (CO ₂ kg / degree)	39	27	1,058	22	862	40	1,568
	1500	(14998-25165) / 1000×24hrs×365days ×0.528 (CO ₂ kg / degree)	47	93	4,373	80	3,762	100	4,703
	2000	(16942-31488) / 1000×24hrs×365day ×0.528 (CO ₂ kg / degree)	67	74	4,979	116	7,804	157	10,563
	2500	(21177-36783) / 1000×24hrs×365day ×0.528 (CO ₂ kg / degree)	72	75	5,414	39	2,815	39	2,815

	KVA	CNS Specification	SEEC Products	Load Factor/ Rate	Performance (ton)	2018		2019		2020	
						Sales Volume	Annual Efficiency (10 thousand)	Sales Volume	Annual Efficiency (10 thousand)	Sales Volume	Annual Efficiency (10 thousand)
Cost-Saving (10 thousand/year)	750	17	10	Load Factor 50% NT\$3.00 / Degree)	7	80	560	80	560	102	714
	1000	22	13		9	107	963	156	1,404	152	1,368
	1250	27	16		11	27	297	22	242	40	440
	1500	33	19		14	93	1,302	80	1,120	100	1,400
	2000	41	22		19	74	1,406	116	2,204	157	2,983
	2500	48	28		20	75	1,500	39	780	39	780

* EX : 31.448 degree×24hrs×365days×0.5 approximate actual total loss ×NT\$ 3.0 = about NT\$ 410,000

Capacity (KVA)	CNS			High-efficiency Tr			General Goods		
	Efficiency (%)	Total Loss (W)		Efficiency (%)	Total Loss (W)		Efficiency (%)	Total Loss (W)	
750	98.25%	13,359	<Base>	99.02%	7,422	↓44%	98.45%	11,808	↓12%
1000	98.35%	16,777	<Base>	99.01%	9,999	↓40%	98.50%	15,228	↓9%
1250	98.35%	20,971	<Base>	99.01%	12,498	↓40%	98.50%	19,036	↓9%
1500	98.35%	25,165	<Base>	99.01%	14,998	↓40%	98.60%	21,298	↓15%
2000	98.45%	31,488	<Base>	99.16%	16,942	↓46%	98.65%	27,369	↓13%
2500	98.55%	36,783	<Base>	99.16%	21,177	↓42%	98.75%	31,646	↓14%

100% energy saving effect up to 46%

Reduce up to 71 tons of CO2 emissions per year =  ×7100 棵
(2500kVA fully loaded)

GRI STANDARDS INDEX

GRI STANDARDS	Reveal the Project		Page Number/ URL and Description	Explanation of Undisclosed Reasons
GENERAL DISCLOSURES				
[Whether the general disclosure list is compiled based on the core or comprehensive options of the report]				
GRI 102 GENERAL DISCLOSURES	Organization Overview			
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	102-2	Activities, brands, products, and services	25	
	102-3	Location of headquarters	25	
	102-4	Location of operations	25	
	102-5	Ownership and legal form	25	
	102-6	Markets served	25	
	102-7	Scale of the organization	25	
	102-8	Information on employees and other workers	25	
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	Strategy			
	102-14	Statement from senior decision-maker	6	
	Ethics and Integrity			
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	102-18	Governance structure	26	
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	Report profile			
	102-45	Entities included in the consolidated financial statements	25	
	102-46	Defining report content and topic Boundaries	25	

GRI STANDARDS	Reveal the Project		Page Number/ URL and Description	Explanation of Undisclosed Reasons
GRI 102 GENERAL DISCLOSURES	102-47	List of material topics	17	
	102-48	Restatements of information	3	
	102-49	Changes in reporting	3	
	102-50	Reporting period	3	
	102-51	Date of most recent report	3	
	102-52	Reporting cycle	3	
	102-53	Contact point for questions regarding the report	4	
	102-54	Claims of reporting in accordance with the GRI Standards	3	
	102-55	GRI content index	112	
	102-56	External assurance/confirmation	-	

Topic-specific Disclosure	Reveal the Project		Page Number/ URL and Description	Explanation of Undisclosed Reasons
GRI 201 Economic Performance				
	Management policy		24	
	201-1	Direct economic value generated and distributed	28	
	201-2	Financial implications and other risks and opportunities due to climate change	50	
	201-3	Defined benefit plan obligations and other retirement plans	86	
GRI 204 Procurement Practices				
	Management policy		66	
	204-1	Proportion of spending on local suppliers	69	
GRI 205 Anti-corruption				
	Management policy		52	
	205-2	Communication and training about anti-corruption policies and procedures	52	
GRI 301 Materials				
	Management policy		67	
	301-1	Materials used by weight or volume	69	
	301-2	Recycled input materials used	97	
GRI 302 Energy				
	Management policy		95	

Topic-specific Disclosure	Reveal the Project		Page Number/ URL and Description	Explanation of Undisclosed Reasons
	302-1	Energy consumption within the organization	97	
	302-4	Reduction of energy consumption	96	
GRI 303 Water				
	Management policy		98	
	303-1	Water withdrawal by source	98	
GRI 305 Emissions				
	Management policy		100	
	305-1	Direct (Scope 1) GHG emissions	97	
	305-2	Energy indirect (Scope 2) GHG emissions	97	
	305-4	GHG emissions intensity	97	
	305-5	Reduction of GHG emissions	97	
GRI 306 Effluents and waste				
	Management policy		100	
	306-1	Water discharge by quality and destination	100	
	306-2	Waste by type and disposal method	100	
	306-4	Transport of hazardous waste	100	
GRI 401 Employment				
	Management policy		73	
	401-1	New employee hires and employee turnover	84	
	401-2	Benefits provided to full-time employees (that are not provided to temporary or part-time employees)	81	
	401-3	Parental leave	83	
GRI 402 Labor/management Relations				
	Management policy		73	
	402-1	Minimum notice periods regarding operational changes	86	
GRI 403 Occupational health and safety				
	Management policy		89	
	403-1	Workers representation in formal joint management-worker health and safety committees	89	
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	11	

Topic-specific Disclosure	Reveal the Project		Page Number/ URL and Description	Explanation of Undisclosed Reasons
	403-4	Health and safety topics covered in formal agreements with trade unions	90	
GRI 404 Training and Education				
	Management policy		81	
	404-1	Average hours of training per year per employee	81	
	404-2	Programs for upgrading employee skills and transition assistance programs	79	
	404-3	Percentage of employees receiving regular performance and career development reviews	80	
GRI 405 Diversity and equal opportunity				
	Management policy		78	
	405-1	Diversity of governance bodies and employees	82	
	405-2	Ratio of basic salary and remuneration of women to men	83	
GRI 406 Non-discrimination				
	Management policy		83	
	406-1	Incidents of discrimination and corrective actions taken	-	Nothing happened
GRI 417 Marketing and labeling				
	Management policy		28	
	417-1	Requirements for product and service information and labeling	61	
GRI 418 Customer privacy				
	Management policy		56	
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	-	Nothing happened
GRI 419 Socioeconomic compliance				
	Management policy		22	
	419-1	Non-compliance with laws and regulations in the social and economic area	-	Nothing happened

