

- 1.1 Sustainable Development Committee
- 1.2 Stakeholder Communication and Response
- 1.3 Identify Material Topics of the Year
- 1.4 Sustainable Development Goals and in Practice



1 Practitioner of Sustainable Management

1.1 Sustainable Development Committee

To implement sustainable development, the Company has established a "Sustainable Development Committee" composed of five members, including three Independent Directors, the President and the Chief of Staff. Under the Committee, there are six functional teams: "sustainable product design," "environmental sustainability," "social charity," "corporate governance and risk management," "supply chain management" and "customer care." The convener of the Committee appoints the heads of relevant departments to oversee the work of each functional team and implement related plans. The position of executive secretary is created to assist the convener with monitoring the progress and performance of each team.

Within this organizational structure, the Sustainable Development Center is responsible for monitoring and analyzing global sustainability issues. It collaborates with each functional team to drive sustainable developments from the environmental, social and governance aspects. As for the economic, environmental and social issues arising from operating activities, each functional team is responsible for formulating annual work plans based on business performance each year and tracking the implementation thereof. The results are then summarized by the Sustainable Development Center and reported to the Sustainable Development Committee on the progress of execution. The Committee reports to the Board on the progress and performance of each sustainable development work plan at least twice every year. In 2023, a total of three Sustainable Development Committee meetings were held with a 100% attendance rate of Committee members.

Organizational Structure of the Sustainable Development Committee						
Board of Directors						
Sustainable	Development Cor	mmittee				
				Executive Secreta	ary	
Sustainab	ole Development C	Center	- :0		1.1	
			laifle:	x Green Power Co	., Ltd.	
Kaohsiung City Youth Care Association					ssociation	
	<u> </u>					
Sustainable Product Design	Environmental Sustainability	Social Charity	Corporate Governance and Risk Management	Supply Chain Management	Customer Care	

Operation of the Sustainable Development Committee in 2023					
Date and Session of Meeting	Motions	Resolution			
2023.05.30 1st meeting of the 2nd term	To elect a convener of the second-term Sustainable Development Committee	Approved			
2023.07.05 2nd meeting of the 2nd term	To review the Company's risk map	Approved			
2023.12.20 3rd meeting of the 2nd term	2024 sustainable development plan	Approved			

1.2 Stakeholder Communication and Response

Stakeholder identification and communication are the foundation of corporate sustainable development. Taiflex engages in ongoing communication with various stakeholders through diverse channels, and regularly reports the results of these communications to our Board of Directors (results of 2023 were reported in the Board meeting on January 25, 2024). We listen to the voices of our stakeholders and adopt their opinions, needs and expectations as reference for operational decisions. We aim to create and share maximum benefits with stakeholders.

Stakeholder identification

Through internal discussions with department heads, incorporation of external expert opinions, and reference to industry peers, the Company's Sustainable Development Committee analyzed stakeholder groups that may be positively or negatively impacted by the Company's operational activities, and adopted the AA1000 SES Stakeholder Engagement Standards for assessment and ranking. We identified eight major stakeholder groups, including customers, suppliers/contractors, shareholders and other investors, employees, government agencies, financial institutions, academic and research institutions and society (including local communities, neighboring factories and social welfare organizations).



Note:including local communities, neighboring factories and social welfare organizations





Stakeholder communication

The Company takes a proactive approach to stakeholder communication by using a variety of channels such as annual reports, official websites, relevant meetings, EHR platform (Taiflex Forum), employee suggestion boxes, customer service, ESG questionnaires, emails and official correspondences to understand the issues and matters of concern to stakeholders. Through coordination and communication among the management team, we determine the approach to handle the issues based on internal processes and past experiences with stakeholders. The decision-making process considers the nature, sensitivity, and impact of the issues to provide timely and appropriate responses and actions.

		Stakeholder Communication	n Channels and Eff	fectiveness in 2023
Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
		Sustainability questionnaire	Annually	
	The key to business development	Customer satisfaction survey	Semi-annually	
		Technical exchange meeting	Monthly	Scored 90.4 in 2023 customer satisfaction
### \$		Business visits	Monthly	16 customer audit visits with 62 improvement items in 2023
• •	is to provide customers with high- value products and become a	Customer service hotline	Instantly	80+ technical exchange meetings
Customer	trusted business partner.	Email for external parties	When needed	86 information security / customer environment survey / occupational safety / human resources survey forms; 4 on-site audits with 25 improvement items in 2023
		Audit visits	When needed	
		Customer-designated questionnaire	When needed	
	Stable supply from suppliers is crucial for our business operations. We place great importance on the quality of raw materials provided by our suppliers and aim for mutual benefit and sustainable growth in our partnership with suppliers.	Supplier conference	Annually	7 excellent suppliers were recognized in 2023 supplier conference
		Sustainability questionnaire	Annually	E-procurement system and implementation of green procurement management principles
		Phone	Instantly	• 13 on-site audits and 31 document reviews of suppliers; 81 deficiencies were identified
		Email for external parties	When needed	with an improvement rate of 100% in 2023
		Regular audits	Annually	1 contractor consultative organization meeting, including occupational safety and health regulatory education and training
Supplier/Contractor		Operation review and audit	When needed	447 operation reviews and audits, with an improvement rate of 97% in 2023
		Contractor consultative organization meeting	Annually	458 reviews on work performed by contractors with 307 inspections on special operations at Company premises in 2023
		Shareholders' meeting	Annually	
(=(b)		Investor Conference	Annually	Voluntarily disclosed monthly consolidated revenue by product types
	Investors and shareholders are key players in supporting the sustainable operation of Taiflex, and ensuring accountability to them is a critical mission of the Company.	Annual reports / Financial reports	Annually	Held one shareholders' meeting and two investor conferences for investors to
Shareholders and Other Investors		Investor relations website	When needed	 understand the Company's operations Released the English version of shareholders' meeting agenda, annual report and
		Sustainability questionnaire	Annually	minutes of shareholders' meeting as reference materials for investors
		Shareholder hotline	When needed	The Chief Information Security Officer (CISO) along with the Information Security Officer reported to the Board on the effectiveness of information security governance,
		Email for external parties	When needed	information security issues and risk control approaches on October 25, 2023
		Annual information security report	Annually	

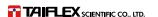


		Stakeholder Communication	Channels and Ef	fectiveness in 2023
Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness
00		Ehr platform (Taiflex forum)	Instantly	• 32 discussions and responses on the Ehr platform in 2023
		Labor-management meetings	Quarterly	4 labor-management meetings, 2 informal meetings with CEO, and 8 EWC meetings were held in 2023
		Employee communication	When needed	4 OSH Committee meetings in 2023
	Employees are important capital and the key to our core competi-	Informal meeting with CEO	Semi-annually	Confidential Information Protection Policy (CIPP) is announced monthly with annual assessments on Taiflex confidential information protection standards, where passing the confidential information protection standards.
	tiveness. We want to create with our employees a work environ-	EWC meetings	Quarterly	requires a full score; 889 employees were designated to take the assessment in 2023 and delivered a 100% passing rate
Employees	ment which is challenging, sus- tainable for learning and fun to	OSH Committee meetings	Quarterly	791 employees completed the online information security education and training (including assessment) in 2023 with a 100% passing rate
	achieve sustainable growth with our partners.	Employee suggestion mailbox	Instantly	314 employees attended the 12 information security seminars in 2023; and information security promotion was also carried out via 37 printed flyers and 13
		Education, training and promotion	When needed	digital flyers • 2 biannual newsletters on environmental education were published in 2023 (World
		Sustainability questionnaire	Annually	Oceans Day in June and Human Rights Day in December) 12 hours of education and training along with an internal audit briefing session
		Internal hotline/Email	Instantly / Semi- annually	pertaining to ISO14001 Environmental Management Systems in 2023
		Official correspondence	When needed	
		Questionnaire	When needed	
		Inspections and audits	When needed	1 time submission of the work rules for approval Over 1103 official correspondences with competent outborities, including the Taiwan Stock
Д	Business operations shall build on legal compliance and	Labor-management meetings	3 Months	 Over 1,193 official correspondences with competent authorities, including the Taiwan Stock Exchange, the Investment Commission of the Ministry of Economic Affairs, and tax authoritie in 2023
倡品	government oversight, and policy changes have significant impact	EWC meetings	Quarterly	Completed 2 cybersecurity promotional videos designated by the competent authorities in
	on operational directions; thus, it is important to maintain two-	Public hearings and press conferences	When needed	2023 The position of CISO was created with dedicated Information Security officer and personnel
vernment Agencies	way communication with the government.	Presentations and seminars	When needed	assigned in accordance with the "Regulations Governing the Establishment of Internal Contr Systems by Public Companies" issued by the Financial Supervisory Commission (FSC)
		Sustainability questionnaire	Annually	12 on-site audits by the Department of Environmental Protection and the Environmental Protection Center of the Export Processing Zone in 2023
		Phone	Instantly	
		Email for external parties	Instantly	
	Capitals are the lifeblood of	Official correspondence	When needed	
	business operations, and financial institutions are important providers of capital; therefore, we manage their concerns and	Sustainability questionnaire	Annually	Engaged in unsecured lines of credit with more than 15 suppliers to ensure capital adequacy Participated in green deposits of financial institutions for social benefits
		Phone	When needed	Teamed up with E.SUN for ESG initiative actions, working together to promote sustainable transformation
ancial Institutions	maintain close communications.	Email for external parties	When needed	uansionnauon



Stakeholder Communication Channels and Effectiveness in 2023					
Stakeholders	Significance of Stakeholders to the Company	Communication Channel	Frequency	Communication Effectiveness	
Academic and Research Institutes	We respect academic theory, cultivate professional talents through industry-academia cooperation, accelerate product development and strengthen the Company's overall sustainable development through expertise of the academic community.	Presentation/Forum / Seminar	Instantly / When needed	Participated in the NCKU Career Coaching Program, with 5 managers coaching a total of 90 to 100 students since 2015	
		Official correspondence	When needed	Took part in the 10-year program organized by the "College of Semiconductor & Advanced Technology Research" of National Sun Yat-sen University to nurture talents; we provided two lecturers so far and expected to train 40 young talents	
		Industry-academia collaboration program	When needed	Participated in the "Internship for Youth in Kaohsiung" promoted by the Youth Bureau of Kaohsiung City Government, and successfully recruited three young participants	
		Project meetings	When needed	Signed an industry-academia collaboration agreement with Wun-Shan Senior High School and organized a campus promotion event during the school's anniversary celebration	
				Engaged in the industry-academia collaboration program with the Department of Civil and Environmental Engineering of National University of Kaohsiung to assist in strategic planning for sustainable development goals	
		Visit, interviews	When needed	Signed an industry-academia collaboration agreement with National University of Kaohsiung in	
		Sustainability questionnaire	Annually	Participated in five education and training sessions of Taiwan Printed Circuit Association (TPCA)	
Society (including local community and social welfare organizations)	Maintain good interactions with our neighborhood residents, aiming to build a better future by contributing to the community and fulfilling our corporate social responsibility.	Welfare, donations, volunteer participation	When needed		
		Correspondence	Instantly	 Participated in the donation activities of the Puren Youth Care Foundation The "Kaohsiung City Youth Care Association" actively took part in various activities and 	
		Phone	Instantly	organized 10 events in 2023 with about 1,693 participants	
		Email for external parties	Instantly		





Preface

Practitioner of Sustainable Management

Entrepreneur with Steady Progress

Developer of Innovative Materials Producer of Green Products

Promoter of Social Prosperity

Appendix



1.3 Identify Material Topics of the Year

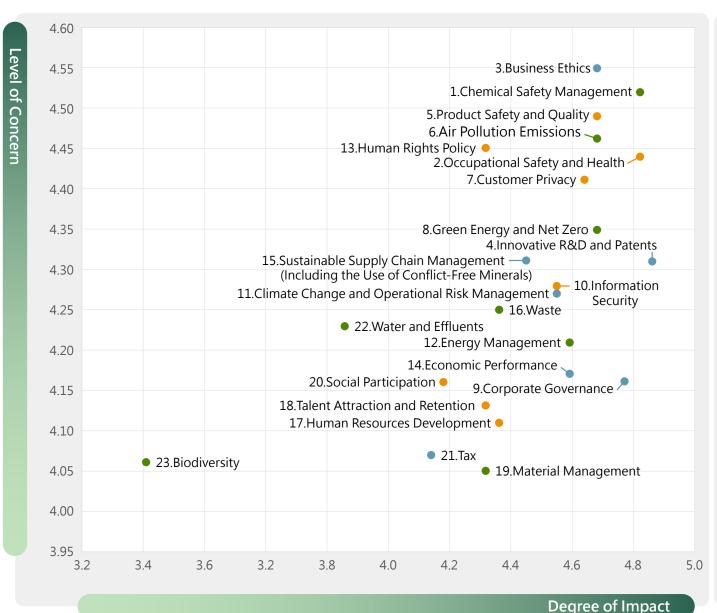
Process to identify material topics

To align information disclosed in the sustainability report with stakeholders' expectations and adhere to international sustainability trends, we establish the framework for analyzing the materiality of sustainable issues based on the materiality identification process within the GRI Standards (2021), which includes six steps: "Understand the organization's context," "Identify materiality," "Identify impact," "Significance assessment," "Verify material topics" and "Define boundaries of material topics.

To understand the organization' s context and collect sustainability issues, we refer to the GRI Standards published by the Global Reporting Initiative (GRI), the Sustainability Understand the Accounting Standards, the MSCI ESG Leaders Indexes, the FTSE Russell's ESG Index, and 3 major sustainability aspects organization's context and the United Nations Sustainable Development Goals (SDGs) as well as key issues of the 23 sustainability topics electronics components industry and feedback from stakeholders. We have compiled a total collect sustainability issues of 23 sustainable topics covering the three major sustainability aspects: environmental, social (including communities and human rights) and economic (including corporate governance.) Surveys were conducted using questionnaires with a focus on stakeholders' level of concern regarding each topic (affecting stakeholders' evaluation and decision making) and the degree of impact on Taiflex's sustainable operations (significant impact on **Identify materiality** environmental, social (including communities and human rights) and economic (including corporate governance) aspects). The survey results were used as a reference for determining our material sustainability topics. 854 questionnaires were collected in 2023. External ESG experts assessed the actual or potential negative impacts and positive effects Identify actual and potential of the 23 sustainability topics on environmental, social (including communities and human impacts rights) and economic (including corporate governance) aspects. 15 material topics The overall assessment was determined by adding up and ranking the scores of actual negative impact, potential negative impact, actual positive effects, and potential positive Assess the significance of effects of each topic on environmental, social (including communities and human rights) and the impacts economic (including corporate governance) aspects. Topics with a total score exceeding 30 were topics with significant impact. With reference to the results of materiality identification from stakeholders and the Inspect and verify major assessment on impact significance by external experts, 15 material topics were determined topics through internal discussion meetings to be reported in this sustainability report. Use value chain as the Define boundaries of Use value chain as a boundary analysis element for material topics. We will continue to strengthen our management and disclose relevant information in the sustainability report. boundary analysis element material topics



Results of materiality identification





Environment

- 1.Chemical Safety Management
- 6.Air Pollution Emissions
- 8.Green Energy and Net Zero
- 12.Energy Management
- 16.Waste
- 19.Material Management
- 22.Water and Effluents
- 23.Biodiversity



Society

- 2.Occupational Safety and Health
- 5.Product Safety and Quality
- 7.Customer Privacy
- 10.Information Security
- 13. Human Rights Policy
- 17. Human Resources Development
- 18.Talent Attraction and Retention
- 20.Social Participation

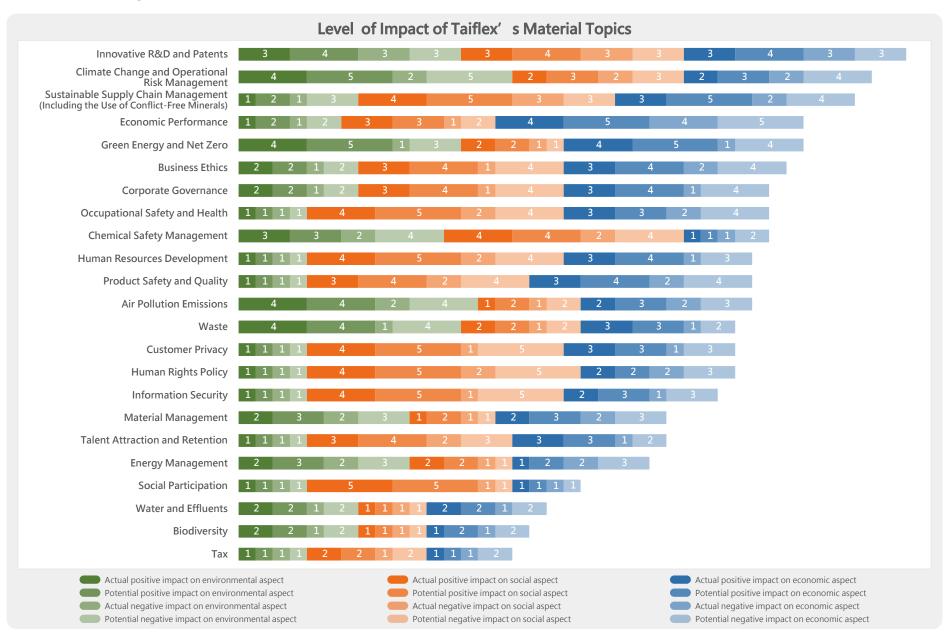


Governance

- 3.Business Ethics
- 4.Innovative R&D and Patents
- 9.Corporate Governance
- 11.Climate Change and Operational Risk Management
- 14.Economic Performance
- 15.Sustainable Supply Chain Management (Including the Use of Conflict-Free Minerals)
- 21.Tax



Assessment on degree of impact







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List of material topics for the year

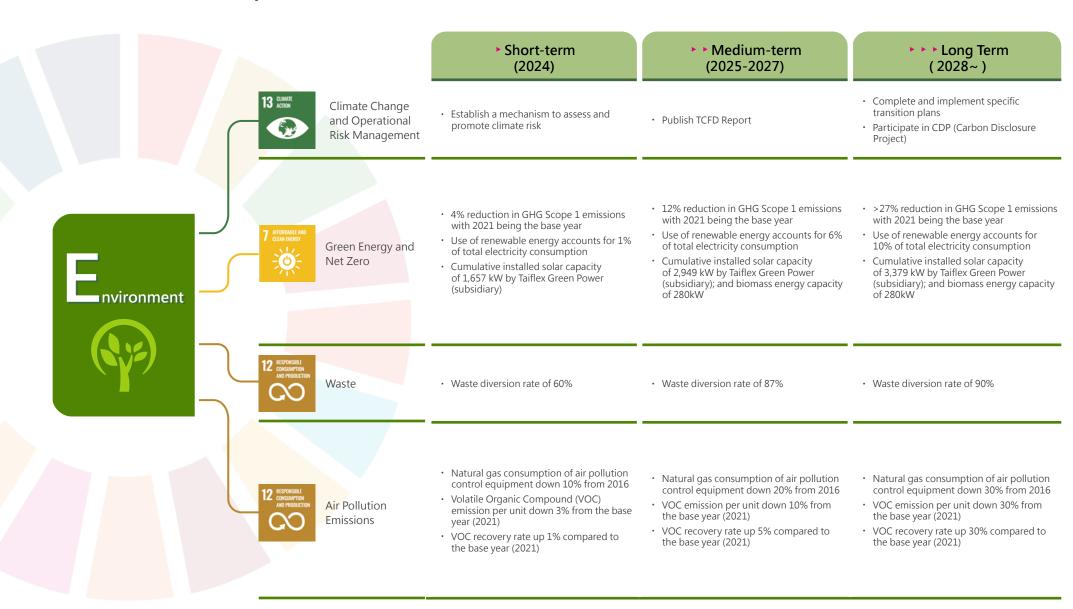
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Material topics for 2023 sustainability report are determined upon materiality analysis, impact assessment, and internal management discussions. With value chain being the boundary analysis element, they are categorized in five chapters: "Practitioner of Sustainable Management," "Entrepreneur with Steady Progress," "Developer of Innovative Materials," "Producer of Green Products" and "Promoter of Social Prosperity," detailing our proactive management on environmental, social (including communities and human rights) and economic (including corporate governance) issues. In the future, we will continue to strengthen our sustainability management and disclose relevant information in the sustainability report.

List of Material Topics						
			Value Chain Impact Boundary		Page	
Corresponding Chapter	Material Topics	Topics Covered	Taiflex	Supplier	Number	
	Corporate Governance	Self-defined topics	Originated	-	21	
Chapter 2	Climate Change and Operational Risk Management	Self-defined topics 201-2 Economic Performance	Originated	Directly associated	26	
Entrepreneur with Steady Progress	Business Ethics	GRI 206 Anti-competitive Behavior GRI 205 Anti-corruption	Originated	-	30	
	Sustainable Supply Chain Management (Including the Use of Conflict-Free Minerals)	GRI 204 Procurement Practices GRI 308 Supplier Environmental Assessment GRI 414 Supplier Social Assessment	Originated	Directly associated	33	
	Economic Performance	• 201 Economic Performance	Originated	-	38	
	Innovative R&D and Patents	Self-defined topics	Originated	-	42	
Chapter 3 Developer of Innovative Materials	Customer Privacy	• GRI 418 Customer Privacy	Originated	Directly associated	47	
Developer of filliovative Materials	Information Security	Self-defined topics	Originated	Directly associated	47	
	Product Safety and Quality	GRI 417 Marketing and Labeling GRI 416 Customer Health and Safety	Originated	Directly associated	50	
	Green Energy and Net Zero	• GRI 302 Energy • GRI 305 Emissions (305-1~5)	Originated	Contributed	58	
Chapter 4 Producer of Green Products	Air Pollution Emissions	• GRI 305 Emissions (305-6, 7)	Originated	-	62	
riodacci of diccirriodacts	• Waste	• GRI 306 Waste	Originated	-	63	
Chapter 5	Human Resources Development	GRI 202 Market Presence GRI 401 Employment GRI 404 Training and Education GRI 405 Diversity and Equal Opportunity	Originated	-	70	
Promoter of Social Prosperity	Occupational Safety and Health	GRI 403 Occupational Health and Safety	Originated	Directly associated	76	
	· Chemical Safety Management	Self-defined topics	Originated	-	77	



1.4 Sustainable Development Goals and Practice



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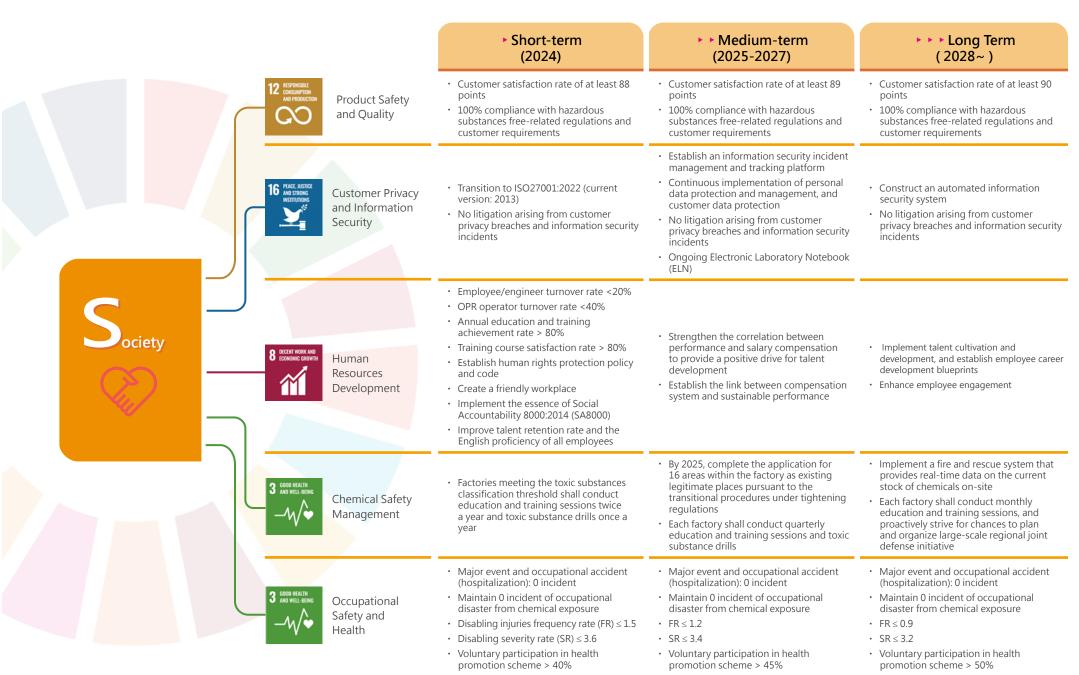
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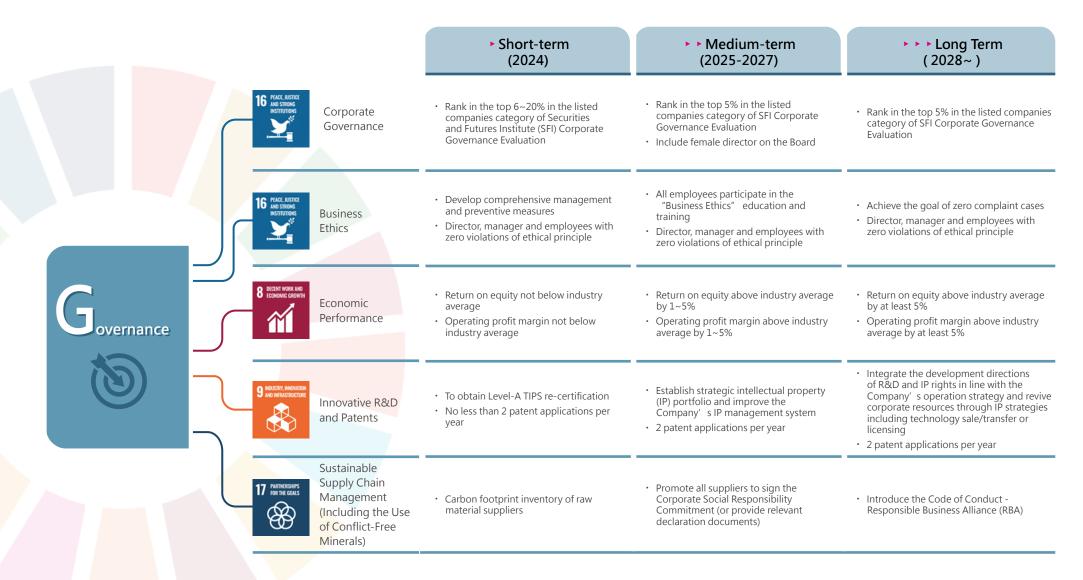
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Appendix





Note:Waste diversion rate is defined as: (reclaim + reduction + recycling + reuse + waste energy recovery + anaerobic digestion + biofuel + composting) / total waste weight; where the percentage of waste energy recovery shall be less than 10%.