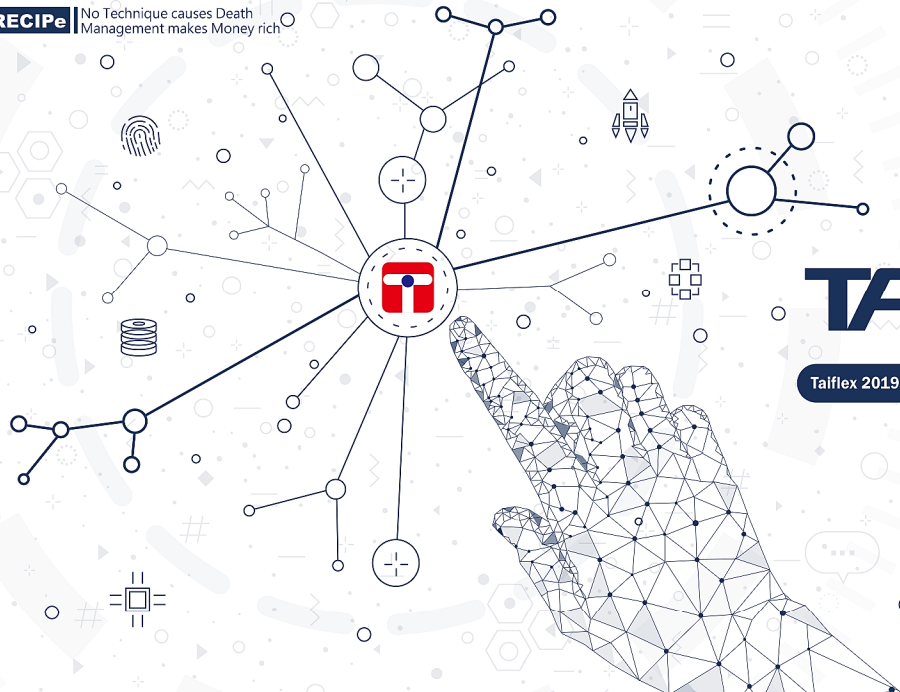


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TAIFLEX
SCIENTIFIC CO., LTD.

Taiflex 2019 Corporate Social Responsibility Report

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Message from the Chairperson



Taiflex Scientific is one of the world's top three suppliers of flexible printed circuit board materials. We never cease in holding firmly to our five core values of "responsibility, execution, creativity, integrity, and passion." Taiflex is dedicated to equipping global users with the most reliable flexible materials on the market, and furthermore, to granting our clientele access to the industry's most innovative application integration services.

In addition to our ongoing business pursuits, Taiflex also fulfills a growing number of social responsibilities. During fiscal year 2019, Taiflex's environmental related expenditures totaled approximately NT\$14,360,000. These funds were spent toward reviewing the standards of our environmental-protection system, pollution prevention, environmental monitoring, educational activities, sponsorship of environmental protection groups, and so on. With regard to Taiflex's 2019 social welfare contributions, not only did Taiflex accumulate monetary donations to be given to various philanthropic organizations, but furthermore, our entire supervisory structure worked together to raise enough funds for a large charity concert to be held on behalf of children's care organizations and in support of other humanitarian activities. Taiflex remains committed to always giving back to society.

In recent years, 5G communication applications have gradually begun to garner public attention. The demand for short, thin, high-speed, high-frequency capable products has continued to grow year-on-year. In order to seize upon this immense field of opportunity, Taiflex has successively upgraded our manufacturing equipment and advanced our technical processes. In 2019, we began to focus heavily on the development of higher-value materials. Taiflex invested a wide variety of resources and actively integrated into unfamiliar supply chains in order to develop products which meet the needs of end users. Our core chemical formulae composition capabilities enable us to provide users with comprehensive solutions to the individual needs of their respective projects.

Looking forward, the company will use its current leading advantages in the flexible materials industry to develop collaboratively with key customers. In the face of increasingly intensifying climate change, Taiflex remains committed to strengthening proven ESG projects. In addition to generating further revenue growth, ESG projects help give rise to more positive forces within society.

Chairperson

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Message from the President



Taiflex Scientific is keenly committed to the innovation, research, and development of green FPC materials, all the while steadfastly fulfilling our corporate social responsibility to the utmost. Based on indicators from 1111 Job Bank's "Three-Goods" Index, Taiflex placed within the Top-20 companies measured out of all of Taiwan's electronic components sector and was honorably mentioned at the 1111 Job Bank's 2019 Prosperous Enterprises Awards Ceremony. The Tri-Good Index tracks information on the employment practices of Taiwanese companies and generates a list of model enterprises who offer good salaries, good benefits, and good career prospects. We are extremely proud to have been highly ranked on this competitive list, and hope to serve as a beacon for other companies in the Kaohsiung area. We are already making great strides in this regard – Taiflex was honored to receive the Grand Prize of the Kaohsiung City Government's inaugural 2019 "Model Enterprise Awards": the Helmsman Trophy. Our greatest hope at Taiflex is to simultaneously create a healthy working environment in which colleagues can lead happy lives and mature professionally, while also generating revenue streams which enable the continued sustainable development of our business.

Corporate social responsibility is without a doubt one of the necessary conditions for the sustainable development of a company. Working together in partnership with other local companies to raise civic awareness about disadvantaged groups within our community and rouse the public to join Taiflex in providing assistance to those-in-need was the original intention for Taiflex's founding of the "Rainbow Hearts Children's Care Association". In addition to steadily investing in the local public school system, as well as faithfully sponsoring the karate team of Kaohsiung City

Siaogang Senior High School, Taiflex also held a large-scale charity concert in June 2019 to give various organizations composed of individuals from a diverse array of disadvantaged groups a grand opportunity to enhance their self-affirmation and discover the results of their diligent practice through a distinguished performance in front of a sizeable audience. In pursuance of helping disadvantaged youths all around in Taiwan, we have also joined hands with the Puren Youth Care Foundation to host a "Rainbow Hearts" summer camp and study tour of Kaohsiung so as to provide underprivileged students greater chances to build healthy interpersonal relationships and explore the local environment. Likewise,

Taiflex calls upon our workforce to volunteer in community food banks, hoping to muster every tiny endeavor to give back to society and cherish Planet Earth. The road to optimal environmental protection and exemplary social welfare is long and gradual. On this road, we will spare no effort to contribute our own personal capabilities, to infuse the collective wisdom of our team as well as our broader corporate influence, and to do our very best for our homeland, so that we may all move together towards a better future for the whole of society.

President

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Awards and Outstanding Achievements

Taiflex remains committed to fulfilling its corporate social responsibilities and the role of a corporate citizen while pursuing corporate growth. We implement measures addressing employee well-being, social welfare and environmental protection. Our commitment to continuous improvement has received external recognition as evidenced by winning prestigious awards in previous years. Awards garnered by the company between 2017 and 2019 are as follows:

Year	Milestones
January, 2017	Received SGS's ISO9001 18 Years of Merit award.
April, 2017	Received the Outstanding Member Award from the Kaohsiung Chamber of Industry.
May, 2017	Received the Enthusiasm Prize of Public Welfare from Export Processing Zone Administration, MOEA
July, 2017	Received the 2016 certification badge for Exporters/Importers with Excellent Trade Performance from the Bureau of Foreign Trade, MOEA.
December, 2017	Invited to serve as deputy director of the Kaohsiung EPZ Southern Branch's Toxic Chemical Substances Joint Hazard Prevention Task Force.
January, 2018	Approved by the Ministry of Finance to be an Authorized Economic Operator (AEO).
May, 2018	Received the annual Enthusiasm Prize of Public Welfare from Export Processing Zone Administration, MOEA
August, 2018	Ranked 31st in CommonWealth Magazine's Corporate Citizenship Awards - Large-Scale Enterprises.
October, 2018	Received the Sports Corporation certificate from the Ministry of Education's Sports Administration
May, 2019	Received the annual Reward of Excellence in Labor-Management Relations from the Export Processing Zone Administration, MOEA
May, 2019	Received the annual Enthusiasm Prize of Public Welfare from Export Processing Zone Administration, MOEA
September, 2019	Received ISO 45001:2018 (Occupational health and safety management systems) certification
September, 2019	Received CNS45001:2018 (Occupational health and safety management systems) certification
December, 2019	Granted two of the Kaohsiung City Government's annual Model Enterprise Helmsman Awards: the Steady Leadership Prize and the much-envied Member-elected Grand Prize
December, 2019	Received the Badge of Workplace Health and Well-Being Promotion from the Ministry of Health and Welfare's Health Promotion Administration.



About This Report

Taiflex has adopted the widely-used Global Reporting Initiative (GRI) Standards to produce an annual CSR report since 2012. Additionally, a CSR section has been established on the Taiflex corporate website to fully disclose Taiflex commitments and also results from the economic, environmental and social perspectives. This edition of our annual CSR report covers sustainable development topics that were the most relevant to all stakeholders and also to the performance of Taiflex's major fabs in Taiwan between January 1 and December 31, 2018. Figures related to financial performance have been audited by the firm of Ernst & Young and are expressed on a consolidated basis. All other figures are disclosed on the parent company only basis. Financial accounts are expressed in New Taiwan Dollars and the environment, safety and health performance are expressed by use of accepted global indicators.

The reporting framework of this CSR Report is based on GRI Standards and the core options are adopted for information disclosure on relevant indicators. A comparison table is provided in the appendix to this report. This Report is issued and disclosed at the corporate website at www.taiflex.com.tw.

Report Verification

This information in this report was not verified by a third-party agency. This report was verified for issuance by the Group Security Director, Mr. Kuan-Hua Chen. The company will evaluate the feasibility of third-party assurance by a qualified verification agency for future reports.

Reporting Period

Previous Report: May 2019
Current Report: June 2020
Next Report: Scheduled for May 2021

Contact

Please contact Tommy Yang at Tommyyang@taiflex.com.tw or 886-7-8139989 ext. 72323 for any questions on this Report.

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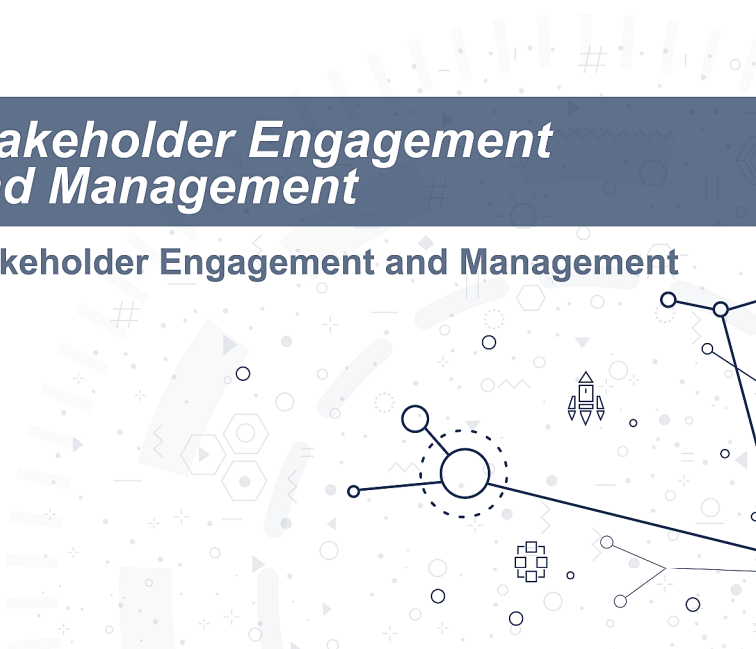
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Overview, Analysis, and Protocols

To fulfill our commitments to all stakeholders as well as respect and secure their rights and interests, Taiflex has established a Corporate Social Responsibility (CSR) Committee under the joint supervision of the Chairperson and the President. The operations of this committee range from environmental protection, occupational safety, corporate governance, and employees' rights to product quality and also research and development. The CSR committee involves all divisions of the company and manages issues associated with their corresponding stakeholders including the government, society, shareholders, employees, customers, and suppliers with the hope of fulfilling our CSR mission and responsibilities.

Taiflex has assigned corresponding units of the committee to respond to and address all economic, environmental and social issues arising from the operations of the company. The roles and responsibilities of CSR Committee members are presented below:

Roles and Responsibilities of CSR Committee Members

Committee Member	Scope	Stakeholder
Legal	Code of ethics and business conduct, regulatory compliance, confidential and proprietary information protection	Government, Employee, Society
Customer Service	Customer service and satisfaction	Customer
Procurement	Raw material and supply chain risk management, supplier management, conflict minerals, green supply chain	Supplier
Quality Management	Quality assurance, quality control, quality planning, quality improvement, quality engineering, operations research	Customer
Research and Development	Innovation management, green production	Employee, Customer
Risk Management	Risk management, crisis management, emergency procedures and action plans	Customer, Employee, Society, Investor
Finance	Disclosure of financial information, dividend policy, tax strategies	Government, Investor
Investor Relations	Properly address investors' concerns, build long-term mutual trust, manage effective two-way communication, compile annual reports	Investor
Environment, Safety and Health	Environmental policy and management system, pollution prevention, energy and resource utilization efficiency, carbon emission management, reporting mechanism of environmental issue, environmental expenditure; occupational safety and health policy and management mechanism, workplace safety, prevention of occupational disease and health promotion; communication on environment, safety and health regulations	Employee, Customer, Government, Society, Contractor, Investor
Human Resources	Talent recruitment and retention, employees' mental and physical health and safety, employee training and development, compensation and benefits, freedom of association and collective bargaining, labor management relations and complaint mechanism, labor right complaint mechanism, working hour management, ban on child labor	Employee
Taiflex Youth Care Association Taiflex Volunteers	Corporate citizenship, charity activities, community relations	Society
CSR Team	Stakeholder engagement, compile CSR reports	Society

In order to facilitate effective communication with different stakeholders, Taiflex has identified the scope and boundaries of issues following the GRI 4.0 standard. Steps taken are as follows:

Step 1: Identify stakeholders

We define stakeholders as internal and external groups or individuals who may affect or be affected by our corporate operations. Based on this definition, our major stakeholder groups include government, society, investors, employees, customers, and suppliers.

Step 2: Identify and list sustainability issues

Based on indicators from GRI 4.0 standard and also taking into account the sustainability reports of domestic and foreign benchmark corporations for Taiflex we identify the scope of Taiflex's sustainability issues.

Step 3: Conduct an analysis of the substance of the issues identified and prioritize these issues based on their level of importance to company operations

The CSR Committee members will hold meetings to discuss the scope of any identified issues with representatives from internal divisions. Any concerns raised through communication channels in the company will be incorporated when determining the impact level on the Company's operations. Finally, substantive aspects are concluded based on issues of high concern and high impact and these substantive issues are to be communicated first.

Step 4: Identify the scopes and boundaries of issues identified and prioritized

Substantive issues ranked by their level of importance are further defined by whether their impact on operations, procedures and services takes place internally or externally in order to present a complete picture of the value chain covered by the Company.

Step 5: Review and discuss

After receiving the results of materiality analysis, the CSR report team will hold discussions to identify sustainability issues of higher disclosure priority.

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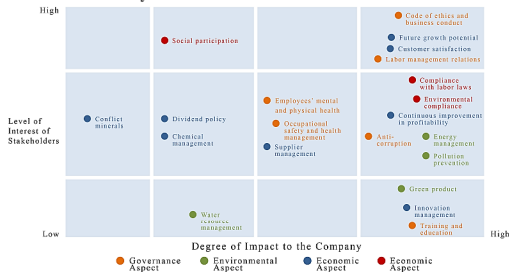
Boundary identification of concerns to stakeholders

To fulfill our commitments to all stakeholders as well as respect and secure their rights and interests, Taiflex has established a Corporate Social Responsibility (CSR) Committee under the joint supervision of the Chairperson and the President. The operations of this committee range from environmental protection, occupational safety, corporate governance, and employees' rights to product quality and also research and development. The CSR committee involves all divisions of the company and manages issues associated with their corresponding stakeholders including the government, society, shareholders, employees, customers, and suppliers with the hope of fulfilling our CSR mission and responsibilities.

Taiflex has assigned corresponding units of the committee to respond to and address all economic, environmental and social issues arising from the operations of the company. The roles and responsibilities of CSR Committee members are presented below:

Concern to Stakeholder	Boundary of Aspect	Internal Boundary		External Boundary		
		Taiflex	Within the Organization	Customer	Supplier	Community
Governance aspect						
Regulatory compliance	Code of ethics and business conduct	●	●			
	Anti-corruptive behavior	●	●			
	Anti-corruption	●	●			
	Environmental compliance	●	●			
	Compliance with labor laws	●	●			
Economic aspect						
Future growth potential	Economic performance	●	●	●		
Innovation management	Economic performance	●	●			
Customer service and satisfaction	Customer satisfaction	●	●			
Continuous improvement in profitability	Economic performance	●				
Supplier management	Procurement practice (local purchases and recruitment)	●			●	
Dividend policy	Economic performance	●				
Compliance with EICC standards	Supplier labor practice assessment					
	Supplier human rights assessment					
	Conflict minerals					
Environmental aspect						
Water resource management	Water resource	●	●	●		
Energy management	Energy	●	●	●		
Pollution prevention	Wastewater discharge and waste	●	●	●		●
	Air pollutant emissions	●	●	●		●
Green product	Products and services	●	●	●	●	●
Global climate change	Greenhouse gas (GHG) emissions	●	●	●		
Chemical management	Compliance	●	●	●		
Social aspect						
Employees' physical and mental health (Occupational safety and health management)	Occupational health and safety	●	●			
	Occupational health and safety	●	●			
Protection of employee work-life balance	Occupational health and safety	●	●			
	Occupational health and safety	●	●			
Employee involvement	Occupational health and safety	●	●			
	Occupational health and safety	●	●			

Materiality Matrix



Communication channels with stakeholders

As a responsible corporate citizen Taiflex is devoted to interaction with all stakeholders to achieve a balance of interests. The following table lists communication channels in place to interact with stakeholders.

Stakeholder	Communication Frequency and Channel
Investors	1. Annual shareholders' meeting 2. Investor relations website 3. Investor e-mail (corporate website)
Customers	Email (corporate website)
Suppliers	Email (corporate website) Annual supplier audits
Employees	1. EHR platform (Taiflex's Human Resources forum) 2. President's Mailbox to convey messages, receive complaints or interact 3. Employee satisfaction surveys
Non-profit organizations	Channels include email, telephone hot-line and official spokespersons

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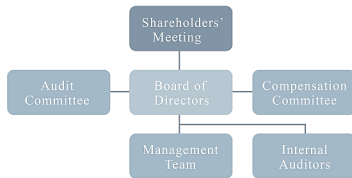
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3.1 Corporate Governance Structure



3.1.1 Board of Directors

Structure of the Board

The Company's highest governing body is the Board of Directors, which is composed of nine Directors with extensive industry experience. Taiflex shareholders elected the 8th term of Board of Directors during the annual shareholder's general meeting on May 26, 2017.

Three of the nine Directors are Independent Directors. These are Mr. Chein-Ming Hsu, the former CEO of 3M Thailand Limited; Mr. Wen-I Lo, the former President of China Venture Management, Inc.; and Mr. Shi-Chern Yen, an adjunct professor of Chemical Engineering at National Taiwan University. The qualifications and election of these Independent Directors are in compliance with the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies".

In addition to following company law, relevant regulations and the Articles of Incorporation, the election of company directors shall comply with its "Procedure for Election of Directors", which requires each board member to have the necessary knowledge, skill, and experience to perform their duties including: operational judgment, accounting and financial analysis, business management, crisis management, industry knowledge, international market perspective, leadership and decision-making. In addition to these prerequisites all Taiflex Directors take continuing education courses relevant to finance and operations. Details of the continuing education of board directors can be found at the Taiwan Stock Exchange's Market Observation Post System website (http://mops.twse.com.tw/mops/web/93sc03_1). Taiflex board members and managers conduct themselves in compliance with the Code of Ethical Conduct. There has been no gender discrimination reported and the Company has not received any complaints on sexual harassment or gender inequality.

Note: Please refer to the 2019 Annual Report for details on Board members' education, work experience and concurrent positions at other companies.

Responsibilities of the Board

The Board shall supervise and ensure that the Company's business direction is in line with long-term and short-term market demand and appoint a compact management team to carry out the business strategies approved by the board in order to ensure the Company's business performance. To fulfill its supervisory duties the Board has established various organizations and communication channels, including the Compensation Committee and Audit Committee. The Board is also responsible for guiding the management team to formulate long-term strategies favorable to corporate development. The Board receives regular reports from the management team in addition to other communication and also holds regular discussions with management. The management team proposes corporate strategies to the Board which determines the feasibility of these proposals. The board also conducts reviews of the execution and outcome of strategies on a regular basis and instructs management to make necessary adjustments. The board of directors believes that this approach builds a solid foundation for corporate sustainability.

Our steady and sound operation stem primarily from our firm business approaches plus systematic implementation and control of these approaches. Shareholders rely on the Board and the management team understanding of the market for strategic planning concerning the future and for the formulation of forward-looking business paths. In 2019, our business performance met the Board's expectations and resulted in no material disputes. In the case of major dispute or significant events

Remuneration to Directors and Managers

The Company's Articles of Incorporation stipulate that remuneration to Directors shall not exceed 4% of the annual profits and the remuneration to Directors and Managers shall be reviewed by the Compensation Committee and approved by the Board before it can be distributed. Please refer to our 2019 Annual Report for details on remuneration to Directors and managers.

Avoidance of Conflict of Interest

Directors and managers shall secure approvals from the shareholder during the annual meeting or from the Board in accordance with relevant laws and regulations when they take any action that is within Taiflex's business scope, either for themselves or on behalf of others. Furthermore, the Company shall comply with the strict requirements imposed by the securities laws of the Republic of China on reporting and fully disclose all transactions with related parties.

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3.1.2 Audit Committee

Taiflex held a board election of Directors at the 2017 annual shareholders meeting and appointed the three Independent Directors, Mr. Wen-I Lo, Mr. Chein-Ming Hsu, and Mr. Shi-Chern Yen, to be the members of the first-term Audit Committee. Their terms of office began on May 26, 2017 and will end on May 25, 2020. Mr. Wen-I Lo was elected to be convener and chairperson of the Audit Committee. With their combined professional competence these three Independent Directors are capable of supervising all areas of the Company's operational governance and corporate development to satisfy corporate governance requirements, strengthen supervisory functions and improve management mechanisms.

The Taiflex Audit Committee Charter is available on our corporate website at http://www.taiflex.com.tw/cor_policies.php and on the Taiwan Stock Exchange's Market Observation Post System at <http://mops.twse.com.tw>.

3.1.3 Compensation Committee

In 2011, the Board established a Compensation Committee directly subordinate and reporting to the board. The Compensation Committee is responsible for professionally and objectively evaluating the Company's overall compensation and benefits policy, compensation policy and the system of directors, supervisors and managers. The committee will make recommendations to the entire Board as a reference for the board to make relevant decisions on these issues.

The laws of the Republic of China require the Board to appoint the Compensation Committee members. Based on the Company's Compensation Committee Charter, the Committee shall consist of three Independent Directors and they shall elect one member among themselves to be the convener and chairperson. At this time the Board has appointed the three Independent Directors to be the Compensation Committee members who have elected Mr. Chein-Ming Hsu to be the convener and chairperson. Taiflex Chairperson, Ta-Wen Sun, is invited to attend each Compensation Committee meeting; however, he shall recuse himself from any discussion of his own compensation.

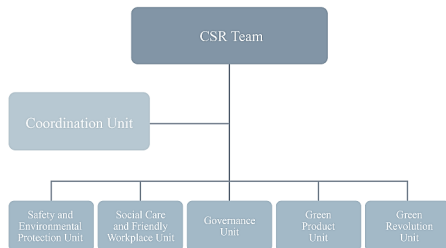
Pursuant to the Charter, the Compensation Committee is entitled to engage independent consultants to assist it with evaluating the salaries of CEO or managers. Taiflex's Compensation Committee Charter is available on the corporate website at http://www.taiflex.com.tw/cor_policies.php and the Taiwan Stock Exchange's Market Observation Post System at <http://mops.twse.com.tw>.

3.1.4 CSR Committee

To fulfill and carry out Taiflex corporate social responsibilities the board has established a CSR Committee. The Human Resources & Administrative Division is the dedicated unit for this committee with other divisions as Committee members for promoting and executing relevant activities. Each Committee team reports to the Committee chairperson at different intervals depending on its activities.

The Chairperson and the President of Taiflex jointly supervise the CSR Committee operations, which cover environmental protection, occupational safety, corporate governance, employees' rights, as well as product quality and research and development. It also includes economic, environmental and social concerns. The aim of the committee is to fulfill our appointed mission of hon-

The organizational chart of the CSR Committee:



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3.2 Code of Business Ethics

3.2.1 Core values and business ethics

The Taiflex code of conduct emphasizes enthusiasm, responsibility, integrity, creativity and execution and are the core values of Taiflex corporate culture. The Company has established the "Code of Ethical Conduct" for all personnel to comply with when performing their duties. Following the Ethical Code of Conduct will uphold the Taiflex corporate culture of being helpful and friendly to colleagues as well as respecting discipline, integrity and diligence. We are committed to the Code of Ethical Conduct, which contains the following eight principles:

(1) Avoid conflicts of interest:

Company personnel shall perform their duties with objectivity and efficiency. Company personnel will avoid allowing themselves, their spouses, parents, children or relatives within second degree of kinship from obtaining improper benefits as a result of their positions in the Company. When the Company engages in transactions such as loans, guarantees, significant asset trading, sale or purchase with affiliated companies at which the said family members are employed, company personnel shall take the initiative to clarify if there is any actual or potential conflict of interest.

(2) Avoid opportunities to pursue personal benefit:

Company personnel owe a duty to the Company to advance its legitimate interests whenever any opportunities arise. They shall remove themselves from the following situations:

- (i) discovery of opportunities to obtain personal benefits through the use of company property, information or position;
- (ii) to obtain personal benefits through the use of company property, information or position
- (iii) To compete with the Company in any way

(3) Confidentiality:

Except in cases when disclosure is authorized or required by law or regulation, company personnel shall maintain the confidentiality of information entrusted to them by the Company or our customers and suppliers. Confidential information includes all non-public information that might be of use to our competitors, or harmful to the Company or our customers if disclosed.

(4) Fair dealing:

Company personnel shall deal fairly with all customers, suppliers, competitors and employees. They are prohibited from obtaining improper benefits through manipulation, concealment or abuse of information obtained as a result of their positions, misrepresentation of material fact, or any other unfair-dealing practice.

(5) Protection and proper use of company assets:

Company personnel shall protect Company's assets and ensure that those assets are efficiently used for legitimate business purposes. Theft, negligence, are waste are all actions that would directly impact the Company's profitability.

(6) Compliance with laws and regulations:

Company personnel shall observe all applicable corporate policies, the Securities and Exchange Act and all other laws and regulations.

(7) Encourage the reporting of illegal or unethical behavior:

The Company shall make employees aware of ethical standards and encourage employees to report suspected or observed possible violations of laws and/or regulations within Taiflex's Code of Ethical Conduct to the Audit Committee, the head of the Audit Committee, the management

Protection of Intellectual Property

To protect confidential and proprietary information or other intellectual property of the Company and to avoid the abuse or infringement of proprietary information and intellectual property of alliance companies Taiflex has established a "Confidential Information Protection Policy" The "Confidential Information Protection Policy" is also an order to uphold absolute respect of customers' and relevant parties' intellectual property rights, confidential information and trade secrets. All employees are required to comply with the policy and put it into practice in order to protect the Company's confidential (proprietary) information and other intellectual property.

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Information Disclosure

Under the supervision of the Board of Directors the Taiflex management team shall ensure that any requests for financial or accounting information filed by any legitimate and relevant authority, or disclosed to external parties, is complete, fair, accurate, timely and understandable. Taiflex has taken and continues to take considerable measures to ensure compliance with the above requirements.

Amendments to the Code of Ethical Conduct take effect after being approved by the Board and shall be reported to shareholders' at the annual general meeting to ensure we maintain our high ethical standards.

3.2.2 Implementation of the Code of Business Ethics

A corporate culture based on a high standard of business ethics: The Code of Ethical Conduct shall be observed by all Directors of the Board, and the management team including the president, vice-presidents, associate vice-presidents, and personnel of equivalent rank; the respective heads of the finance and accounting departments; and all other personnel delegated with managerial responsibilities and signatory authority, as well as by all other employees.

Internal review of organizations and employees: Internal review of organizations and employees is also an important part of instilling and upholding business ethics. By means of self-assessment of internal controls and an orientation course that makes employees aware of the discipline and reward policies contained within our Code of Ethical Conduct, each unit can review whether its personnel have sufficient understanding of our Code of Ethical Conduct, so as to evaluate and strengthen the effectiveness of relevant internal controls. The Company also has a dedicated unit responsible for the formulation, supervision and execution of ethics policy and preventive measures. This unit reports to the Board of Directors whenever the need may arise.

Internal audits: The Company's Audit Committee shall play a key role in ensuring ethical and regulatory compliance. To achieve the goals of securing the accuracy, reliability and timeliness of financial, managerial and operational information as well as ensuring that employee conduct is in compliance with relevant policies, standards, procedures and regulations, the internal auditing team performs various audits. These audits are performed in accordance with an annual audit plan approved by the Board. The audit results and any improvement measures recommended are reported to the Board and management team.

Training and promotion: To maintain employee awareness on the Code of Business Ethics all relevant policies and documents are available on the Taiflex corporate intranet for employees to access. The Company also organizes corporate ethics training as well as promoting these standards through posters and internal newsletters. All employees are required to take online or classroom training which is linked to their performance assessment. Externally, different business units conduct relevant audits on our suppliers and business partners, as well as provide these parties with training and regular seminars to promote our Code of Ethical Conduct and monitor whether any unethical behavior may have occurred. A serious violation of ethical standards committed by a major supplier would result in termination of contract.

3.2.3 Reporting Channels and Whistleblower Protection

To ascertain whether the Company's conduct is in line with the highest regulatory and ethical standards Taiflex has established the "Procedures and Guidelines of Business Ethics", encouraging internal employees and external parties to report any suspected unethical or improper behaviors concerning finance, laws and ethics. The Auditing Office has also set up a whistleblower system to enable such reporting.

The Company shall adopt standard investigation procedures with confidentiality mechanisms in handling incidents reported through the whistleblower system. It maintains confidentiality of the incidents and subsequent investigations and proceeds in a rigorous manner to protect any whistleblowers from retaliation.

3.2.4 Disciplinary Measures for Violation of Business Ethics

Violators of business ethical codes are subject to severe disciplinary actions, including termination of employment or any business relationship with the Company or other appropriate legal action. Internal personnel making false accusation or malicious claims would also be disciplined. Serious offenses can lead to termination of employment.

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3.3 Regulatory Compliance

Since founding, our corporate vision has been to be a world-class flexible materials supplier. In pursuit of this vision our regulatory compliance measures include constant tracking of any changes to domestic and foreign laws and regulations, any regulatory education and training available to our employees, as well as constantly assessing our own internal reporting systems. Taiflex has established the Legal & Intellectual Property Department to serve as the Company's professional legal team, to ensure legal compliance, to protect intellectual property, and to realize our corporate vision as well as fulfill our social responsibilities.

3.3.1 Tracking and Evaluation of Laws and Regulations

The geographic range of our business operations have spread across Asia and we also continue to aggressively extend our presence worldwide. Because of this expansion of operations to new jurisdictions we place great importance on knowing and complying with domestic and foreign laws and regulations. We closely monitor changes in domestic and foreign laws and regulations that may have significant impact on our business or finance. The Legal & Intellectual Property Department provides the latest updates to the management team and all relevant departments in order to assist internal units with regulatory compliance.

3.3.2 Formulation and Implementation of Policy and Regulatory Compliance Scheme

The scope of policies and procedures established within Taiflex business include but not limited to anti-corruption, anti-harassment/discrimination, environmental protection, financial disclosure/internal control, protection of intellectual property rights, and protection of confidential information and privacy. To ensure that the Company meets its regulatory requirements and fulfills its commitment to the protection of employees' rights Taiflex policies encourage employees to report via email or through the company line any unfair treatments including, but not limited to, sexual harassment and workplace bullying and thereby protect their personal rights and workplace safety.

3.3.3 Regulatory Compliance Education and Training

Education and training are essential to the Taiflex compliance scheme. Taiflex establishes projects to target education and awareness of relevant laws and regulations and organizes courses for relevant business units. Key actions and measures are as follows:

- (1) Organization of relevant courses include understanding and compliance of laws and regulations concerning the protection of environment, intellectual property right and confidential information
- (2) Personnel of the Legal & Intellectual Property Department regularly attend external courses to remain current with any amendments and latest developments in laws and regulations relevant to company operations
- (3) Invites legal professionals and experts from outside of Taiflex to hold seminars and lectures to share changes in regulations and the latest news of the industry with employees.
- (4) All measures associated with compliance are reviewed on a regular basis to ensure regulatory compliance actions are in line with the industry or international requirements.

In addition to providing training courses in regulatory compliance, the Legal & Intellectual Property Department posts internal bulletins about topics promoting regulatory compliance on both a monthly basis and an intermittent basis.

3.3.4 Open Reporting Systems

As stated above, the Company has made available open reporting channels to employees and external parties (e.g. customer, suppliers or contractors). In 2019, there were no reported incidents associated with ethics violation, finance or accounting.

3.3.5 Others

The Company has complied fully with the Company Act, the Securities and Exchange Act, laws and regulations concerning environmental protection and labors, and other requirements set by the competent authorities in 2019. There were no incidents reported requiring corrective or disciplinary actions. Moreover, the Company has remained politically neutral and made no political contribution to any individuals or parties.

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3.4 Confidential Information Protection

Taiflex recognizes the value of confidential information and the absolute importance of its protection to safeguard the Company's competitive advantages. The company has established a "Confidential Information Protection Policy" and an "Intangible Asset Committee" to regulate and govern the Company's protection of trade secrets (including but not limited to confidential data, proprietary information, and/or other intellectual property) and to ensure stakeholders' best interests. The Company has adopted the following measures to provide effective protection of confidential information:

I. Use of access control and surveillance systems to monitor and manage all persons and vehicles entering/leaving company premises and to prevent the use of prohibited items as instruments for stealing confidential information.

II. Regular promotion of concepts pertaining to the protection of confidential information; company-wide collection of information-security related feedback; as well as the fostering of internal education and technical training levels necessary for all employees to learn and fully habitualize appropriate confidential information protection measures.

i. Beginning on January 1st, 2019, Taiflex updated our "Confidential Information Protection Policy" to include a mandate requiring the Intangible Asset Committee to conduct monthly information security audits which target every employee and every department within the Company, as well as any and all records of unauthorized information transfer. Furthermore, all internal documents, electronic and physical, must now be segregated into a four-level information security classification system.

III. Immediate termination of employment is possible as serious punishment for any violation of the above rules and Taiflex reserves the right to take legal actions.

In order to prevent any unauthorized or illegal use of outside intellectual property, Taiflex policy prohibits our employees from engaging in any of the following actions without prior written consent from the relevant company:

- To use, retain, copy, distribute or transmit presentation materials, charts, tables, drawings, memorandums, format files, letters, agreements or contracts or any other information from another company
- To use or copy the trademark, name or labels from another company.
- To use any patent-protected innovation or technology of another company.
- To disclose or use confidential information or trade secrets from another company.
- To use confidential information, trade secrets or other intellectual property rights obtained from previous employers in any way.

3.5 Risk Management

In addition to financial risk and risks from changes in economy the Company's risk management measures include risk assessment and emergency planning for environmental and information technology issues. Our management teams operate on the concept of prevention in our corporate culture and act to diminish identifiable and avoidable risks as much as possible to minimize any potential loss from interruption of operations.

The Company has existing systems, standards and procedures for identifying and responding to major risks to sales, manufacturing, production planning, human resources, new product development progression, as well as accounting controls faced by our operations. On top of these existing systems, standards, and procedures the Company continues to proactively develop more advanced and highly sensitive risk-supervision, assessment, and control procedures. From this work we have developed a system of standards that encompass both safety and efficiency as well as built a business model that provides economic benefits to the Company. Specific examples include the strengthening of information systems as well as the enhancement on early warning and monitoring capabilities for different areas of risk.

To maintain the sustainability of our company framework, protect key businesses information, effectively carry out emergency measures and limit damage to a tolerable level whenever company operations suffer from major disasters, sabotage or equipment failure, the Company established an Information Security Management System based on ISO 27001 standards in May of 2016. Shortly following the establishment of our Information Management System, Taiflex obtained the ISO/IEC 27001:2013 certificate, which ensures information operation procedures can be reconstructed and recovered within a certain period of time. Our original ISO/IEC 27001:2013 certificate was valid for three years from November 2016, and was renewed for another three years during November of 2019. This certification not only moves us forward in effectively safeguarding our internal intellectual property rights but also enhances our level of trust from customers so as to ensure that our information safety control measures secure the interests of all stakeholders.

We have also established and maintain our emergency procedures for environmental issues. The procedures are a reference for response to accidents that have already occurred and also for planning to cope with any accidents or emergencies that may occur. The procedures include the scope of emergency plans; duties, responsibilities within in framework of the Taiflex organization. Additionally, these procedures include or will include response activation procedures; hazard identification and risk assessment; rescue plans; evaluation charts; Material Safety Data Sheet (MSDS); audit rules on emergency responses. All units shall comply with the above procedures and rules to lower or diminish the impact and losses arising from personnel injuries, property losses and production interruption as a result of sabotage, natural disaster or other serious accidents and swiftly return to normal operation.

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4.1 Corporate Overview

4.1.1 Company Profile

Taiflex focuses on the research and development of green products as part of our ongoing commitment to protecting the environment. Our strengths are founded on safety, quality, speed as well as service. As evidence of this commitment we have obtained international certifications including ISO 9001, ISO 14001, ISO/TS16949, TOSHMS, OHSAS 18001, IECQ HSPM, UL, and TUV. Taiflex is listed on the Taiwan Stock Exchange under ticker number 8039.

Industry:	Electronic parts/component industry	Main business:	Polymer film-based copper clad laminate, cover layer,
Name:	TAIFLEX Scientific Co., Ltd	Date of incorporation:	1997/08/16
Address:	No. 1, Huangge 3rd Rd, Kaohsiung Export Processing Zone, Kaohsiung City, Taiwan, R.O.C.	Paid-in capital:	NT\$2,091,196,920
Chairperson:	Ta-Wen Sun	TWSE-listed date:	2009/12/17
President:	Zhi-Ming Yen	OTC-listed date:	2003/12/19
Spokesperson:	Fang-I Hsieh	Emerging stock board-listed date:	2003/01/15
Contact number of Spokesperson:	+886-7-8139989 ext. 52818	International certification:	ISO9001, ISO14001, ISO/TS16949, TOSHMS, OHSAS 18001, IECQ HSPM, UL, TUV, etc.

4.1.2 Market Overview

Taiflex holds a 20% market share in the global flexible printed circuit (FPC) materials industry and is also the largest supplier of FPC materials in the Greater China Region. The Company's market success can be attributed to our advanced coating technologies and superior chemical formulae.

To offer timely business and technical services to global customers worldwide Taiflex has four production bases in strategic locations: Kaohsiung Fab 1 (first fab), Kaohsiung Fab 2 (Headquarters), Kaohsiung Fab 3 (R&D center), and Hsinchu Koatech Fab; plus subsidiaries and sales offices in the USA, at Taipei and Linkou in Taiwan, and in Qinhuangdao, Beijing, Xiamen, Shenzhen, and Zhuhai in China. Taiflex had approximately 9,000 employees worldwide by the end of 2019.

We apply our core corporate values in our management of suppliers. Suppliers are viewed as business partners and we build long-term partnerships to develop a sustainable supply chain through our joint efforts. We base our assessment of potential long-term suppliers on future product trends and demand, market forecasts, future directions and procurement strategies. We also base our assessment on the management systems and performance of suppliers, including productivity, technological innovation capability, product quality, price and service. We constantly seek opportunities to forge strategic alliances with suppliers concerning new materials and new business. In accordance with these procedures, an assessment team consisting of personnel from procurement, quality assurance, R&D and technology units assemble on a regular basis to review a suppliers' capabilities and verify outcomes. Operating on the premise of mutual benefit we work with suppliers to lower production costs and prevent disruption and to diminish supply chain risk. This approach to suppliers improves our competitive advantages both at home and abroad while maintaining the quality of our customer service. In effect, we team up with suppliers to fulfill our corporate social responsibilities.

Innovation and research and development

Research and development is the core of sustainability. With the vast experience of our outstanding technical team specializing in product R&D, manufacturing techniques, and equipment development, we are able to offer customers a complete range of FPC materials. We own numerous pieces of precision coating equipment and testing equipment and are able to mass produce ultra-thin products. We have developed advanced, halogen-free FPC materials which feature high-density interconnect (HDI) routing, quick heat-dissipation, high frequency signal capabilities and high speed data transmission rates. Moreover, we have built the best professional technical service team with extensive experience and a thorough understanding of downstream manufacturing processes. This experience and technical knowledge allow our team to provide timely and appropriate guidance to customers as well as provide after-sale services to meet customers' demands. We stay true to our mission of environmental protection and focus on the research and development of green, energy-saving products.

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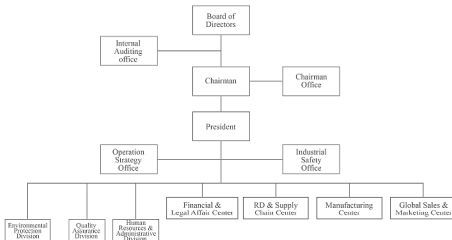
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Company Organizational Structure



Membership of associations

Taiflex actively participates in activities organized by industrial associations and institutes and assumes the role of an industry leader. We facilitate the understanding of key CSR information with these numerous associations and institutes. This key CSR information is composed of systems and measures adopted by corporations with regard to CSR activities, including environmental protection, community participation, social contribution and services, charity activities, consumers' rights and interest, human rights, safety and health, and details regarding the implementation of all these different aspects of CSR. In conjunction with our pursuit of industry leadership, several of our employees are conveners or vice-conveners in professional committees within these associations and institutes. Through cross-industry cooperation our goal is to increase our visibility in the global market by making recommendations to governments and also share our experience in sustainability.

4.1.3 Financial Performance

Dividend policy

Taiflex's dividend policy takes into account global market conditions, the development stage of the Company, future needs for capital, long-term financial planning and shareholder demand for dividends. When there are earnings remaining after paying taxes and setting aside legal capital reserve as required by law, the Board of Directors will draw up an earnings distribution proposal and submit it to shareholders meeting for approval at the annual general meeting. At least 40% of distributable earnings shall be appropriated as shareholders' dividends. Cash dividends shall not be lower than 10% of the total dividends and shall be capped at 100% and Zhuhai in China. Taiflex had approximately 9,000 employees worldwide by the end of 2019.

Dividend payments from 2015 to 2019 are as follows:

Year	Cash Dividend (NT\$/Share)	Stock Dividend	
		From Earnings (NT\$/Share)	From Capital Reserve (NT\$/Share)
2015	2.00000000	-	0.20
2016	2.00000000	-	-
2017	2.50000000	-	-
2018	2.00000000	-	0.50
2019	1.20000000	-	1.30

Operating results

Net revenue of the Company amounted to NT\$7.58 billion in 2019, a decrease of 21.4% from NT\$9.64 billion in 2018. Net income attributable to shareholders of the parent came to NT\$631 million, down 6.2% year-over-year. Earnings per share were NT\$3.02.

However, the company is committed to reducing production costs, improving production yield, and optimizing output efficiency. At the same time, the company strictly controls various expenses. Therefore, the gross profit margin has been greatly increased from 20.67% to 22.93%, improving profitability and offsetting the negative impact of revenue decline. The revenue decline is mainly affected by two factors. The first is that the Sino-US trade war and various US control measures against some Chinese companies have affected terminal demand. At the same time, in response to this situation, the company has implemented a more stringent credit management policy to ensure a stable cash level to survive this uncertain period, which also affects some customer orders. The second is that the company has made strategic adjustments to the original solar module backsheet business in response to the increasing operational risks of the solar energy industry and its potential low rate of return, and therefore terminated its investment in the solar energy industry. Under the influence of these two factors, the revenue has a relatively large decline compared with the same period last year.

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In the face of market uncertainties and unfavorable cross-border remittances trends for exporters, the company's subsequent 5G applications continue to ferment, the growth trend of high-frequency and high-speed materials can be expected, and the overall operation is expected to return to the growth trajectory.

Financial performance from 2018 to 2019 is as follows:

(1) Consolidated revenue and net income (in thousands NT\$)

Item	2018	2019	Sum Change	% Change
Net revenue	9,643,051	7,583,654	(2,059,396)	(21.36%)
Gross profit	1,993,044	1,739,138	(253,905)	(12.74%)
Net income	679,474	618,282	(61,192)	(9.01%)

(2) Profitability analysis

Item	2018	2019
Net profit margin	7.04%	8.15%
Return on assets	6.08%	5.43%
Return on equity	9.29%	8.39%

Looking back on the past year, various international turmoil has continued and the Sino-US trade war, which has the most severe impact, has heated up from the conflict at the beginning of the year to the first phase agreement at the end of the year, which has seriously affected the supply chain's inventory strategy. In addition, the Japan-South Korea trade war, Brexit and the dispute between the United States and Iran have all caused severe turbulence in the global financial market. At this moment of high uncertainty, the company is actively adjusting its internal structure, from withdrawing from the solar module backsheet market, disposing of the Kunshan plant, completing the mass production layout of Rudong plant and other strategic adjustments, to optimizing product portfolio, strengthening production yield and The implementation of internal management measures such as efficiency is to prepare for the next 5G new growth opportunities, and continue to establish a long-term competitive and sustainable business model to pursue the maximization of long-term shareholder equity.

In the future, the company will continue to strengthen its core competitiveness, continue to invest in research and development efforts in flexible electronic advanced materials, heat dissipation materials and flexible display materials, and strive to move towards high value-added products. At the same time, it will also use the current leading advantages in soft materials to develop collaboratively with customers to jointly grasp the growth momentum of the market and lay the foundation for long-term growth.

Pursuant to relevant laws and regulations, the Company received human capital enhancement and employment plan subsidies of approximately NT\$874,000 from the government in 2019.

4.2 Customer Service and Supply Chain Management

4.2.1 Customer Service and Satisfaction

Technical Support Services

Customer satisfaction is at the heart of our management philosophy. We are committed to deliver innovative products and services to customers and uphold our core values of responsibility and enthusiasm. Taiflex has dedicated personnel for providing a wide-range product-related technical services to our customers. These personnel work closely with the quality assurance department to solve product issues ranging from appearance to functionality. To cope with globalization of downstream customers we have service personnel stationed at Kunshan, Shenzhen, Zhuhai and Xiamen, in addition to Taiwan, to enhance the accessibility and timeliness of our customer service.



※Taiflex sets up service centers in China to provide timely services※

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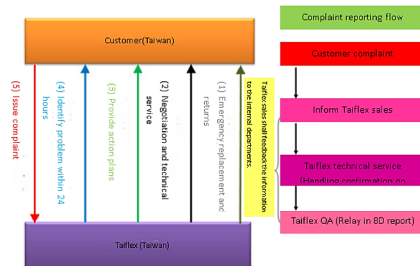


◎Overseas service are available throughout Southeast and Northeast Asia◎

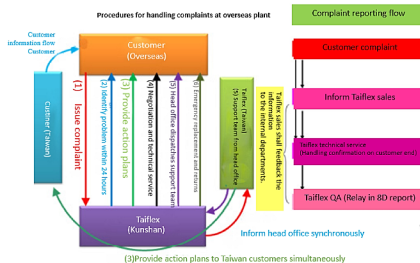
Management of customer complaints

If any customer feedback, question or complaint filed by a customer is identified as a major customer complaint, a cross-department task force will be assembled to handle the issue. Immediate action and timely measures to improve the situation will be taken by the production, technology, research and development, and quality assurance departments based on their assigned functions with the authority to assist customers in resolving the issue as well as minimizing the loss in labor, materials or equipment. The aims are to enhance our product and service quality, uphold our corporate reputation, and secure customer satisfaction and confidence.

Procedures for handling complaints in Taiwan plant



Procedures for handling complaints at overseas plant



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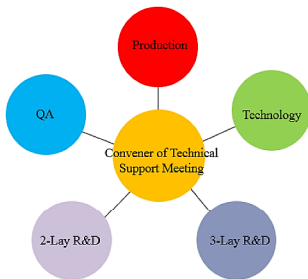
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Task force for major customer complain



Testing requests from customers

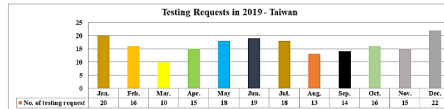
To satisfy customers' needs for material analysis and testing of our product's various physical properties, Taiflex has acquired a complete set of testing equipment including SEM/EDS, FTIR, metallurgical microscopes, TMA/DSC/DMA thermal analyzers and tension machines. In addition to being used by internal departments this equipment can also be utilized for specific testing requests from customers. On average more than ten such requests are made by Taiwan customers every month for this equipment.



SEM/EDS



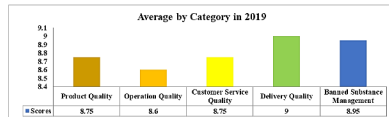
FTIR



Management of customer satisfaction

To gain a better understanding of our customer satisfaction and requirements Taiflex conducts annual customer satisfaction surveys. These surveys cover the overall performance and quality of product, operations, customer service and delivery and management of hazardous substances. Any explicit unsatisfactory feedback or reports of failed performance will be discussed during monthly supervisory reviews (presided over by the CEO) for different relevant units across all departments to propose improvement schemes and suggestions. We continuously strive to be a reliable and trustworthy long-term partner to our customers.

Categories of Customer Satisfaction Survey



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4.2.2 Supplier Management

4.2.2.1 Policy and Management

In order to build a stable and sustainable supply chain Taiflex is dedicated to maintaining long-term relationships with suppliers both at home and abroad. In addition to product quality, delivery schedule, and prices, we also urge our suppliers to carry out eco-friendly measures, improve work place health and safety, respect human rights, fulfill corporate social responsibilities as well as put in place and maintain sound risk management and continuity plans.

We require all suppliers to comply with our Taiflex quality management system, our environmental safety and health management systems, and annual Authorized Economic Operator (AEO) assessments. These assessments covers all supplier criteria including basic information about the company, relevant certifications, and an examination of quality assurance records. Our AEO assessments investigate the handling of environmental, safety, and health management issues; factory operating conditions; product information; manufacturing procedures; the financial status of raw material suppliers, as well as plans for business continuity management. Any contract approval with a supplier is associated with procurement obligations and includes compliance with green product management and the social responsibilities of the supplier. In 2017, Taiflex introduced the Responsible Business Alliance (RBA) as the evaluation standard for supplier management assessments. The standards established by this alliance now serve as the corporate social responsibility benchmark for the electronics industry and cover the areas of labor, health and safety, environmental protection and business ethics. The aims of the RBA are to ensure that companies in the electronics industry provide a safe workplace where employees are respected and requires companies to take responsibility for environmental issues during the manufacturing processes.

To enhance the competitiveness of the supply chain as a whole Taiflex conduct both regular and unscheduled audits on suppliers that take into account multiple factors, including supplier quality, prices and costs, service standards, environmental protection, work place safety and technology to ensure the quality levels. We assist suppliers in identifying root causes for an abnormal supply of goods and offer necessary guidance in order to sustain the competitive edge of our entire supply chain.

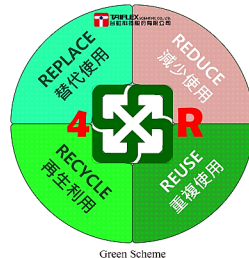
4.2.2.2 Procurement of Conflict-free Raw Materials

Taiflex conducts conflict minerals management and has launched an assessment system with new suppliers in accordance with "Conflict Minerals Disclosure Rules" under Rule 13p-1 of the U.S. Securities Exchange Act of 1934 promulgated by the US Securities and Exchange Commission (SEC). Starting from the selection process new suppliers have been requested not to source

conflict minerals from designated conflict regions. We will also initiate investigations with existing suppliers to do due diligence and require that agreements which ban the use of conflict minerals are signed or equivalent statements are provided. Moreover, we will investigate whether the upstream smelters of our suppliers use conflict minerals during the annual supplier audits. Traceability is also employed to confirm that conflict minerals from conflict regions are completely banned from our supply chain.

4.2.2.3 Green Procurement Management

In recognition of our corporate social responsibility and in line with our eco-policy since 2015, we provide our green procurement requirements along with all our purchase orders to suppliers via our e-procurement system so as to facilitate the execution of certifiably-green procurement management. Whether importing new materials or regularly ordered materials, all of our suppliers, new and old, must provide and/or update all Green Production (GP) certification documents as well as all other pertinent GP information, in accordance with our strict implementation of Green Procurement Management principles. Concurrently, we also promote the concept of green procurement to our entire supply chain, integrating our green supply chain to service customers, and furthermore initiate measures to both reduce and recycle packaging materials so as to mitigate their negative impacts on the environment.



Green Scheme

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4.2.2.4 Requirements and Assistance Concerning Supplier Risk Control Mechanism

· We request suppliers to formulate contingency plans and procedures for potential natural disasters or unforeseen man-made threats that may lead to loss of production or services so as to ensure business continuity and mitigate the impact on Taiflex.

· We have taken the initiative to teach our suppliers how to improve the earthquake resistance of their operations. We have also established an emergency notification system so that suppliers can report their status and update their recovery progress on a timely basis in order to provide a clear picture on their progress.

· Climate change risk: We have asked suppliers to prepare response plans for any significant change in climate, e.g. production backup plans or increased levels of inventory, for any significant change in climate in order to lower the impact brought on by any incidents.

· Fire risk: We share our own experience and knowledge with suppliers to help them with fire prevention in their facilities.

4.2.2.5 Supplier Capability Enhancement

Due to the great importance we place upon supply chain sustainability, Taiflex is perpetually in the process of strengthening supplier performance management. We have consistently set goals and carried out assessments on supplier indicators, including quality, cost, delivery, service and sustainability development, encouraging suppliers to operate in coordination with our procurement strategies. Taiflex conducts regular audits on suppliers in order to ensure all indicators meet our requirements. Starting in 2019, we fully introduced the COA electronic system, which enables us to strictly audit suppliers' materials, as well as to provide samples to relevant internal departments in advance, thus greatly improving the efficiency of our incoming materials inspections. In addition to our continuous management of existing suppliers, Taiflex also encourages each of our suppliers to diversify their risk exposure and jointly improve supply chain flexibility. It is hoped that all qualified suppliers will work with Taiflex in strengthening every facet of our mutual supply chains.

4.2.2.6 Recognition of Outstanding Suppliers

On January 10th, 2020, Taiflex Scientific held a convention on behalf of our suppliers. Not only did we express our gratitude to our suppliers for their support and outstanding contributions to the success of our company in the past year, but also recognized individual material suppliers who displayed excellent performance. During the convention, Mr. Jiann-Jhy Jaw, our CTO and head of the Company's Supply Chain Center, shared our corporate vision with our partners and stressed yet again our goal of overcoming current challenges to cooperatively achieve greater and greater successes.



Recognition of Excellent Suppliers

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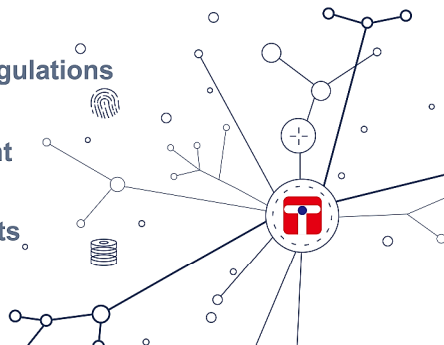
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5.1 Environmental Protection and Sustainability Policy

Taiflex Scientific Co., Ltd. was originally co-founded by researchers from the Industrial Technology Research Institute (ITRI) and experts from across Taiwan's electronic materials field. Taiflex's primary products are flexible laminates, including Flexible Copper Clad Laminate (FCCL), protective "cover-layer" films, and optical materials. Possessing industry-leading technology, Taiflex is the largest flexible substrate supplier in Asia and a major stock (TPE: 8039) listed on the Taiwan Stock Exchange. Taiflex regards "environmental protection and a zero accident vision" as the two premises of all production-related activities within the company. Taiflex calls all employees and shareholders to give special attention to environmental protection and occupational health and safety issues, to fulfill corporate social responsibility, and to commit to safe and sustainable operations as our most important principles.

Taiflex values our employees as the company's most valuable asset. Nothing is more important than the health and safety of the workplace. All personnel and their families rely on this promise of well-being. Due to production procedures such as chemical synthesis, coating, slitting, and process inspection, there is a risk of fire and explosion, exposure to chemicals, and cut wounds, throughout the manufacturing process. In light of these risks, we remain steadily focused on accident prevention, environmental protection, and the win-win principle of corporate development. We at Taiflex promise to carry out operations management in a manner that is wholly consistent with environmental protection best practices. We are dedicated to pollution prevention and carbon reduction, the implementation of energy reduction and effective-use mechanisms, and adherence to strict risk control and safety measures.

Based on the aforementioned altruistic philosophy, Taiflex is united in a concerted effort to cultivate a conscientious environmental protection and occupational safety culture for our entire workforce. On account of this concerted effort, eight major commitments have been established as the foundation for Taiflex's deeply-integrated environmental protection and occupational health and safety policies –

1. Regulatory Compliance: Commitment to complying with all national environmental protection and occupational health and safety laws, policies, regulations, codes, standards, and other requirements.
2. Green R & D: Commitment to green R & D in order to achieve energy conservation, carbon reduction and pollution prevention.
3. Waste Reduction, Reuse, and Recycling: Commitment to continuously improving manufacturing processes, the working environment and equipment, environmental protection and pollution prevention practices, and resource consumption procedures.
4. Whole workforce participation: Commitment to practical policy participation and effective consultation mechanisms at all levels of our organization -- through company executives' leadership of all staff and stakeholders, Taiflex unceasingly strengthens full staff policy participation in order to promote environmental and safety awareness, as well as to enhance emergency response capabilities.

5. Workplace health and safety: Commitment to maintain workplace safety and to cultivate a happy and healthy work environment, guaranteed for all employees.
6. Risk control: Commitment to identifying all environmental protection and occupational safety risks and opportunities, by means of controlling all operational risks from the source, promoting opportunities for improvement, in order to realize our Zero Accident Vision and create a risk-free work environment.
7. Energy conservation and carbon-emission reduction: Commitment to improving equipment efficiency, implementing carbon-emission reductions throughout the manufacturing process, and conducting comprehensive environmental management in order to reduce greenhouse gas emissions.
8. Perpetual improvement: Commitment to persistently improving environmental protection and occupational health and safety management in order to prevent injury and maintain a healthy workplace.

This policy is communicated to every employee through appropriate means so as to enable all company personnel to fully understand and determinedly put into practice the environmental protection and occupational health and safety commitments of Taiflex.

Energy crises, global warming, and climate change have only worsened since the start of the century and eco-friendly laws and regulations to mitigate these problems have imposed tighter environmental controls. The number one task in climate change management is the reduction of greenhouse gases (GHG). Taiflex complies with all relevant laws and regulations and has obtained all necessary certifications associated with environmental management and systems. To cope with global climate change and the resulting changes to the characteristics of the industry supply chain where we operate and exist Taiflex has examined the complete flow of our operations and conducted numerous sustainability assessments and implemented improvement measures, e.g. GHG inventory and reduction, resource inventory management and waste reduction and recycling, so as to achieve the goal of sustainability

Taiflex environmental, safety and health policies:



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5.2 Climate Change and Opportunities

Taiflex Scientific is part of the electronic component manufacturing industry; our specialized skillset in producing high-end processed materials such as Flexible Copper Clad Laminate (FCCL), protective polymer films and other specialty materials is the primary service we offer to our client base. Electric power and natural gas are the major sources of energy for our manufacturing operations. Despite facing inevitable increases in all sorts of energy and environmental protection costs, we remain committed to various energy-saving projects in order to do our part in diminishing the impact of these global trends. Energy-saving projects also enhance the Company's cost optimization efforts; recycling and renewal of waste resources strengthens our competitiveness; we address all environmental protection issues with a win-win attitude and strive our best to work towards the goal of minimum energy consumption established by senior management.

5.2.1 Establish the Environmental Management System

In response to global climate change and its resulting impact to the operating characteristics of our industry and supply chains, we have built an integrated management system that examines the entirety of our operating procedures to facilitate greenhouse gas (GHG) emission inventory management from beginning (source) to end.

Reduce energy and resource waste And through the integrity of the ISO14001 2015 version of the environmental management system system And the establishment of an inventory management mechanism for greenhouse gas emissions And obtained ISO14001 2015 edition and ISO 14064-1 greenhouse gas panel verification To implement the effectiveness of the environmental management system

The company is committed to fulfilling social responsibility and sustainable development Uphold the spirit of the management system Plan (plan), Do (execution), Check (check) and Action (improvement action) to continuously improve activities In order to ensure the achievement of the reliability target, while considering the life cycle of the use, production, circulation and disposal of raw materials, discuss internal and external issues, uphold the company's environmental safety and health policy: compliance with laws and regulations, green research and development, waste reduction and recycling, all employees Participation, risk control, energy saving and carbon reduction, continuous improvement and reduction of environmental impact

5.2.1.1 Environmental Management System

Taiflex promotes the concept of energy saving, environmental protection and resource conservation and incorporates relevant measures into our daily operations. As part of, and in pursuit of these policies, Taiflex obtained the ISO14001 Certification in Environmental Management System in 2002 and the ISO14001:2015 in 2018.

5.2.1.2 Hazardous substance management

Taiflex has obtained the IECQ QC08000 Certification in Hazardous Substance Process Management System, which ensures that our services are in compliance with international laws including European Union (EU) regulation. This certification also ensures that our services are in compliance with other schemes concerning hazardous substance management such as REACH regulations and the RoHS directive, as well as some customers' requirements.

Through the establishment of QC 080000 Hazardous Substance Process Management System and ISO14001 Environmental Management System we are able to continue to assure our customers that all of our services are in compliance with international laws and customer requirements concerning hazardous substance management. We are also committed to the implementation of energy conservation and environmental protection measures, ranging from the implementation of company-wide resource conservation programs, to the promotion of environmentally-friendly actions individuals can take in everyday life.

In the future we will continue to advance our management of all aspects of these issues, focus on the management of contractors, different supply chains and also customers. We will conduct research on the provision of services with lower energy consumption to enable a diverse development in the environmental policy for sustainability.

5.2.2 Greenhouse gases (GHG) Management

Increasing global warming has directly and indirectly affected the global ecosystem and Taiwan has responded by gradually tightening controls on greenhouse gases (GHG). Thus, GHG reduction is a key strategy in mitigating the impact of climate change and global warming. If corporations can improve their energy efficiency and reduce their carbon footprint, they would not only diminish the negative impact on the environment and different ecosystems, but also lower operating costs and forge a positive corporate image.



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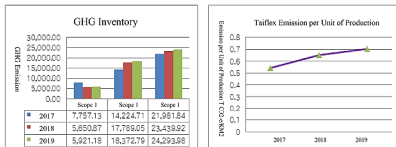
We obtained the ISO 14064-1 certification in 2009 and established a GHG Inventory and Voluntary Carbon Reduction Task Force to accurately control the Company's emissions of various GHG on August 17 of the same year. On September 1, 2017, we were recertified and obtained the 14064-1 certification. We hope to effectively carry out GHG these reduction measures and fulfill our responsibilities as a global citizen to reduce our contribution to global warming. The sources of GHG emission can be categorized into three types. Scope 1 is direct GHG emission. Inventory items under assessment are emissions from production processes plus emergency and mobile sources with gases including CO₂, CH₄, N₂O, HFCs, PFCs and SF₆. Scope 2 is indirect GHG emission and the key inventory item is indirect GHG emission from the purchase of electricity with gases including CO₂, CH₄ and N₂O. Scope 3 is indirect GHG emission as a result of emission sources not owned or controlled by the company. These include indirect emissions resulting from travelling or meals of external organizations, e.g. contractors, or employees. Most of the electric power we use in our operations are produced by burning natural gas or kerosene. Through our annual GHG inventory are able to understand the environmental impact and the level of impact as a result of our operations.

Based on our GHG inventory results, CO₂, CH₄ and N₂O emission sources are primarily from the electricity we purchase for operation of our non-stop machines, followed by natural gas used for the Regenerative Thermal Oxidizer and then the kerosene used as fuel for product ovens.

Taiflex's production volume was 34,846.351 Km² in 2016, 40,631.161 Km² in 2017 and 36,017.772 Km² in 2018.

Taiflex GHG Emissions			
	Scope 1	Scope 2	Total
2017	7,757.13	14,224.71	21,981.84
2018	5,650.87	17,789.05	23,439.92
2019	5,921.18	18,372.79	24,293.98

Unit: (Metric ton CO₂ equivalents)



5.2.2 Greenhouse gases (GHG) Management

Key eco-measures adopted in 2019 and the results

(1) The Company passed the ISO14064 Greenhouse Gas Accounting and Verification again in August 2017 and received official certification in September of the same year. Strategies to reduce greenhouse gas and carbon footprints were established based on the Company's emission level to diminish the negative impact on the environment.

(2) In 2019, a total of 607,054Wh of green power was produced on Company premises via rooftop solar panels, which reduced 320,500 metric tons of CO₂ emissions. Green power refers to electricity which has zero or close to zero CO₂ emission during the production process.

(3) Rotors at Factory Two were installed in 2019. Condensing VOCs to be processed through RRTO reduces fuel consumption. The annual saving on natural gas is 40,000m³ and the reduction in CO₂ emission is 1,400,000 Kg every year.

(4) Annual quantitative management goals

5.2.3 Eco Awards

Recycling Certificate issued by WRC Pacific, Ltd. in 2019.



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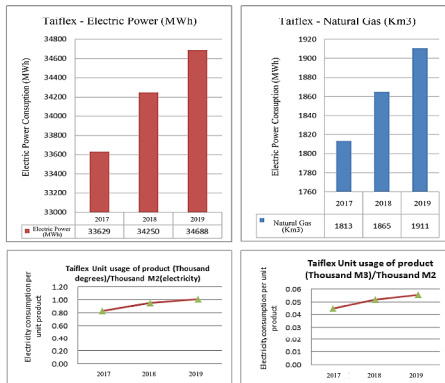
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5.3 Energy Management

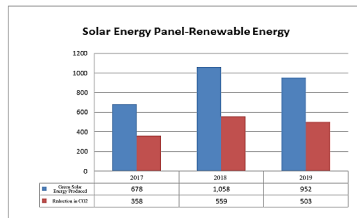
5.3.1 Energy Use

Taiwan is a small island with high population density where a lack of natural resources restricts development of renewable energy. Because of these reasons a thermal power station is still the main source of electric power in Taiwan. Even though the local power company that supplies our factories strives to improve the power conversion rate, carbon emissions are inevitable during the power generation process. Taiflex relies mainly on electric power and natural gas as energy inputs to our operations. In the years from 2017 to 2019 annual natural gas consumption was 1,813 Km3, 1,865 Km3 and 1,911 Km3 respectively. Our process equipment relies mostly on electric power. The electric power consumption was 33,629MWh, 34,250 MWh and 34,688 MWh from 2017 to 2019, respectively. As a percentage of energy consumed electric power accounted for 94.61%, 94.55% and 94.5% and natural gas accounted for 5.39%, 5.45% and 5.5% from 2017 to 2019, respectively.



5.3.1 Energy Use

The government has promoted renewable energy policies in recent years and Taiflex has responded by installing solar panels on the roof of Fab 3 and the roof of Fab 5. From 2017 to 2019, the consumption of green solar power from these installations was 678 MWh, 1058 MWh and 952 MWh, resulting in reductions of 358 metric tons, 559 metric tons and 503 metric tons of carbon emissions, respectively. In 2018, a total of 1,058 MWh of green solar power was produced (635 MWh from Fab 3 and 405 MWh from Fab 5), which resulted in a reduction of 559 metric tons of carbon emissions (344 metric tons from Fab 3 and 215 metric tons of Fab 5). Green power refers to electricity which has zero or close to zero CO2 emission during the production process. By comparison, the electricity generated in 2018 was 380 MWh more than that of the previous year. From 2017 to 2019, the total power generation in the three years was 2,688 MWh, and a total of 1,420 tons of carbon emissions was reduced. This is a big part of our emission reduction initiatives.



5.4 Raw Material Management

5.4.1 Source Reduction –Reduce the Use of Raw Materials

Taiflex has always directed our use of raw materials towards optimization and best practices so as to achieve minimal waste and production costs and thereby accomplish a win-win outcome where profitability and environmental protection are concerned.

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5.4.2 Recycled Raw Materials Management

Taiflex installed NMP recycling equipment at Fab 3 in May 2017. The investment amount is about \$60,000,000. The equipment turns waste gases into solvent through condensation and refines NMP chemicals into industrial grade raw materials to be used at the production line through distillation and purification 325 metric tons of NMP chemicals were recycled in 2018. Purification 319 metric tons of NMP chemicals were recycled in 2019. The recycling not only enhances the Company's competitiveness and cuts down on waste gases generated from stationary pollution sources, but also conforms to the concept of raw material recycling, reuse and zero waste.

5.4.3 Green Products

Taiflex collaborates with upstream raw material suppliers and downstream FPC and solar energy companies to mitigate the impact on the environment as well as reduce the resources and energy consumed per production unit. For example, flexible copper clad laminate (FCCL) and its technology development are driven by downstream demands. Following the trend for compact, reliable and multifunctional electronic products, the needs for high frequency, high speed and anti-electromagnetic interference products are increasing, which brought along development of related products in the FCCL industry. Moreover, the use of electronic materials stresses the reduction of pollution given the rising awareness in maintaining a green environment. Thus, suppliers have intensified their efforts in the research and development of eco-friendly materials and initiated a material revolution in the CCL industry. In this period electronics manufacturers have gradually shifted to eco-friendly substrates. Driven by increasing environmental awareness and regulations, eco-friendly materials will become a basic requirement of all products.

FPCs and PV backsheets produced by Taiflex are widely used in various electronic products, e.g. computer, mobile phone, camera, and consumer applications. Through our manufacturing techniques customer designs can be realized and applied to daily life. These products contribute significantly to the evolution of modern society. While the Company strives for continuous growth we also spare no efforts in protecting the environment and enhancing social value. Our products are listed below:

Environmental impact of our professional manufacturing services

Continue to launch new process technology to satisfy end-product demand

· The design of FPC materials moves in two directions. One is the quest for thin, light, high frequency, high speed and high thermal conductivity products, namely mobile and wearable devices. With polarized demands, leading edge material designs must also meet the needs of end products. Taiflex's research and development also aims to develop thin, light, high frequency, high speed, high thermal conductivity and high stability copper clad laminates which are more advanced for energy-saving and environmentally friendly to contribute to global sustainability.

· Due to the recent development in US shale oil extraction technology the global supply of crude oil has increased significantly. Moreover, to protect their market shares, OPEC countries have maintained their production levels. The global demand for crude oil continues to climb while global warming as a result of carbon dioxide emissions has yet to see any improvement. The issues of extreme weather and air pollution have worsened over time. All of these factors have reinforced resolve of countries to control air pollution. The use of alternative energy to replace oil for power generation become attractive. The Company has long been engaged in developing green energy products. We have developed high-reflectivity and high heat-dissipation PV backsheets to enhance the efficiency of PV modules and further improve the cost effectiveness of solar power in hope of promoting the development of green energy and contribute to global sustainability.

Social contribution of our professional manufacturing services

We assist customers with realizing their innovations and high growth in compact, portable devices, allowing for an efficient and convenient mobile communications life.

· The rapid growth in smartphones and tablets creates a strong demand for mobile device components. Portable devices bring enormous convenience and our Company has made considerable contributions, which include

(1) FCCL is categorized into two groups: the traditional 3L-FCCL and 2L-FCCL. The latter has gradually become the mainstream due to demands for thinner and lighter mobile devices as the 2L-FCCL is relatively thinner.

(2) FPC is flexible, lightweight and thin. These characteristics satisfy the demand for compact data transmission and telecommunication products, allowing more convenience in using mobile devices. People can communicate and manage affairs without time constraints, thus driving the mobility in modern life to a whole new level.

Jointly create clean energy supported by end customer requests

· Although the growth in volume of installation of photovoltaic (PV) nations in Europe has been great, such as Germany and Italy, demand has remained stagnant there due to a tightening of subsidy policies. There is high growth rate in China and Japan thanks to the generous subsidy plans in those two nations. PV installation growth remains in the US and emerging markets including India and Southeast Asia and, as a result, the overall PV market continues to grow. Looking into the future, increasing environmental awareness will keep driving alternative energy development as global warming and pollution from thermal energy generation worsens. The solar power generation efficiency of our products is expected to rise gradually as the production of solar materials and modules expand and new technology emerges. Compared to other means of power generation which raise pollution level or safety issues, solar power, with a significant cost reduction, would gradually achieve cost effectiveness. As a source of clean energy, solar power is difficult to replace and thus the market continues to enjoy long-term growth momentum.

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Cooperate with suppliers to lower the carbon footprint of products

· We insist on producing both quality and environmentally friendly, i.e. green, products. The impact of each stage of product life from the production and transportation of raw material to the production, transportation, application and disposal of the end product is incorporated into this assessment. Carbon, water and other environmental footprints are all key indicators of environmental performance. To address these requirements we demand our fabs to duly conduct hazardous substance management, pollution prevention, energy and water conservation as well as waste reduction. We then go one step further and ask or assist our suppliers to follow suit. We then ask that our major suppliers to meet the same requirements where their suppliers are concerned. The green supply chain is gradually taking shape after many years of efforts.

Compliance with international regulations concerning hazardous substance management or even stricter controls

Through the establishment of IECQ QC080000 Hazardous Substance Process Management we have ascertained that our FPCs and PV backsheets are in compliance with international regulations and customer requirements associated with hazardous substance management, including:

· The maximum levels of restricted substances specified in the European Union's Restriction of Hazardous Substances Directive (RoHs) are as follows: Lead < 1,000 ppm, Cadmium < 100 ppm, Mercury < 1,000 ppm, Hexavalent Chromium < 1,000 ppm, Polybrominated Biphenyls < 1000 ppm, and Polybrominated Diphenyl Ethers < 1,000 ppm. The RoHS 2.0 adds four restricted substances: Bis (2-Ethylhexyl) phthalate (DEHP) < 1,000 ppm, Benzyl butyl phthalate (BBP) < 1,000 ppm, Dibutyl phthalate (DBP) < 1,000 ppm and Diisobutyl phthalate (DIBP) < 1,000 ppm. All of our products meet these regulatory requirements.

· Halogen-free electronics: Halogen-free requirement means the substance must consist of less than 900 ppm of bromine or chlorine and less than 1,500 ppm of halogen. All of our products meet the aforementioned requirements.

· Restrictions on Perfluorooctane Sulfonate (PFOS), Perfluorooctanoic acid (PFOA) and relevant substances: Taiflex is aware of the restrictions imposed by international laws and regulations. Raw materials containing PFOS, PFOA and relevant substances are no longer used within our processes and none of our products contain these substances.

· Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) of the European Union: following the release of the list of candidates Substance of Very High Concern (SVHC) by REACH we can confirm that all our products meet these regulatory requirements.

· Waste Electrical and Electronic Equipment Directive (WEEE): This directive was formulated to cope with the increasing quantity of electrical and electronic equipment in solid waste, to mitigate the burden on landfills and incinerators, and prevent hazardous substance within the waste electrical and electronic equipment from polluting the environment. Our products are not end user products; thus, we are not directly subject to WEEE. At the end of a product life the FPC and PV components of the product would turn into waste and the manufacturers of those end products are responsible for recycling the equipment.

In addition to following and complying with existing international laws and regulations and customer requests, we also keep a close watch on possible regulatory requirements and formulate responsive actions.

Management and reduction of packaging materials

· Packaging materials used for our product shipments are all recyclable materials, including paper and plastics. The sum of lead, cadmium, mercury and hexavalent chromium in those packaging materials conforms to European Union standards. We have reused closed to 100% of the materials used in packaging. We make every effort to recover packaging materials used in shipments to customers, such as cartons and cushioning, for repeat use to minimize waste generated from raw material packaging.

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5.5 Compliance with Environmental Laws and Regulations

Taiwan is a small island with high population density and high factory density. The regulatory body has tightened environmental laws and standards and Taiflex has responded by establishing a comprehensive identification and registration mechanism. The Safety and Environment Division identifies and assesses any applicable environmental laws and regulations promulgated each month. If a regulatory risk is identified immediate improvements will be made and preventive measures be taken to ensure regulatory compliance. We have installed various monitoring systems in at the discharge valves of pollutant emitting facilities. Nonconforming readings from these monitors will be handled immediately in accordance with established emergency and notification procedures to prevent pollution being emitted and any possible violation of laws and regulations. In 2019, there were no significant chemical spills nor incidents involving a violation of environmental laws.

5.6 Air Pollution Control

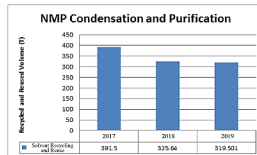
The capacity of air pollution control equipment installed at Taiflex facilities is in compliance with the Air Pollution Control Act and the Air Pollutant Emission Standards of Stationary Pollution Sources and operate 24 hours a day. There are also monitoring systems in place to ensure normal operation of this equipment. Furthermore, the Company engages a third-party notary unit to conduct annual checks on the emission concentration of various air pollutants produced during production.

Properly plan the relevant process waste gas, and build the prevention equipment :

All fabs have volatile organic waste gas treatment facilities installed with an average removal rate of 98%, which exceeds regulatory requirements.

5.6.1 Waste Gases Recovery Facilities

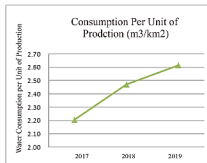
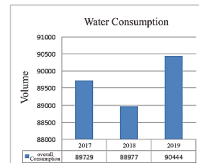
Our environment, safety and health policies include waste reduction & recycling, energy conservation & carbon reduction and we continually improve these systems. We have built an NMP condensation and purification column as a waste gas treatment and prevention facility and switched from waste gas combustion to recycling the NMP solvents from waste gases. This recycling method reduces fuel (natural gas) consumption as well as carbon emissions and the solvents that are recycled can be reused as raw materials during the manufacturing process. In short, recycling lowers our purchases of raw materials, reduces waste gas emissions and their impact on the environment while promoting the concept of recycling and reuse. Solvents recycled from waste gases amounted to 391.5 metric tons , 325.64 metric tons and 319 metric tons in 2017 , 2018 and 2019, respectively.



5.7 Water Resource Management

5.7.1 Water Consumption

Taiflex has adopted the dry process in all of our fabs. Water is used mostly for cooling by air conditioners followed by water consumed for domestic and also firefighting purposes. Water used is all tap water. We have also adopted the concept of "Reduction, Recycling and Reuse" where water resources are concerned. Overall water consumption was 78,404 metric tons, 89,729 metric tons , 88,977 metric tons and 90,444 metric tons from 2016 to 2019, respectively. Consumption dropped by 752 metric tons in 2018 compared to the previous year.



5.7.2 Effluent Discharged

Effluents discharged from operations are mainly waste water discharged from the water-cooling towers for fabs and also water consumed for domestic purposes, specifically water consumed for

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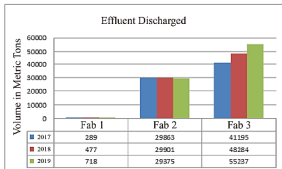
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wash up or kitchen waste cleaning. Our laboratory in our Fab 1 facility discharges wastewater from the etching process so a wastewater treatment system was installed. Before discharging any waste water there are devices monitoring the quality (PH and COD) and quantity of this wastewater to ensure it meets the wastewater treatment standards of the processing zone. The wastewater is then processed by the Kaohsiung Central District Wastewater Treatment Plant before being discharged to the ocean. Consequently, our effluent discharges will not affect the biodiversity in the conservation area or the high degree of biodiversity outside the conservation area.

The sewage discharge volume 71,347 metric tons, 78,662 metric tons and 85,330 metric tons from 2017 to 2019. The total sewage discharge increased by 6,668 metric tons over last year.



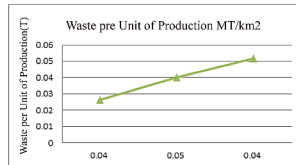
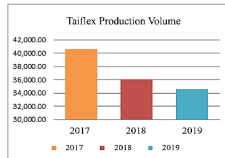
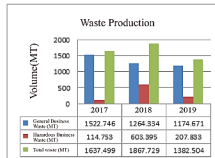
5.8 Waste Management

5.8.1 Principle-Improve resource utilization efficiency, promote the concept of repeated use and reduce environmental load

Waste generated from our production can be categorized into two types: general and hazardous business waste. Waste is treated by qualified companies in accordance with relevant laws and regulations while recyclable waste is recycled and reused. As for hazardous business waste, we have equipment in place to reduce the hazardous substance within without outsourcing in order to lower operating cost and mitigate the environmental impact. Through effective management, we continue to work towards waste reduction. Taiflex's waste production was 1,637,499 metric tons in 2017, 1,867,729 metric tons in 2018 and 1,382 metric tons in 2019.

In 2019, the output was reduced by about 485 metric tons compared with 2018. As for the production volume, we had 40,631.161 Km², 36,017.772 Km², and 34,563.82 Km² from 2017 to 2019, respectively.

The waste ratio per unit product : 0.04, 0.05 and 0.04 in 2017 to 2019.



5.8.2 Waste Reduction Measures

5.8.2.1 Ban on Disposable Tableware

Most disposable tableware takes up a large amount of wood, paper pulp, detergents, bleach, and chemicals such as sulfur dioxide. It is energy consuming and has adverse impact on the environment and health. Taiflex took the lead in promoting "BYO Utensils" program where employees are given eco utensils and encouraged to bring their own set of tableware. There are also eco utensils for guests and suppliers. The restaurant no longer provides disposable tableware so as to put a stop on damaging the employees' health and the environment.

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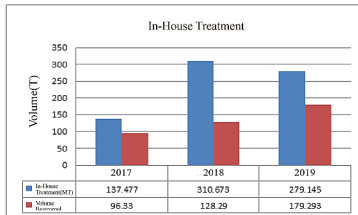
In 2019, there was an average of 794 diners per day using our cafeteria. Based on this figure, 197,706 disposable utensils could be saved if everyone brings his/her own tableware, which is equivalent to 2,965.59 KG of virgin paperboards when each disposable lunchbox weighs about 15 grams. However, based on paper lunch box manufacturers' experience, about 15% to 23% of raw materials would be wasted during the production process. Thus, at least 3,647.68 KG of paperboards are needed to produce 197,706 lunch boxes.

If a tree which takes about 20 to 40 years to reach a height of 8 meters and a diameter of 16 cm can produce 50KG of paper, 3,647.68 KG of paperboards would require a total of 72 trees. We thoroughly implemented the BYO Utensil program to reduce waste and carbon emissions as well as the impact of waste on the environment; furthermore, it is hygienic and healthy for employees.

5.8.2.2 In-House Waste Management

We uphold the goal of waste reduction with regard to hazardous business waste generated from production to minimize energy consumption. We have 12 sets of 60-liter solvent recovery units and 2 sets of 200-liter ones to process our hazardous business waste (organic solvent) and the solvent recovered can be reused. The in-house facilities lower the environmental impact of outsourcing.

Our in-house recovery system processed 137,477 metric tons, 310,673 metric tons and 279,145 metric tons with a recovery volume of 96.33 metric tons, 128.29 metric tons and 179.293 metric tons from 2017 to 2019, respectively. The recovery rates were 70% in 2017, 41% in 2018 and 64% in 2019, a year-over-year increase of 23%.



5.9 Eco-Investing and Its Benefits

5.8.1 Principle-Improve resource utilization efficiency, promote the concept of repeated use and reduce environmental load

The purpose of Taiflex Scientific's environmental accounting system is to identify and measure the Company's environmental costs, conduct cost benefit analysis and compile statistics on cost reductions or revenue generated as a result of executing environmental projects. The goal is to encourage and promote environmental projects with economic benefits. Economic benefits are calculated by estimating the potential cost savings resulting from reductions in consumption of energy and water and also reduction of waste produced as a result the environmental projects. Additionally any revenue generated from waste recycling and reuse is taken into account. The economic benefit of these different environmental projects amounted to NTS65,592,000 in 2019.

Environmental protection related expenditure totaled NTS16,957,000 in 2019, and were mostly costs for corporate operating and administrative activities, specifically audits on environmental system standards, pollution prevention, environmental monitoring, eco-education activities, sponsorship of eco-organizations, etc. We collaborate with unbiased third-party assurance organizations, recycling organizations, professional waste management organizations, as well as environmental monitoring organizations.

Environmental Protection (EP) Expenditures, Savings, Benefits and Improvements - 2019	
Category	Item
EP Expenditures	(1) Costs directly associated with environmental law/regulation compliance (e.g., legally required air/water/groundwater pollution prevention and control costs), as well as costs associated with the achievement of our corporate social responsibility task (e.g., further improving pollution control measures which already meet all regulatory standards)
	(2) Pollution control equipment maintenance fees (including equipment upgrades and calibration)
	(3) Industrial waste disposal fee
	(4) Industrial waste recycling fees
	(5) Environmental management system and certification (ISO-14001) expenses
Total Expenditures: \$14,363,000	
2. EP Savings	(1) Savings from pollution reduction and control measures
	(2) Savings from reduction, recycling and reuse of industrial waste
	(3) Savings from wastewater management practices
	(4) Savings from recycling
Total Savings: \$65,173,000	

3. Projected Improvements in EP Conditions	1. Continued reduction in gas emissions 2. Continued reduction of natural resource usage 3. Improvements in processing efficiency of control equipment 4. Increase in reuse of waste before resorting to recycling
5. Effects of Prior EP Improvements	1. Reduction of overall environmental impact, greater fulfillment of corporate social responsibilities and enhanced progress in the realm of sustainable development 2. Engineering improvements in control equipment resulting in reduction of natural resource consumption as well as reduction of carbon dioxide emissions 3. Strategically allotted surplus Volatile Organic Compound (VOC) cap-and-trade credits to our sister companies within the Taiflex Group, all the while remaining in accord with the fluctuating emission demands which routinely confront the ongoing expansion of our manufacturing facilities 4. Improvement in every aspect of environmental protection

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6.1 Stable and Sound HR Structure

Taiflex Scientific had a total of 735 employees at the end of 2019. Due to technical process improvements and rising levels of machinery automation, the number of technicians decreased from a prior weighting of 55% to 53.75%, while the male/female ratio remained the unchanged.

Female employees accounted for 23% while male employees accounted for 77%. These percentages reflect the socio-economic environment in Taiwan, our main operation base, where majority of students in science and engineering majors are male.

Item	2016	2017	2018	2019
Number of employees	673	728	776	735
% of managerial personnel with section level and above	12.30%	11.00%	11.56%	12.15%
R&D personnel	10.80%	9.10%	8.60%	8.03%
% of female employees	23.00%	23.00%	23.00%	23.35%
Average turnover rate of employees below 30 years old	0.38%	0.27%	0.30%	0.60%
Average turnover rate of employees between 30 to 50 years old	1.17%	1.00%	0.70%	0.91%
Average turnover rate of employees above 50 years old	0.03%	0.03%	0.00%	0.13%
% of employees with Master's degree and above	21.00%	19.00%	17.30%	17.54%

We have overseas subsidiaries located in China, the US, Japan, and other places. Subsidiaries in China have production bases and also provide sales and technical support, whereas the subsidiaries in the US and Japan provide only services including sales and technical support.

The FPC industry is part of a knowledge and technology-intensive sector. Our leading position within the industry relies greatly upon employee innovations and contributions. In order to ensure corporate sustainability, preserve in-house knowledge and revitalize the company in face of external factors such as the economy, we make great efforts to cap annual turnover rate at 3%. The average turnover rate of our headquarters was 1.65% in 2019, 1.33% of which were male employees and 0.32% were female employees. The average turnover rate was 0.6% for employees under 30 years old, 0.91% between for employees 30 to 50 years old and 0.13% for above 50 years old. In line with market demand and changes in products we made significant modifications and adjustments to our production bases in China. A new production base is expected to be completed in 2020. Once successful trial runs are completed we will begin to recruit more people for this facility.

The Labor Standards Law of R.O.C. stipulates that “No employer shall, by force, coercion, detention, or other illegal means, compel a worker to perform work.” The International Labor Organization (ILO) also prohibits any kind of compulsory labor. Taiflex adheres firmly to local labor regulations and international standards and will never force or coerce people to work against their will.

Both ILO and the R.O.C. government has set regulations against the recruitments of labor under the age of 15. Our Labor Standards Law goes one step further and stipulates that children above 15 years old but under 16 years old shall not engage in strenuous or dangerous work. Taiflex adheres firmly to local labor regulations and international standards and has formulated “Rules on Employee Recruitment”. We conduct job interviews only with applications aged 16 or above and require proof of identifications from recruits for verification purposes. Applicants must pass these two checks before they can be formally employed. These efforts ensure our record of never employing labor under the age of 16 and is a principle we will continue to uphold in the future.

6.2 Talent Recruitment Focusing on Quality and Quantity

Our continued growth relies on the continuous contributions of our employees. To build growth momentum we proactively recruit professional talent in various fields. Competency-based recruitment and placing the right person in the right job have always been our guidelines for recruitment. We treat all candidates equally regardless of race, gender, age, religion, nationality and political preference and the recruitment process is both open and fair. Taiflex employment practices strictly abide by government regulations and the Electronic Industry Citizenship Coalition. To protect candidates' personal information and avoid employment discrimination we have “Rules on Employee Recruitment” in place. Data gathered during the interview stage are primarily job-related.

We value diversity in the workplace. In addition to organizing large recruitment activities in Taiwan, we also aggressively recruit global talent from China, Japan, the US and other places where there are recognized talents in the FPC and solar industries. In addition to online channels (e.g. 104 and 1111 job banks), we held recruitment orientations at multiple prestigious universities in 2019, where mid-level and senior management interviewed, identified, and connected with local talent.

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continuous growth. Our operations continued to expand in 2019; we recruited a total of 30 professionals and administrative personnel in addition to 68 production line technicians.

To ensure a long-term supply of talent we have proactively increased R&D intensity and the level of investment in human resources to support our competitive advantages amid global challenges. Based on these beliefs we strive to achieve the following goals:

Exert our corporate influence to attract talent at an early stage and encourage their participation in projects

We aggressively recruit from schools. In addition to campus job fairs we have organized various carefully-planned projects so that students can become acquainted with jobs prospects in the industry. Key activities include the following:

Project	Outcome
Summer internship program	We provide internship opportunities to college and university students so that they can apply their knowledge and experience in the workplace early and have more interaction and learning opportunities with our teams.
Visits from professors and students of our targeted majors	This allows college and university students to get to know the working environment of the industry at an early stage and promotes industry-academia exchanges and interaction.
School seminars	We arrange for our managers and industry professionals to share our corporate philosophy and career development opportunities associated with FPC and solar energy materials, encouraging students to study relevant fields.
Career coaching program	We have taken part in the National Cheng Kung University Career Coaching Program every year since 2015. In addition to attracting outstanding talents to join the Company, we aim to fulfill our corporate social responsibility and enable students to have an early exposure to work experience.



Youth Employment Project

Taiflex has participated in the government's "Youth Employment Project" since 2017. We recruit high school graduates and nurture technical talent through apprenticeships in order to lay a solid foundation for talent development.

Diverse job opportunities for disabled people

We encourage the recruitment of disabled persons and take the initiative to integrate external resources. In addition to current job positions we continue to design jobs that are suitable for disabled persons, e.g. massage services.

As of the end of 2019, the number of disabled persons accounted for 1.08% of total employees, which meets regulatory requirements.

6.3 Employee Growth Engines

Corporate growth is inseparable from employee learning and development. Our training philosophy adheres to the principles of "learning diversification, continuous competence advancement, internalization of education, personal and professional maturation for all employees, knowledge transference, systematic approaches to performance enhancement, incentivized improvement schemes, and broad development of adaptivity skills". Taiflex strives to build a continuous learning environment rich in content and have formulated "Educational Training Rules". These rules integrate both external and internal resources to nurture and improve employee competence and allow for employees to advance with the Company.

Comprehensive performance management and development

The purpose of our performance management and development system is to explore employee potential, provide an environment which facilitates continuous growth in employees as well as promote interaction and communication between management and employees. The system pursues simplicity and practicality while complying with the following four principles:

- Feedback and recognition – Feedback and recognition are given based on the accomplishment of performance targets
- Direction and improvement – Directions for improvement and plans for the next period are formulated for any areas which fail to meet targets
- Continuous communication and encouragement
- Mutual communication between management and employees to discuss specific recent events or records of past events
- Management applies reward and punishment mechanisms and exerts authority to hand out adequate rewards or punishment

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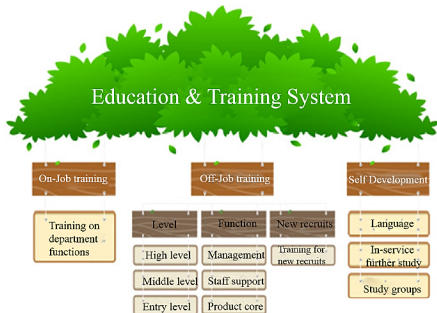
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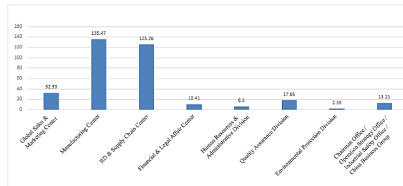
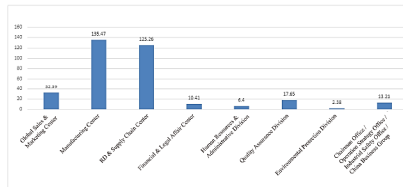
· Objective assessment – The assessment process shall be well defined, fair and objective
Taiflex measures the achievement of targets and formulates employee development guidelines through the determination and execution of organizational and personal goals. There is also a performance assessment for each period.

Individual development plans and diverse learning resources

Taiflex has mapped out an "Individual Development Plan" (IDP) based on job requirements, performance assessments and career development of individuals and provides diverse learning channels and development resources via the comprehensive educational training system below. This system is divided into three major sections: On-Job Training, Off-Job Training and Self-Development. Off-Job Training is further divided into three categories: tier, function and new hires. Each category has a specific training scheme which outlines the training essential to a specific position or department. On-Job Training is the focal point, as this section has a direct and definite impact on whether the Company can function normally and effectively. The entire system is illustrated as follows:



In 2019 Taiflex invested NTS\$2,321,641 in training and development. Total training hours were 23219.6 hours with a total of 11,414 attendances. The average training hours per employee exceeded 29.4 hours during this time period. Through these investments, employees can accomplish their tasks more effectively. As an example, a new management training course assists managers to build the right mindset and acquire key skills so that they can lead their teams to complete their assignments with better efficiency. In addition to training, we have also taken the initiative in recent years to construct a tutor system as well as enriched employee learning experiences via job rotation programs. We provide guidance so that these positive experiences can be passed on effectively and employee learning curves can be curtailed.



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Taiflex' s training courses are as follows:

Course Type	Details
Orientation	<ul style="list-style-type: none"> Including new hire orientation, basic training and on-job guidance, help new hires to quickly understand the Company's core values and work environment Supplemented by instructions from supervisors and the comprehensive "babysitter system, we actively assist new recruits to adapt to and blend in with the workplace
General Knowledge	<ul style="list-style-type: none"> Trainings activities concerning the Company as a whole and general knowledge of different levels pursuant to government laws and regulations and corporate policies Also includes courses on individual performance management, industrial safety, safety and health, quality assurance, and emergency response plus various language trainings
Professional/Functional training	<ul style="list-style-type: none"> Technical and professional training required by each functional unit Includes courses on equipment engineering, process engineering, accounting and information technology
Management	<ul style="list-style-type: none"> Training and development activities customized by the competence and duties required by different levels of management in order to assist all managers in advancing their leadership Includes fundamental and advanced management skill training and other diverse electives
Direct personnel	<ul style="list-style-type: none"> To help production-line technicians become multifunctional, acquire knowledge, skills and an attitude required for work. Complete training where machinery operation permits is obtained through certification Includes skill training for direct personnel, training for technicians and trainers and training for supervisors in the production division
Organization-specific training	<ul style="list-style-type: none"> Courses are devised based on strict demand analysis and course design in response to the business and organizational needs for specific units

Internal lecturer program

To facilitate knowledge sharing in the company and transmission of technique between employees, Taiflex has built a comprehensive system to nurture internal lecturers. We are in the process of forming a Taiflex knowledge academy. By 2019, the Company had a total of 260 formally certified internal lecturers. Lecturers will be paid a fee on top of their salaries as an incentive for their devotion and contribution to experience inheritance. These lecturers will also be recognized publicly in seminars and at morning meetings for their contributions and participation in shaping a learning culture.

Training effects from our pursuit of excellence

To ensure the course quality and make improvements accordingly, we evaluate course benefits through after-class questionnaires as well as pre- and post-course assessment mechanisms. Each of our training programs has defined scoring standards. Improvement schemes will be formulated and followed-up on for courses that fail to meet these scoring standards.

We have received positive feedback for our courses as a whole so far, and the annual course quality targets have been met. Over 80% of employees are satisfied with the course quality and the percentage of courses failing to meet the standards has been kept under 2%, which is considered reasonable.

To ensure the quality of our courses, Taiflex adopts the Taiwan TrainQuali System (TTQS) to monitor the benefits of our training programs. The results have been outstanding in all aspects, including revenue, finance, and employee satisfaction. We received one silver and three golden TTQS awards between 2010 and 2017, and also the National TrainQuali Prize awarded by the Ministry of Economic Affairs, R.O.C. in 2013.

6.4 Outstanding Benefits and Safe Workplace

Taiflex employee compensation and benefits include base pay, allowances, cash bonuses and rewards, pensions, as well as benefits of other kinds. In 2019, employee compensation expenses amounted to NT\$719,701,000. The average non-executive salary for full-time employees is NT\$760,000 annually.

Diversity of options for taking leave

The Company's leave policy is in compliance with the Labor Standards Act. Employees with more than six months of employment are entitled to annual leave and at least 240 hours of sick leave at half pay each year. Employees with major injuries or illness, either in-patient (hospitalized) and outpatient, are entitled to at least one year of half-paid sick leave within a two-year period. With the goal to creating a work place which is friendly to female employees and employee spouses, employees are entitled to menstrual leave, maternity leave, antenatal care leave and paternity leaves as stipulated in laws and regulations. For employees who need to attend to personal affairs not covered by the personal leave and family care leave stipulated in the Labor Standards Act, or require more time, they may apply for unpaid leave. Employees may apply for leave for parental care, military service, major injuries or illness, etc. and return to work after their leave in order to manage both personal and family needs.

Amendments to the Labor Standards Act in 2016 reduced the maximum regular working hours from 84 hours every two weeks to 40 hours per week. Taiflex modified employees' regular working hours accordingly, so as to be in compliance with each of the Ministry of Labor's policies regarding legal working hours. Regular leave, rest days and holidays are all in compliance with the Labor Standards Act.

Five employees applied for unpaid parental leave in 2019. All of these applicants returned to work after their leave, resulting in a retention rate of 100%.

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Stable pension system

Taiflex has drawn up an employee pension policy in accordance with the Labor Standards Act and the Labor Pension Act, and makes fixed pension contributions and payments. In 2016, the Labor Standards Act was amended so that every year employers shall estimate the amount of pension required to pay to employees who are eligible for retirement in the following year and supplement the pension fund in the case of any shortage to ensure the retirement rights of the employee. In addition to making fixed contributions to our pension fund, we engage professional accounting consultants to perform actuarial valuation on a yearly basis to ensure that contributions are sufficient enough to guarantee each employee's right to collect their pension upon retirement.

Pension fund following Labor Standards Act stipulations

Taiflex calculates pension payments based on an employee's years of service and the average salary six months before retirement in accordance with the Labor Standards Act. We make contributions equal to 6% of employees' salaries to the Labor Pension Fund Supervisory Committee, which deposits the money in the Committee's name at the Bank of Taiwan. At the end of 2019, the fair value of assets in the pension plan amounted to NT\$24,115,000. In accordance with the aforementioned rules, the amount recognized as expenses amounted to NT\$8,962,000 in 2019. Regulatory contributions for future periods are accounted for as accrued pension liabilities, which equaled NT\$219,550,000 at the end of 2019.

Pension contributions under the Labor Pension Act

In accordance with the Labor Pension Act, Taiflex makes a contribution equal to 6% of an employee's salary to the employee's individual pension account at the Bureau of Labor Insurance. Taiflex's total expenditure on pension contributions in 2019 amounted to NT\$222,876,000.

Comprehensive health care management and insurance programs for employees

Per statutory requirements, all Taiflex employees are covered by labor insurance backed by Taiwan's Ministry of Labor, as well as national health insurance backed by Taiwan's Ministry of Health and Welfare. Taiflex employees are also covered by a comprehensive group insurance program commencing from the date they begin work. This program fully covers employees with life insurance, accident insurance, hospital insurance, cancer insurance, critical illness insurance, business travel insurance, and so on. Taiflex employees can continue participating in each of these insurance program during any unpaid parental leave. Moreover, employee's spouses and their dependents can also participate in the Company's comprehensive group insurance program at a discounted rate, allowing employees and their families access to more complete insurance coverage. Mechanisms of the Company's comprehensive health care management program include:

- The Safety Board monitors and improves the work environment, in addition to performing regular risk assessments
- Health examinations covering a range of issues broader than required of (and with a frequency greater than required by) national labor laws and regulations, such as our free annual health examination.

- Medical staff at workplace: including health service personnel and on-site doctors
- Health management and disease prevention kits for employees on business trips
- Health seminars and sporting courses
- Subsidies for critical illness
- Health promotion projects: weight loss, blood pressure, blood sugar and cholesterol level controls, smoking cessation courses, etc.
- Health monitoring services, health coaching, as well as on-site and off-site care visits for those in-need.
- Maternity health management
- Ergonomic hazard prevention management
- Overload hazard prevention management
- Weekly on-site insurance services provided by the group insurance company
- Travel insurance with high coverage limits and overseas emergency assistance
- Group insurance for employees and their spouses

Worry-free at work and throughout life

In the event of damages and/or losses suffered by employees due to flood, fire, hail, typhoon, drought, earthquake, or other natural disasters, Taiflex offers death, relocation, flood, and injury subsidies accordingly, in the hope of easing employees' suffering, and to assist them in returning to their normal state of life in the soonest manner possible.

For the sake of accommodating travel-weary employees and for the convenience of all colleagues, Taiflex offers temporary resting rooms and shower facilities. In addition to providing parking spaces for the disabled, we also have parking spaces reserved for employees who are pregnant. Employees who have mobility issues or have been elected as outstanding employees also have designated parking spaces. Employee families visiting from out-of-town can stay with our contracted hotels or guesthouses during these family trips.

Promotion of employee health and work performance through sports and leisure

The company provides a leisure center for employees to enhance their work-life balance. The indoor space is equipped with sporting equipment including a billiards table, table tennis, foosball, indoor bikes, and more. There are also outdoor multi-functional facilities, which can accommodate basketball, volleyball and badminton. Lighting of the courts is available at night and employees can rent the equipment for these games at any time. We organize various employee activities each quarter at this venue, as well as during holidays.

The Company has recruited a blind masseuse, who helps employees to relax their muscles and ease pressure during the workday as part of fulfilling our corporate social responsibility to employee's comfort and well-being.

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Delicious meals and abundant snacks

Taiflex provides uniforms to all employees, as well as lounge rooms and a cafeteria to ensure employees are well-fed and clothed, so as to allow them to focus optimal amounts of energy on their work for the Company. Meals provided are as follows:

- Lunch is provided by contractor caterers and served in a buffet style. There are vegetarian, fruit, salad, buffet, and noodles sections in each of our cafeterias, each of which provide Taiwanese, Japanese, and other traditional cuisines. There are pre-prepared fruit platters and other health-conscious lunch boxes on offer in order to satisfy every employees' appetite and dietary needs.
- Dinner for night shift employees is a boxed meal serviced by quality local restaurants. Night-shift employees have a variety of choices regarding their meal plans.
- All employees are bestowed with monthly religious offerings, and a formal worship ceremony is held every year for Ghost Festival
- There are coffee machines available to employees 24 hours a day
- Free stress-relief tea bags on offer in every lounge room for employees to enjoy at their leisure
- Free seasonal cold and hot drinks are available in the first floor lobby of each Fab

Other benefits

Taiflex's Fringe Benefits Committee also provides numerous perks to our employees, including:

- Cash gifts for marriages and childbirth, and subsidies for hospitalization and funerals
- Cash gifts for important festivals and birthdays
- Subsidies for company trips
- Subsidies for children's education, plus access to channels to contracted kindergartens and child care centers
- Club subsidies – we currently have clubs for running, bicycle, hiking, shrimp fishing, softball, basketball, billiards, bowling, yoga, and golf
- Discounts offered by contracted stores
- Excellent nursery rooms and fridges dedicated for breast milk and general use
- Family libraries in each Fab

6.5 Employee Involvement

6.5.1 Enhance employee loyalty

Our employees share the same visions and values and work towards the same goals. To further increase employees' level of organizational commitment and reinforce team spirit, the Company

organizes quarterly corporate activities and an annual family day. Through competitions and games, employees exchange ideas and communicate with each other and thus build team spirit. During Summer 2019, Taiflex hosted a series of three Family Day activities at Kaohsiung Museum of Science and Technology; during Fall 2019, we hosted a series of four Family Day activities at Ten Drum Ciaotou Creative Park. Every year we invite employees and their families to participate in Family Day activities together – games and challenges are designed for participants to enjoy themselves and boost their commitment to the Company. In total, several thousand counts of employees and their family members joining in these network-building festivities took place throughout 2019.

6.5.2 Build Communication Channels, Encourage Employee Involvement and Create Harmonious Industrial Relations

Taiflex places great importance on two-way communication and is committed to providing open and transparent communication channels between management and employees and also between employees themselves. To listen to employee opinions and voices, labor-management meetings are convened quarterly; and through fair and effective communication mechanisms, such as suggestion boxes, we can both learn of employees' ideas and also take prompt actions to resolve issues. The aim is to foster harmonious industrial relations and, furthermore, to achieve a win-win situation for the Company and employees.

Details of our two-way communication channels which contribute to smooth communication between management and employees are as follows:

- Regular communication meetings for all levels of management and employees.
- Employee satisfaction surveys are conducted regularly and used to formulate improvement schemes in response to employees' opinions.
- Seminars and open forums with all members of the C-Suite as speakers are held in furtherance of enhancing employees' understanding of the Company's operating conditions and expansion targets.
- Two confidential complaint channels for major management, financial and auditing issues:
- An independent complaint mailbox; and
- The "Employee Ombudsman System" handled by a dedicated employee.
- The 52885 and 50885 hotlines are set up at employee forum for employees to voice general comments and opinions concerning work and environment.
- The 52366 employee caring hotline is set up to assist employees with work-life balance.
- The 52323 workplace violence hotline, the 70995 sexual harassment hotline and the 52333 gender equality hotline are in place to help employees deal with unlawful incidents at workplace.

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6.6 Building a perfectly safe and healthy workplace

6.6.1 Our forward-looking occupational safety and health policy

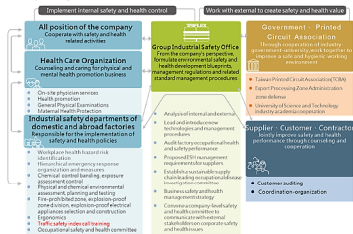
Taiflex regards "environmental protection and a zero accident vision" as the two premises of all production-related activities within the company. Taiflex calls all employees and shareholders to give special attention to environmental protection and occupational health and safety issues, to fulfill corporate social responsibility, and to commit to safe and sustainable operations as our most important principle. Taiflex values our employees as the company's most valuable asset. Nothing is more important than the health and safety of the workplace. All personnel and their families rely on this promise of well-being. Taiflex is united in a concerted effort to cultivate a conscientious environmental protection and occupational safety culture for our entire workforce. On account of this concerted effort, eight major commitments have been established as the foundation for Taiflex's deeply-integrated environmental protection and occupational health and safety policies.

- Regulatory Compliance: Commitment to complying with all national environmental protection and occupational health and safety laws, policies, regulations, codes, standards, and other requirements.
- Green R & D: Commitment to green R & D in order to achieve energy conservation, carbon reduction and pollution prevention.
- Waste Reduction, Reuse, and Recycling: Commitment to continuously improving manufacturing processes, the working environment and equipment, environmental protection and pollution prevention practices, and resource consumption procedures.
- Whole workforce participation: Commitment to practical policy participation and effective consultation mechanisms at all levels of our organization -- through company executives' leadership of all staff and stakeholders, Taiflex unceasingly strengthens full staff policy participation in order to promote environmental and safety awareness, as well as to enhance emergency response capabilities.
- Workplace health and safety: Commitment to maintain workplace safety and to cultivate a happy and healthy work environment, guaranteed for all employees.
- Risk control: Commitment to identifying all environmental protection and occupational safety risks and opportunities, by means of controlling all operational risks from the source, promoting opportunities for improvement, in order to realize our Zero Accident Vision and create a risk-free work environment.
- Energy conservation and carbon-emission reduction: Commitment to improving equipment efficiency, implementing carbon-emission reductions throughout the manufacturing process, and conducting comprehensive environmental management in order to reduce greenhouse gas emissions.
- Perpetual improvement: Commitment to persistently improving environmental protection and occupational health and safety management in order to prevent injury and maintain a healthy workplace.



6.6.2 Upgrade specific (work-related) responsibilities to top-notch safety and health organization

In order to build the best healthy workplace, Taiflex Scientific Co., Ltd. restructured its business organization in October 2019. It was established at the top management level and established the General Group Industrial Safety Office. The safety and health management of Taiflex Group was coordinated by the Group Industrial Safety Office. The Industrial Safety Section of the Manufacturing Center and the safety and health counters of each unit assist in promoting the implementation, and the safety and health business cooperates and divides labor. In response to the requirements and expectations of various internal and external stakeholders for Taiflex, in addition to continuing to improve Taiflex's safety culture promotion and risk management improvement measures, more resources have been invested in optimizing occupational disease prevention and employee psychological consultation and assistance (TEAP).) System, striving to build the best healthy workplace.



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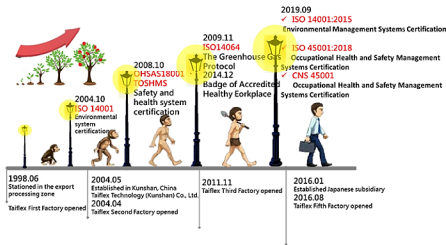
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6.6.3 Constructing an occupational safety and health management system ISO/CNS45001 top-notch safety and health organization

Taiflex is leading the industry in obtaining ISO/CNS45001 certification for the safety management system,

through the latest occupational safety and health management system, in line with the world's occupational safety and health management. Reduce risks, comply with laws and regulations, meet the expectations of all stakeholders. Create a niche for workplace safety and health and provide advantages in a harmonious production environment.



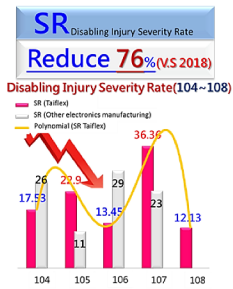
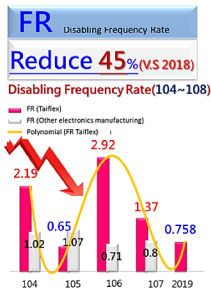
Certificate Sharing Tea Party



6.6.4 Zero occupational accident performance

Taiflex's occupational disaster statistical analysis data is based on the important disability statistical indicators announced by the Ministry of Labor and GR14 (Global Reporting Initiative 4th), The frequency of disability injury (FR), the severity rate of disability injury (SR) and work injury (AR) as the main statistical basis (statistics do not include off-site traffic accidents). In the Republic of China in 108, the number of employees injured and disabled: 1 the frequency of disabling injuries was 0.75, and the severe rate of disabling injuries was 12.13, which greatly reduced occupational injuries compared to 2018.

This disability injury was caused by heavy rains in the seasons, and the main cause of the accident was slipping and slipping caused by people walking on the ground. Continuous improvement measures were put forward in the follow-up, including the improvement and promotion of the accident site, and more comprehensive research and discussion on the optimization measures such as safe access and anti-skid steps.



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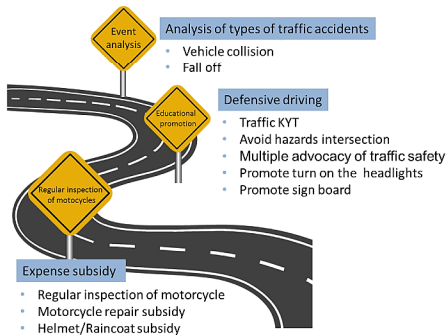
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6.6.5 Traffic accidents hit a record low

Taiflex not only pays attention to the prevention of occupational disasters in the factory, but also pays attention to the safety of colleagues in commuting. However, the accidents caused by commuting can be a big challenge in the disaster reduction goals of various enterprises. In 108 years, innovative methods were used to promote the task of reducing traffic accidents. After analyzing the causes of traffic accidents when colleagues commute, and effectively promoting defensive safe driving and anti-dangerous KYT activities on the spot, General Manager Yan Zhiming appeared on "Traffic Safety Slowly" and other multimedia promotion such as broadcasts and short films, and provided subsidies for regular inspections of locomotives and Safety raincoats, helmets, etc., combined with many measures to promote the benefits of traffic safety.



6.6.6 Safety and health management implementation

Follow Taiflex's safety and health policies, implement safety and health management actions and track implementation results, and hope to implement safety culture and manage risks. Communicate internal and external relations: Through internal and external communication with stakeholders, we can understand internal and external situation issues and turn risks into opportunities.

Strengthen contracting and supplier management: The contractor is an important partner of Tai-flex Company, through external professional manufacturers, mutual aggressiveness and strengthening of hardware facilities.

Optimize the setting of explosion-proof area: PCB electronics manufacturing raw materials use a large amount of organic solvents, effectively categorize the management of solvents and establish special storage locations; and require the use of high-standard explosion-proof electrical specifications and installation methods in this area.

Counseling subsidiary safety and health: The head office of the group shoulders a friendly workplace and a model benchmark for a happy enterprise. Establish standardization, fixation and consistency for the safety and health culture of subsidiaries.

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6.6.7 Strengthen the implementation of emergency response drills

Taiflex Technology attaches great importance to the implementation of emergency response capabilities of all on-site units and actively cooperates with the industrial safety and fire protection units of all factories in the park to demonstrate the energy of regional joint defense. Implemented hierarchical response in 108 years from the initial disaster to the plant-wide simulation exercise. From joint disaster rescue drills to the competent authorities (Kaohsiung City Fire Department, Park Fire Brigade, and Port Fire Brigade), to the emergency response and handling status report drills of various on-site departments, the implementation strives to be reliable, rapid and effective in reducing disasters.



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6.6.8 Multiple care and comprehensive health management

In order to implement the labor laws and regulations and improve the physical and mental health of employees, Taihong has combined the three-party cooperation of the safety and health management unit, the human resources management unit and the occupational medicine specialists, and is committed to the implementation of the health management of the employees in the factory, and also operates through the safety and health management system. Regularly identify the health hazards of the work environment and work content, and take control measures based on the results of the identification to prevent employees from causing occupational injuries and diseases.

6.6.9 Prevention and management of occupational diseases and health hazards

Long hours, night work, shifts and other tasks promote the prevention of cerebrovascular diseases, human-induced hazard assessment and management, and maternal health protection and management measures, and handle diversified physical and mental health promotion activities, in addition to protecting colleagues' work safety. And actively promote the physical and mental health of employees through the promotion of the TEAP system for new employees.



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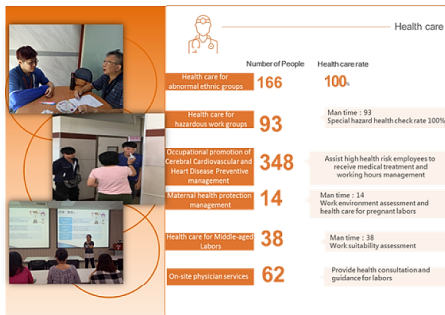
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6.6.10 Employee health examination and health classification management

Every year after the completion of the health checkup, the health level management of each colleague is also carried out. According to the results of the health checkup, measures such as one-to-one case management and care tracking for colleagues or doctor consultation arrangements are provided to assist colleagues to detect physical health problems early, receive treatment as soon as possible, and implement health Lifestyle, improve personal health.

In addition, for colleagues who work particularly hazardous to health, those who are listed as secondary management (inclusive) in the management hierarchy are arranged to receive occupational medicine specialists, and evaluate with reference to their health examination results and work environment measurement data over the years to provide appropriate health guidance and Whether it is necessary to properly deploy health management measures such as work.

In addition, it also analyzes the trend of colleagues and the environment. It is assessed that none of the abnormalities are positively related to the working environment, and effective implementation and strengthening of employee health check and health classification management.



6.6.11 Taiflex employee health promotion and improvement

Taiflex not only attaches importance to the health management of colleagues, but also actively promotes employee health promotion in the near future, such as regular sports competitions, weekly aerobic exercise courses, smoking cessation classes, physical fitness tests, weekly massage and stress relief stations, Colleagues' physical and mental health lectures, weight loss incentive activities, etc.,

To enhance the effectiveness of Taiflex employees' health promotion activities; also participate in the joint charity blood donation activities of the Export Processing Zone Administration. After the love is not lagging behind, it will increase the promotion and encouragement of colleagues to participate in health charity and show the company Social responsibility.



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6.7 Taiflex's Social Contributions

Dedication to charity through voluntary work

In 2011 Taiflex employees took the initiative to set up a charity club called the Youth Care Club. The club was renamed the Kaohsiung City Youth Care Association in 2012 and registered with the Social Affairs Bureau of Kaohsiung City Government. We also established the Taiflex Volunteers and actively participate in other charitable activities.

We have worked with the Kaohsiung United Charity Association for a long time and sponsored its scholarship programs, enabling students in need to attend school.

In 2015 we co-organized summer camps and study tours plus homestay programs with the Puren Youth Care Foundation in Kaohsiung. Students from disadvantaged families had the chance to explore Kaohsiung during "5-day-4-night" and "2-day-1-night" tours. The participants befriended people in the same tour group, built up their independence and left with unforgettable memories. In 2017, we volunteered at the Kaohsiung food bank, helping with sorting the food and promoting the concept of zero food waste.

Charitable Donations and Philanthropic Activities

Hosted charity basketball games with Siao Gang Senior High School in March 2019.

Invited teachers and students from Nanhua University to visit the Company in May 2019.

Hosted the Taiflex Youth Care Concert in June 2019.

Sponsored Siao Gang Senior High School's orchestra in June 2019.

Sponsored Siao Gang Senior High School's dancing club in June 2019.

Co-organized the Summer Camp of Puren Youth Care Foundation in Kaohsiung in July 2019.

Provided internships to students from National Kaohsiung University of Science and Technology and Chang Jung Christian University in July 2019.

Sponsored the adventure education camp under the scholarship and future development program of Kaohsiung United Charity Association in July 2019.

Organized blood donation activities with Kaohsiung Export Processing Zone in August 2019.

Participated in Kaohsiung United Charity Association's scholarship and future development program in August 2019.

Sponsored Siao Gang Senior High School's karate team in September 2019.

Sponsored activities organized by Kaohsiung United Charity Association to help disadvantaged families in September 2019.

Sponsored the charity activity for children organized by cnYes in September 2019.

Assisted Kaohsiung United Charity Association with food bank activity in October 2019.

Hosted the Kaohsiung study tours of Puren Youth Care Foundation in November 2019.

Invited teachers and students from National Kaohsiung Normal University to visit the Company in November 2019.

Sponsored Siao Gang Senior High School's basketball team in December 2019.

Sponsored the parent-child learning event organized by Good Shepherd Social Welfare Foundation at National Science and Technology Museum in December 2019.



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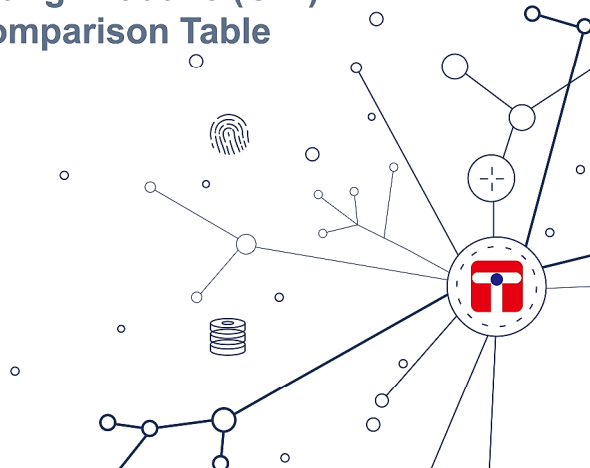
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2	GRI 102	General Disclosures	102-15	Key impacts, risks, and opportunities	1. Overview: Messages from the Chairperson/President	P4-P5
3	GRI 102	General Disclosures	102-1	Name of the organization	4.1 Corporate Overview	P18
4	GRI 102	General Disclosures	102-2	Activities, brands, products, and services	4.1 Corporate Overview	P18
5	GRI 102	General Disclosures	102-3	Location of headquarters	4.1 Corporate Overview	P18
6	GRI 102	General Disclosures	102-4	Location of operations	4.1 Corporate Overview	P18
7	GRI 102	General Disclosures	102-5	Ownership and legal form	4.1 Corporate Overview	P18
8	GRI 102	General Disclosures	102-6	Markets served	4.1.2 Market Overview: Please refer to the 2019 Annual Report.	P18
9	GRI 102	General Disclosures	102-7	Scale of the organization	4.1.2 Market Overview 4.1.3 Financial Performance 6.1 Stable and Sound HR Structure	P18 P19 P36
10	GRI 102	General Disclosures	102-8	Information on employees and other workers	6.1 Stable and Sound HR Structure	P36
11	GRI 102	General Disclosures	102-41	Collective bargaining agreements	N/A	
12	GRI 102	General Disclosures	102-9	Supply chain	4.2.2 Supplier Management	P23
13	GRI 102	General Disclosures	102-10	Significant changes to the organization and its supply chain	A.) Fire at Taiflex Scientific (Kunshan) Co., Ltd. B) Construction commenced at Rudong factory.	
14	GRI 102	General Disclosures	102-11	Precautionary principle or approach	3.5 Risk Management. Please refer to "Risk Analysis and Assessment" of the 2019 Annual Report.	P16
15	GRI 102	General Disclosures	102-12	External initiatives	N/A	
16	GRI 102	General Disclosures	102-13	Membership of associations	4.1.2 Market Overview: Membership of associations	P18
17	GRI 102	General Disclosures	102-45	Entities included in the consolidated financial statements	2. Stakeholder Engagement and Management: Boundary identification of concerns to stakeholders	P9

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19	GRI 102	General Disclosures	102-47	List of material topics	2. Stakeholder Engagement and Management: Boundary identification of concerns to stakeholders	P9
20	GRI 102	General Disclosures	102-48	Restatements of information	Adopted GRI Standards	P6
21	GRI 102	General Disclosures	102-49	Changes in reporting	Adopted GRI Standards	P6
22	GRI 102	General Disclosures	102-40	List of stakeholder groups	2. Stakeholder Engagement and Management	P8
23	GRI 102	General Disclosures	102-42	Identifying and selecting stakeholders	2. Stakeholder Engagement and Management	P8
24	GRI 102	General Disclosures	102-43	Approach to stakeholder engagement	2. Stakeholder Engagement and Management	P9
25	GRI 102	General Disclosures	102-44	Key topics and concerns raised	2. Stakeholder Engagement and Management	P9
26	GRI 102	General Disclosures	102-50	Reporting period	1. Overview	P6
27	GRI 102	General Disclosures	102-51	Date of most recent report	1. Overview	P6
28	GRI 102	General Disclosures	102-52	Reporting cycle	1. Overview	P6
29	GRI 102	General Disclosures	102-53	Contact point for questions regarding the report	1. Overview	P6
30	GRI 102	General Disclosures	102-54	Claims of reporting in accordance with the GRI Standards	1. Overview	P6
31	GRI 102	General Disclosures	102-55	GRI content index		
32	GRI 102	General Disclosures	102-56	External assurance	1. Overview 7. Appendix	P6 P50
33	GRI 102	General Disclosures	102-18	Governance structure		
34	GRI 102	General Disclosures	102-19	Delegating authority	3.1 Corporate Governance Structure 3.1.4 CSR Committee	P11 P12
35	GRI 102	General Disclosures	102-20	Executive-level responsibility for economic, environmental, and social topics	3.1 Corporate Governance Structure 3.1.1 Board of Directors 3.1.4 CRS Committee	P11 P12

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40	GRI 102	General Disclosures	102-25	Conflicts of interest	3.1.1 Board of Directors: Duties and Responsibilities of BOD	P11
41	GRI 102	General Disclosures	102-26	Role of highest governance body in setting purpose, values, and strategy	3.1.1 Board of Directors: Duties and Responsibilities of BOD	P11
42	GRI 102	General Disclosures	102-27	Collective knowledge of highest governance body	Please refer to "Corporate Governance Implementation" of the 2019 Annual Report.	
43	GRI 102	General Disclosures	102-28	Evaluating the highest governance body's performance	Please refer to "Corporate Governance Implementation" of the 2019 Annual Report.	
44	GRI 102	General Disclosures	102-29	Identifying and managing economic, environmental, and social impacts	3.1.1 Board of Directors: Duties and Responsibilities of BOD	P11
45	GRI 102	General Disclosures	102-30	Effectiveness of risk management processes	3.1.1 Board of Directors: Duties and Responsibilities of BOD	P11
46	GRI 102	General Disclosures	102-31	Review of economic, environmental, and social topics	3.1.1 Board of Directors: Duties and Responsibilities of BOD	P11
47	GRI 102	General Disclosures	102-32	Highest governance body's role in sustainability reporting	This Report was compiled by the Company's CSR Team, then examined and approved by each of the Company's departmental directors	P6
48	GRI 102	General Disclosures	102-33	Communicating critical concerns	3.1.4 CSR Committee	P12

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50	GRI 102	General Disclosures	102-35	Remuneration policies	3.1.1 Board of Directors: Remuneration to Directors and Managers Please refer to "Remuneration Paid to Directors (Including Independent Directors), Supervisors, President and Vice Presidents in 2019" of the 2019 Annual Report.	P11
51	GRI 102	General Disclosures	102-36	Process for determining remuneration	3.1.3 Compensation Committee	P12
52	GRI 102	General Disclosures	102-37	Stakeholders' involvement in remuneration	3.1.3 Compensation Committee	P12
53	GRI 102	General Disclosures	102-38	Annual total compensation ratio	Confidential / Undisclosed	
54	GRI 102	General Disclosures	102-39	Percentage increase in annual total compensation ratio	Please refer to the total personnel expenses listed in each annual report.	
55	GRI 102	General Disclosures	102-16	Values, principles, standards, and norms of behavior	3.2 Code of Business Ethics	P13
56	GRI 102	General Disclosures	102-17	Mechanisms for advice and concerns about ethics	3.2 Code of Business Ethics	P13
57	GRI 102	General Disclosures	102-43 102-44	Approach to stakeholder engagement Key topics and concerns raised	2. Stakeholder Engagement and Management	P9
58	GRI 102	General Disclosures	102-2	Activities, brands, products, and services		
59	GRI 103	Management Approach	103-1	Explanation of the material topic and its boundary	2. Stakeholder Engagement and Management: Boundary identification of concerns to stakeholders	P9
60	GRI 103	Management Approach	103-2	The management approach and its components	2. Stakeholder Engagement and Management: Boundary identification of concerns to stakeholders	P9
61	GRI 103	Management Approach	103-3	Evaluation of the management approach	2. Stakeholder Engagement and Management: Boundary identification of concerns to stakeholders	P9
62	GRI 201	Economic Performance	201-1	Direct economic value generated and distributed	4.1.3 Financial Performance 6.4 Outstanding Benefits	P19 P40

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64	GRI 201	Economic Performance	201-3	Defined benefit plan obligations and other retirement plans	6.4 Outstanding Benefits	P40
65	GRI 201	Economic Performance	201-4	Financial assistance received from government	4.1.3 Financial Performance	P19
66	GRI 202	Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Insignificant / Undisclosed	
67	GRI 202	Market Presence	202-2	Proportion of senior management hired from the local community	Insignificant / Undisclosed	
68	GRI 203	Indirect Economic Impacts	203-1	Infrastructure investments and services supported	6.7 Taiflex's Social Contributions	P49
69	GRI 203	Indirect Economic Impacts	203-2	Significant indirect economic impacts	4.1.3 Financial Performance	P19
70	GRI 204	Procurement Practices	204-1	Proportion of spending on local suppliers	Insignificant / Undisclosed (The proportion of spending on local suppliers is low.)	
71	GRI 205	Anti-corruption	205-1	Operations assessed for risks related to corruption	3.2 Code of Business Ethics	P13
72	GRI 205	Anti-corruption	205-2	Communication and training about anti-corruption policies and procedures	3.3 Regulatory Compliance	P15
73	GRI 205	Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption in 2019.	
74	GRI 206	Anti-competitive Behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	3.2 Code of Business Ethics	P13
75	GRI 301	Materials	301-1	Materials used by weight or volume	5.4.2 Recycled Raw Materials Management	P29
76	GRI 301	Materials	301-2	Recycled input materials used	Insignificant / Undisclosed	
77	GRI 301	Materials	301-3	Reclaimed products and their packaging materials	5.4.3 Green Products	P30
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83	GRI 303	Water	303-1	Water withdrawal by source	5.7 Water Resource Management	P32
84	GRI 303	Water	303-2	Water sources significantly affected by withdrawal of water	Insignificant / Undisclosed	
85	GRI 303	Water	303-3	Water recycled and reused	5.7 Water Resource Management	P32
86	GRI 304	Biodiversity	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Insignificant / Undisclosed	
87	GRI 304	Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	Insignificant / Undisclosed	
88	GRI 304	Biodiversity	304-3	Habitats protected or restored	Insignificant / Undisclosed	
89	GRI 304	Biodiversity	304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations	Insignificant / Undisclosed	
90	GRI 305	Emissions	305-1	Direct (Scope 1) GHG emissions	5.2.2 GHG Management	P27
91	GRI 305	Emissions	305-2	Energy indirect (Scope 2) GHG emissions	5.2.2 GHG Management	P27
92	GRI 305	Emissions	305-3	Other indirect (Scope 3) GHG emissions	5.4.3 Green Products	P30
93	GRI 305	Emissions	305-4	GHG emissions intensity	5.2.2 GHG Management	P27
94	GRI 305	Emissions	305-5	Reduction of GHG emissions	5.2.2 GHG Management	P27
95	GRI 305	Emissions	305-6	Emissions of ozone-depleting substances	Insignificant / Undisclosed	
96	GRI 305	Emissions	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Insignificant / Undisclosed	
97	GRI 306	Effluents and Waste	306-1	Water discharge by quality and destination	5.7 Water Resource Management	P32
98	GRI 306	Effluents and Waste	306-2	Waste by type and disposal method	5.8 Waste Management	P33
99	GRI 306	Effluents and Waste	306-3	Significant spills	No spills of any significance.	
100	GRI 306	Effluents and Waste	306-4	Transport of hazardous waste	Insignificant / Undisclosed	
101	GRI 306	Effluents and Waste	306-5	Water bodies affected by water discharges and/or runoff	Insignificant / Undisclosed	

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104	GRI 308	Supplier Environmental Assessment	308-2	Negative environmental impacts in the supply chain and actions taken	Undisclosed	
105	GRI 401	Employment	401-1	New employee hires and employee turnover	6.1 Stable and Sound HR Structure 6.2 Talent Recruitment Focusing on Quality and Quantity	P36
106	GRI 401	Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	6.4 Outstanding Benefits and Safe Workplace	P40
107	GRI 401	Employment	401-3	Parental leave	6.4 Outstanding Benefits and Safe Workplace	P40
108	GRI 402	Labor/Management Relations	402-1	Minimum notice periods regarding operational changes		
109	GRI 403	Occupational Health and Safety	403-1	Workers representation in formal joint management worker health and safety committees	6.6.2 Health and Safety Organization	P42
110	GRI 403	Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	6.6.4.2 Occupational Safety and Health Management	P43
111	GRI 403	Occupational Health and Safety	403-3	Workers with high incidence or high risk of diseases related to their occupation	6.6.4.3 Continuous Improvement on Safety and Health Management and Enhance Employees' Physical and Mental Health	P47
112	GRI 403	Occupational Health and Safety	403-4	Health and safety topics covered in formal agreements with trade unions		
113	GRI 404	Training and Education	404-1	Average hours of training per year per employee	6.3 Employee Growth Engines	P38
114	GRI 404	Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	6.3 Employee Growth Engines	P38

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117	GRI 405	Diversity and Equal Opportunity	405-2	Ratio of basic salary and remuneration of women to men	Confidential / Undisclosed	
118	GRI 406	Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	3.3.4 Open Reporting Systems	P15
119	GRI 407	Freedom of Association and Collective Bargaining	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	4.2.2 Supplier Management 6.1 Stable and Sound HR Structure	P23 P36
120	GRI 408	Child Labor	408-1	Operations and suppliers at significant risk for incidents of child labor	4.2.2 Supplier Management 6.1 Stable and Sound HR Structure	P23 P36
121	GRI 409	Forced or Compulsory Labor	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	4.2.2 Supplier Management 6.1 Stable and Sound HR Structure	P23 P36
122	GRI 410	Security Practices	410-1	Security personnel trained in human rights policies or procedures	Undisclosed	
123	GRI 411	Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	Insignificant / Undisclosed	
124	GRI 412	Human Rights Assessment	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Insignificant / Undisclosed	
125	GRI 412	Human Rights Assessment	412-2	Employee training on human rights policies or procedures	Insignificant / Undisclosed	
126	GRI 412	Human Rights Assessment	412-1	Operations that have been subject to human rights reviews or impact assessments	Insignificant / Undisclosed	
127	GRI 413	Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	No significant impacts.	
128	GRI 413	Local Communities	413-2	Operations with significant actual or potential negative impacts on local communities	No significant impacts.	

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130	GRI 414	Supplier Social Assessment	414-2	Negative social impacts in the supply chain and actions taken	4.2.2 Supplier Management	P23
131	GRI 415	Public Policy	415-1	Political contributions	3.3.5 Others: Political contributions	P15
132	GRI 416	Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	Insignificant / Undisclosed (Taiflex is not an end product manufacturer.)	
133	GRI 416	Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	In 2019, Taiflex did not violate any laws or voluntary codes concerning the health and safety impacts of our products and services throughout their respective life cycles.	
134	GRI 417	Marketing and Labeling	417-1	Requirements for product and service information and labeling	Taiflex provides product ingredient data per customers' requests.	
135	GRI 417	Marketing and Labeling	417-2	Incidents of non-compliance concerning product and service information and labeling	Taiflex had no incidents of non-compliance concerning product and service information and labeling in 2019.	
136	GRI 417	Marketing and Labeling	417-3	Incidents of non-compliance concerning marketing communications	Taiflex did not violate any laws or voluntary codes concerned with marketing, including advertising, promotion, and sponsorship, in 2019.	
137	GRI 418	Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Taiflex did not receive any relevant complaints in 2019.	
138	GRI 419	Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	Taiflex did not violate any laws or regulations in the socio-economic domain in 2019.	