



GROWING A POWERFUL FUTURE

2022

SUSTAINABILITY  
REPORT

***TONG***  
GROWING A POWERFUL FUTURE

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## Letter from Management

Tong Ming Enterprise Co., Ltd. established operations in 1995 in the economic development zone of Jiaxing City, Zhejiang Province, China. Originally it mainly focused on export. Since China's opening up policy, the domestic market has grown rapidly. The primary sales market changed from export sales to domestic sales. Tong Ming Enterprise has kept growing these 20 years and it became the global major stainless steel fastener provider. In 2022, total shipment volume has exceeded 110,000 tons, of which 81% is for domestic sales. Our company not only actively develops new markets and raises the market share, but also do our best on sustainable development and social coexistence.

With respect to the environment, the company's equipment purchases emphasize energy efficiency and pollution prevention. We use solar power panels, which cover the whole main production buildings, with a generation capacity of 5.9 MW. In fact, it generated 5.95 million kWh of electricity in 2022, of which more than 97% was directly used for our own production. All electrical equipment in the factory is of Grade 2 energy efficiency according to the government standard, and have been introduced into the ISO50001 energy management system. With respect to pollution prevention, we use electrostatic precipitators to ensure clean emission of waste gas and recovery of oil mist to provide a good working environment. We also installed water reuse equipment which reduces the consumption of water resources and effectively saves energy and reduces emissions.

Our company attaches importance to ecological balance, social inclusion and tries to promote in employee's daily life an ecotarian concept. We also provide employees with a vegetarian meal every Monday. We organize activities for our employees from time to time to promote recycling. In terms of social responsibility, the company cooperates with local charitable organizations to provide human and financial assistance to poor families, and contributes to the local community. Each year, the company and its employees initiate different community activities based on different themes. During the three-year period of the Covid-19, we took the initiative to donate materials and the necessary supplies and participated actively.

The company has set up an ESG Committee at the governance level. In the future, the ESG Committee will integrate various departments to formulate a comprehensive corporate management and corporate governance strategy, and strive for sustainable management to serve as a benchmark for the industry in which the company operates.

Chairman **Ching-Tung, Tsai**

## Regarding the Report

Tong Ming Enterprise Co., Ltd. (known as Tong Ming) pursues sustainable corporate operations, strengthens transparency of information and publishes this ESG Report. In this report we elaborate to the stakeholders. With sustainable operations as our target, the company continues ongoing initiatives and performance in building integrity governance, implementing environmental and occupational safety measures, strengthening the company's competitiveness and enhancing the treatment of its employees. Tong Ming hopes stakeholders will keep following us and give suggestions for continuing on the road of social responsibility and sustainable operations.

### ▶ The Disclosed Period and Range of The Report.

This report discloses the information from 2022. In addition, for the sake of completeness of the information disclosed, if there is any part of the information that crosses over the operating activities of different years, it will be stated explicitly in this report.

The range of the report information is based on Tong Ming in the Taiwan area and in the Chinese area. Data disclosed in the company's consolidated financial statements are in NTD, and the related statistics are based on internationally recognized standard indicators. Relevant statistics are based on international standardized indicators. Other data on environmental protection and employees are compiled by the responsible departments and confirmed by the department heads.

### ▶ Writing Basis and Investigation

The writing structure of this report is based on the options of the 2021 version of the sustainability reporting standards (GRI Standards 2021) issued by the Global Sustainability Reporting Initiative (GRI). It also complies with the "Listed Companies" "Operation Methods for Preparing and Submitting Sustainability Reports", and provides an index of GRI standards content in the appendix of this report for the reference of stakeholders.

### ▶ Issuance frequency

This is the ESG sustainability report released by Tong Ming. In order to improve the transparency and accessibility of information disclosed in the report, the electronic file of the complete report can be downloaded from Tong Ming's official website.

- + Tong Ming official website: <http://www.tonggroup.com.tw/>
- + Report information disclosure period: January 1 to December 31, 2022
- + Report release frequency: Once a year
- + No information provided by the previous report (2021 version) has been restated.
- + Date of this release: September 2023.
- + Next release date: June 2024.
- + External verification unit: No verification

Tong Ming's mainland operational base has passed the following system verifications

Management System	External Audit Unit	Certificate Validity Period
ISO 9001:2015 Quality management system	TUV Rhein Technology (Shanghai) Co., Ltd.	2022/10/10 ~ 2024/09/22
ISO 14001:2015 Environmental management system	TUV Rhein Technology (Shanghai) Co., Ltd.	2022/10/10 ~ 2024/09/22
ISO 45001:2018 Occupational safety and health management system	TUV Rhein Technology (Shanghai) Co., Ltd.	2022/10/10 ~ 2024/09/09
ISO 50001:2018 Energy management system	Hangzhou Wantai Certification Co., Ltd.	2023/02/08 ~ 2026/02/07 (Renewal of certificate in January 2023)



**ISO 9001** 2015 Quality management system  
**ISO 14001** 2015 Environmental Management System  
**ISO 45001** 2018 Occupational safety and health management system  
**ISO 50001** 2018 Energy Management System



**Feedback**

**Cayman Tong Ming Enterprise Co., Ltd. ESG Committee**

15F, No. 140, Zhongshan North Road, Gangshan District, Kaohsiung City  
 886-7-6235538  
 ir@tonggroup.com.tw

If you have any advice or suggestions regarding the content of this report, please feel free to contact us.

Stakeholder discussion

Stakeholder discussion process



Major topic identification process

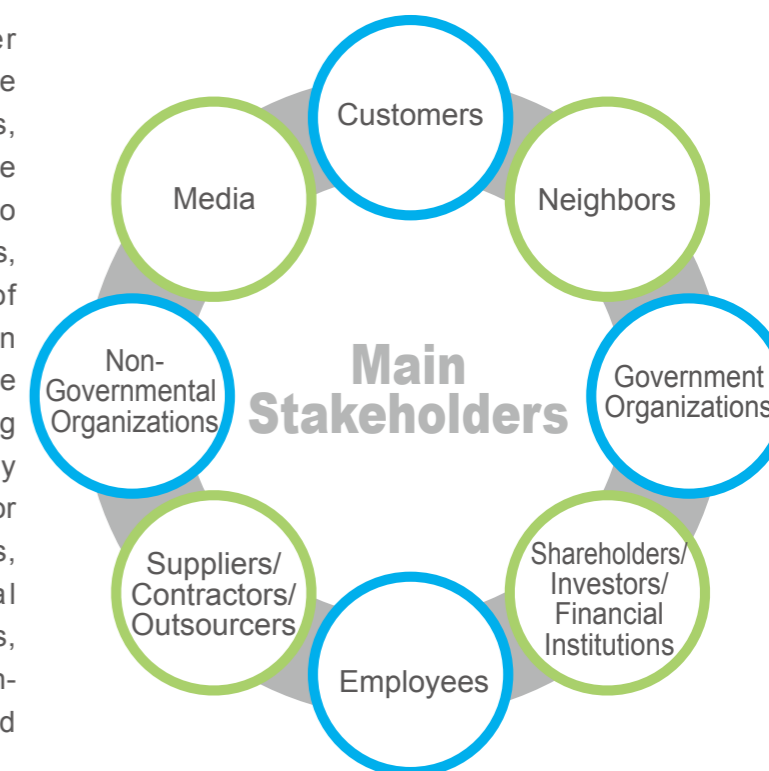
- 01 Identify 8 categories of main stakeholders
- 02 Identify 9 major themes
- 03 Reveal 9 major themes corresponding to the 9 specific themes of the GRI Guidelines

Confirm the main stakeholders

- 01 Contact the target through routine business dealings
- 02 Internal meetings discussion with peers
- 03 Identify 8 types of main stakeholders




► Confirm the main stakeholders

We first identified the stakeholder groups who affect or are affected by the company. Through internal meetings, each department initially screened the types of stakeholders that they come into contact with during routine interactions, based on the frequency, degree of influence and importance of interaction between each stakeholder and the company. After discussing and referring to the situation of peers, we finally came up with eight categories of major stakeholders: employees, customers, shareholders/investors/financial institutions, government organizations, suppliers/contractors/outsourcers, non-governmental organizations, media, and surrounding neighbors.



## ► Communication with Key Stakeholders

Due to the different businesses of each department of Tong Ming, various major stakeholders have different issues of concern to the company. Tong Ming continues to interact with major stakeholders through multiple channels to allow major stakeholders to understand the current operating status of the company in a timely manner. At the same time, the company is also able to understand the requirements and expectations of major stakeholders and respond promptly.

Main Stakeholder	Importance to company	High-profile Issue	Communicated channel / Frequency	Communicated Practices Statistics (estimated)	Chapter
 <b>Governmental Organization</b>	The compliance of government agency supervision and examine of the company's rules and regulations	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>GHG</li> <li>Occupational safety</li> <li>Regulation Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Contact of China area:                             <ol style="list-style-type: none"> <li>1.Department/hr@tongming.com.cn</li> <li>2.Government agencies meeting:occasional</li> </ol> </li> <li>Contact of Taiwan area:                             <ol style="list-style-type: none"> <li>1.Service/Tel: 886-7-6235538</li> <li>2.Market Observation Post System: occasional</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>China area : occasional official document of competent authority</li> <li>Taiwan area : occasional</li> </ul>	1.2 Corporate Governance 2.1 Emission 3.2 Occupational Health and Safety
 <b>Shareholder/ Investors / Financial Institutions</b>	Shareholders as the investors of company, the company should protect their rights and interests and treats them fairly. Ensuring the shareholders has the rights of knowing, participation and decision.	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Corporate Governance</li> <li>Risk Management</li> <li>Regulation Compliance</li> <li>Information Security Protection</li> </ul>	<ul style="list-style-type: none"> <li>Contact:                             <ol style="list-style-type: none"> <li>1.Shareholder service department / Tel: +886-7-6235538</li> <li>2. Regular shareholders meeting: annual</li> <li>3. Investor relations official website: occasional</li> <li>4. Market Observation Post System: occasional</li> </ol> </li> </ul>	<ol style="list-style-type: none"> <li>1. Regular shareholders meeting number of shares in attendance is about 90%</li> <li>2. Organize 1 lecture every year</li> </ol>	Stakeholder Engagement 1.1About Tong Ming 1.2 Corporate Governance 1.4 Operation Performance 1.6 Regulation Compliance 1.7 Information Protection
 <b>Supplier / Contractor / Outsourcers</b>	The company should maintain the good interaction with suppliers, our products and services are rely on stable supply of raw materials and components from suppliers; furthermore, we should use the company's influence in the industry and work with our supply partners to prevent environmental pollution and labor rights violations.	<ul style="list-style-type: none"> <li>Sustainable Supply Chain(Environment &amp; Human Rights)</li> <li>Green Purchase</li> <li>Conserve energy to reduce carbon emission.</li> </ul>	<ul style="list-style-type: none"> <li>Contact of China area:                             <ol style="list-style-type: none"> <li>1. Purchasing department /juan. zhu@tongming.com.cn</li> <li>2.Factory audit: quarterly</li> <li>3.Supplier meeting: monthly</li> <li>4.Raw material supplier: Contact in phone or Wechat. Inquiry once a week, at least. Irregular meeting facet to face; Material suppliers: When there is a demand from production or other departments, purchasing department will contact suppliers by phone or WeChat to inquire about quotation or order, call for goods or communicate related matters from time to time, and conduct exchange visits between the two sides from time to time.</li> </ol> </li> <li>Contact of Taiwan area:                             <ol style="list-style-type: none"> <li>1.Sales Department/sales@winlink.com.tw</li> <li>2.Factory Audit: Every year</li> <li>3.Supplier Meeting: Every season</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>China area: Occasional Material Supplier Conferences were held once in June 2017 with 16 participants, and once in September 2021 with 56 participants.</li> <li>Taiwan area:                             <ol style="list-style-type: none"> <li>1. Inquiry and purchasing stuffs</li> <li>2.Factory assessment holds yearly</li> <li>3.Occasional suppliers audit</li> </ol> </li> </ul>	2.1 Emission

Main Stakeholder

Importance to company

High-profile Issue

Communicated channel / Frequency

Communicated Practices  
Statistics (estimated)

Chapter



**Clients**




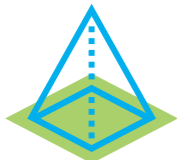
Customers are a major source of revenue for the company. We take the quality of product and after services as the highest committee to customers, in order to maintain customer satisfaction which will help the company to continue to gain recognition from its customers.

- Corporate Governance
- Regulation Compliance
- Operating Performance
- Innovative R&D
- Green Products
- Product Liability
- Customer Relationship
- Information Security Protection

- Contact of China area (1) :
  1. Export Sales Department / export@tongming.com.cn  
Daily communication through email/ phone communication for any time
  2. Customers satisfaction survey: every year
- Contact of China area (2) :
  1. Channel Department/ tongservice@tongming.com.cn  
Daily calls, Wechat, Email and communicated with customers
  2. Customers Visiting: every season
  3. Customers satisfaction survey: every year
- Contact of China area (3) :
  1. Wire Industry Department /peihua.lian@tongming.com.cn  
Daily calls and communicated with customers
  2. Customers Visiting: every season
  3. Customers satisfaction survey: every year
- Contact of Taiwan area:
  1. Sales Department/sales@winlink.com.tw
  2. Customers satisfaction survey: every year (EMAIL)
  3. Suppliers Meeting: every season

- China Area(1) :
  1. Through e-mail, according to the process of daily communication, handling quotations, orders, shipments, customer complaints and other pre/after service issues. More than 200 emails per day
  2. WeChat, Skype, telephone and other timely communication to deal with customer's online urgent matters.
  3. Annual customer satisfaction survey, more than 80 pieces of survey by mail and letter.
- China Area(2) :
  1. Daily communicate with customers, resolving issues at any time, and handling complaints according to the customer complaint process.
  2. Accept more than 4,000 cases of after- service for Tong Ming Express purchase.
  3. Customer satisfaction survey over 700 case
- China Area (3) :
  1. Daily communicate with customers, solving problems at any time, if there has quality of opinions complaints, dealt in accordance with the customer complaint process.
  2. Customer service WeChat, telephone and other incoming calls received more than 1000.
  3. Customer satisfaction survey calls are more than 300 calls
- Taiwan:
  1. Order quotation and shipment matters.
  2. Customer satisfaction survey 50 copies

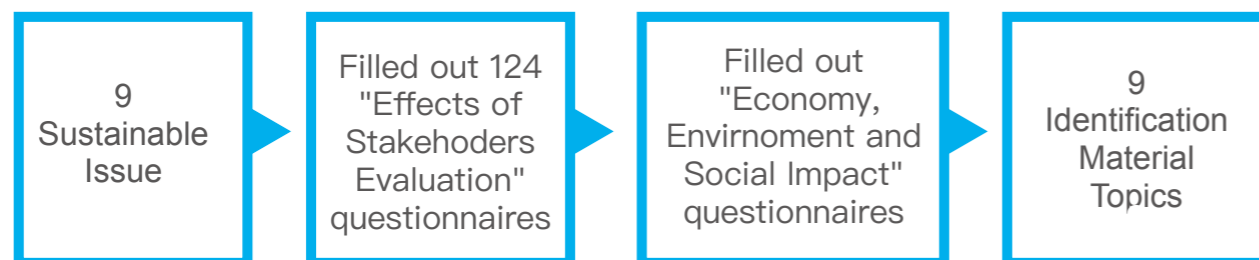
- 1.2 Corporate Governance
- 1.4 Operation Performance
- 1.8 Risk Management

Main Stakeholder	Importance to company	High-profile Issue	Communicated channel / Frequency	Communicated Practices Statistics (estimated)	Chapter
 <p><b>Employee</b></p>	<p>Employees are the base of company operating. The company committed that would provide a diversified working place for employees health, making them could work comfortably.</p>	<ul style="list-style-type: none"> <li>Ethical Integrity</li> <li>Operation Performance</li> <li>Salary and Benefits</li> <li>Labor Relations</li> <li>Occupational Health and Safety</li> </ul>	<ul style="list-style-type: none"> <li>Contact of China area:               <ol style="list-style-type: none"> <li>Human Resources Department / EMAIL: hr@tongming.com.cn</li> <li>Labor Relation Meeting: Twice a year</li> <li>Employee Compliant Channel: Irregularly</li> </ol> </li> <li>Contact of Taiwan area:               <ol style="list-style-type: none"> <li>Management Department / Tel: +886-7-6226977</li> <li>Employee Compliant Channel/ Irregularly</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>China Area:               <ol style="list-style-type: none"> <li>10 internal meetings with 100 participants.</li> <li>1 employee mailbox received.</li> <li>50 complaints received through the complaint channel.</li> <li>Employee recognition survey averaged 85 points.</li> </ol> </li> <li>Taiwan Area:               <ol style="list-style-type: none"> <li>24 internal meetings with about 19 participants each time.</li> <li>Regular two-way appraisal for supervisors and employees.</li> </ol> </li> </ul>	<p>1.1 About Tong Ming 1.4 Operation Performance 3.2 Occupational Health and Safety 3.3 Employers-employee Relations</p>
 <p><b>Neighborhood (Neighbors)</b></p>	<p>The company take measure of environment control, avoiding environmental pollution occurs at the operation site, resulting in a decrease in the quality of life of the neighborhood.</p>	<ul style="list-style-type: none"> <li>Environment Regulation Compliance</li> <li>Waste water and Water</li> <li>Complaint mechanism of environmental issues</li> <li>Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>Contact: Environment Safety Department / Tel: +86-573-8220-3125</li> </ul>	<ol style="list-style-type: none"> <li>Holding the "Beautiful River and Lake" activity with Tang hui Street society and patrolled the surrounding waters together.</li> <li>Communicate regularly with the Ecological Environment Bureau.</li> <li>Tidying the environment of Muhu Park from time to time.</li> </ol>	-
 <p><b>Media</b></p>	<p>The media gives advice and suggestions on behalf of the public will encourage the company improvement.</p>	<ul style="list-style-type: none"> <li>Regulation Compliance</li> <li>Community Relations Maintenance</li> <li>Social Welfare</li> </ul>	<ul style="list-style-type: none"> <li>Contact:               <ol style="list-style-type: none"> <li>Management Department / Tel: +886-7-6226977</li> <li>Media Interview: occasionally</li> </ol> </li> </ul>	<p>Media interviews 3 times/year</p>	<p>3.4 Social Participation</p>
 <p><b>Non-governmental Organization</b></p>	<p>Technical assistance organized by the Association</p>	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Regulation Compliance</li> </ul>	<ul style="list-style-type: none"> <li>Contact in China Area: R&amp;D Department / EMAIL: jiamin.shen@tongming.com.cn</li> <li>Contact in Taiwan Area: Sales Department / sales@winlink.com.tw</li> </ul>	<ul style="list-style-type: none"> <li>China Area:               <ol style="list-style-type: none"> <li>10 official communications with public associations and organizations</li> <li>2.20 phone calls</li> </ol> </li> <li>Taiwan Area:               <ol style="list-style-type: none"> <li>1 time for industry study tours</li> <li>Seminar or exhibition 5 times</li> </ol> </li> </ul>	<p>3.4 Social Participation</p>



► Identify Material Topics

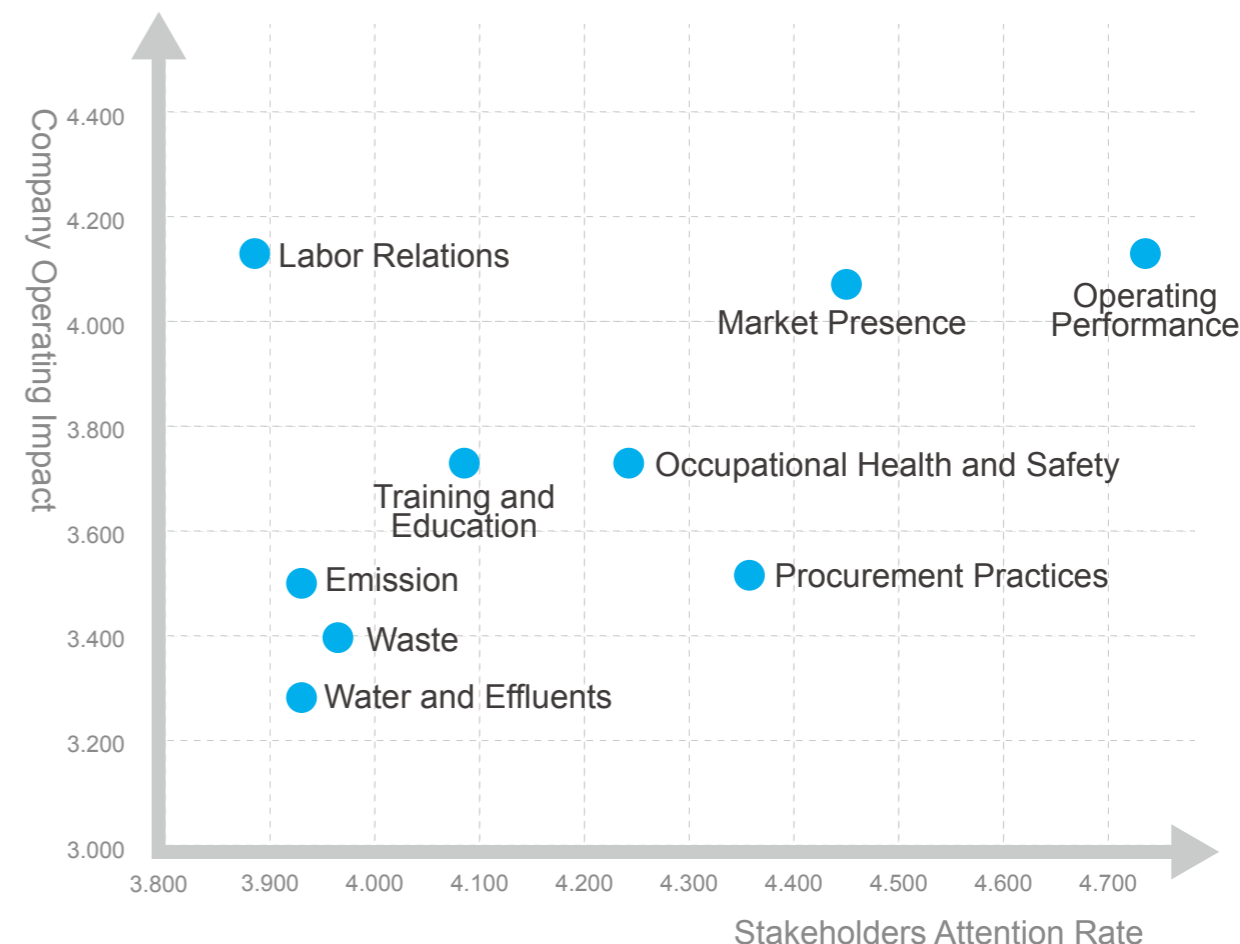
Process to Identify Material Topics



Topics	Sustainability Issues
Economic	Economic Performance / Procurement Practices / Market Presence
Environmental	Emission/Water and Effluents /Waste
Social	Labor elations / Occupational Health and Safety / Training and Education

Tong Ming asked stakeholders to fill out the online questionnaire to investigate what sustainable issue topics that they cared most.( To consider the factor of stakeholders questionnaire, we finally take employees, clients, Shareholder/ Investors / Financial Institutions/Government Organization/ Supplier / Contractor / Outsourcers, Non-governmental organization, media and neighbors as our respondents). We had 144 feedbacks to know the rate of the level of concern of stakeholders on various sustainability issues; After this, we gave online questionnaire to internal manager to write down the rate of impact of economy, environment and society. To know the impact of each sustainability issue on Tong Ming and external stakeholders, and then compile the concern and impact of sustainability issues to learn a matrix of major themes, and then, after discussion at an internal meeting, include the top three sustainability issues in each of the three dimensions - economic, environmental, and social (people) - in the major themes for the year. Meanwhile, in order to maintain the balance between reveled information of ESG report and adjusting major topic scope, Tong Ming should confirm 9 major topics: Economic Performance / Procurement Practices / Market Presence / Emission/Water and Effluents /Waste / Labor Relations / Occupational Health and Safety / Training and Education and other issues first. Tong Ming will revel every major topic's operating indicator and reveled projects.

Based on 9 major topics, Tong Ming identified 3 ESG groups to product competitiveness, making more profits; sharing profits with employees to enhance professional training and providing safety working place; minimizing excessive impacts on the environment through proper environmental control. At last, for the completeness of this report, Tong Ming has additionally disclosed the results of its participation in public welfare activities.



Sustainable Topics Category	Topics
Economic	<ul style="list-style-type: none"> <li>Economic Performance</li> <li>Procurement Practices</li> <li>Market Presence</li> </ul>
Environmental	<ul style="list-style-type: none"> <li>Emission</li> <li>Water and Effluents</li> <li>Waste</li> </ul>
Social	<ul style="list-style-type: none"> <li>Occupational Health and Safety</li> <li>Labor Relations</li> <li>Training and Education</li> </ul>



**Writing Report Basics**

**8 rules of defined report**

Accuracy, Balance, Clarity,  
Comparable, Completeness, Sustainability,  
Timeliness, Verifiability

**Complete sustainable report**

Tong Ming follows GRI Standards and writes sustainability reports based on 8 Principles of definitional reporting, included stakeholders: Identifying 8 main stakeholder groups in first step; Based on Accuracy: The report should contain accurate and full information, which is for stakeholders to assess the company ESG performance; Balance: Information of report shows positive and negative performance, making others are able to make a reasonable assessment about Tong Ming overall performance; Clarity: The way Tong Ming shows their information could makes stakeholders who use the information easily understood and accessed; Comparability: The information collected and revealed by Tong Ming based on international standards. Meanwhile, the way they share the information could let stakeholders analyzed company long-term performance; Completeness: The report contains main topics and internal and external boundaries that reflect the range of significant economic, environmental, and social impacts in Tong Ming. Sustainability: Reveal how Tong Ming took measures to improve or minimize the impact of the economic, environmental and social development trends in its operations and surrounding areas. Timeliness: Tong Ming provides important information about the company operations so that stakeholders can immediately know the company's situation and enhance the transparency of the company information. Identifying: The information disclosed by Tong Ming could be collected, compiled and disclosed, allowing to be reviewed and established the quality and significance of the information.



Confirm coverage of material topics and their boundaries

Aspect	Main Topics	Importance to Tong Ming	Internal boundary
			Company
Economy	Economic Performance	Continuing to gain profits to achieve sustainable development through strengthening financial structure and controlling cost	●
	Procurement Practices	Specific and effective mechanisms for implementing the number of local suppliers using local criteria for screening new suppliers.	●
	Market Presence	The action "Theory and Policy of Business". We working harder and harder, driving environmental and social progress by brand leadership to make better changes and more happiness.	
Environment	Emission	Reducing pollution from products and environmental carbon emission	●
	Waste Management	Reducing hazardous waste production and minimizing the impact on the environment	●
	Water and Effluents	Ability to resist extreme weather, and enhancement of reused water	●
Society	Labor Relations	Employees are the foundation of an enterprise's organizational structure. The company attaches great importance to the partnership between employees and the company, and working together to create a friendly labor-employer relationship through a harmonious and solid foundation between employers and employees, in order to reduce labor risks and implement sustainable operations.	●
	Occupational Health and Safety	Enhancing the awareness of employee security	●
	Training and Education	1.Enchancing company competitive 2.Improving employee education training	●

External boundary							General disclosures to GRI Standard / Specific topic disclosure programs	Disclosure chapter of report
Supplier / Contractor / Outsourcers	Customers	Neighborhood	Government organization	Shareholder/ Investors / Financial Institutions	Media	Non-government organization		
	●			●	●		GRI 201: Economic Performance 2016	1.4 Operation Performance
●	●					●	GRI 204: Procurement Practices 2016 GRI 204: Procurement Practices 2016	1.3 Procurement Practices
				●	●		GRI 202:Market Presence 2016	1.5 Market Presence
		●					GRI 305: Emission 2016	2.1 Emission
		●					GRI 306: Waste 2020 Management	2.2 Waste
		●					GRI 303: Water and Effluents 2018 Management	2.3 Water and Effluents
	●						GRI 401 : Employment 2016	3.3 Labor Relations
			●			●	GRI 403:Occupational Health and Safety 2018	3.2 Occupational Health and Safety
						●	GRI 404:Training and Education 2016	3.1 Training and Education (specialist education)



# 1 Ethical Governance

Economy



## 1.1 About Tong Ming

### ► 1.1.1 Organization

<b>Company Name</b>	► Tong Ming Enterprise Co., Ltd.
<b>Headquarter</b>	► 15F., No. 140, Zhongshan N. Rd., Gangshan Dist., Kaohsiung City
<b>Stock Right Structure Rate</b>	► Please refers Note 1
<b>Capital</b> Unit: NTD\$ Thousand	► NTD\$ 2,012,033,000
<b>Operation Sites</b>	<p>Address and Tel of Headquarter, Branch, Factory</p> <p>1.Company Name: Tong Ming Enterprise Co., Ltd. Address: 2nd Floor,Windward 1,Regatta Office Park,P.O.Box 10338,Grand Cayman KY1-1003,Cayman Islands Tel: +886-7-6235538</p> <p>2.Main Operation Site Name: Tong Ming Enterprise (Zhejiang) Co., Ltd Address: No. 88, Changsheng East Road, Jiaxing Economic De-velopment Zone, Jiaxing City, Zhejiang Province, China Tel: +86-573-8220-3125</p>

#### Note 1:

Total numbers of shareholder institutions	Governmental Agency	Financial Institutions	Other Juridical Person	Personal	Foreign In-stitution and For-eigner	Total
Number of people	0	0		1,431	26	1,476
Shareholding	0	0	10,946,626	65,328,413	124,928,294	201,203,333
Shareholding Rate (%)	0	0	5.44	32.47	62.09	100.00

### ► 1.1.2 Organizational activities, Value chain

<b>Industry</b>	► It's identified as steel industry by listed in-dustry categories of Market Observation Post System
<b>Main Product / Service</b>	► Manufacture and sale of stainless steel fasteners and wires.
<b>Providing numbers of products</b> (Unit: ton, piece) (It could be omitted if statistics are not available)	► Please refers the production table(Note 1) and sale table(Note 2) in these two years
<b>Revenue for the Year</b> (Unit: NTD\$ Thousand)	► NTD \$15,428,409,000
<b>Share of revenue by region</b>	► Refers the Note 3

#### Note 1: The production table in these 2 years

Unit: Ton; NTD\$ Thousand

Year	2021			2022			
	Main Product	Productivity	Yield	Production Value	Productivity	Yield	Production Value
Fastener		84,300	79,254	6,461,565	86,100	77,751	7,490,775
Wire		37,000	35,690	2,462,840	42,000	34,482	2,928,902
Total		121,300	114,944	8,924,405	128,100	112,233	10,419,677

#### Note 2: The sale table in these 2 years:

Unit: Ton; NTD\$ Thousand

Year	2021				2022			
	Domestic Sales		Export Sales		Domestic Sales		Export Sales	
	Yield	Production Value	Yield	Production Value	Yield	Production Value	Yield	Production Value
Fastener	58,659	6,343,514	21,729	2,068,434	62,448	6,800,493	21,138	2,613,722
Wire	30,661	2,404,455	15	1,745	28,900	2,524,768	9	1,098
Others	307	33,989	17,733	2,383,379	323	44,563	22,090	3,443,765
Total	89,627	8,781,958	39,477	4,453,558	91,671	9,369,824	43,237	6,058,585

**Note 3: Share of revenue by region**

Unit: NTD\$ Thousand

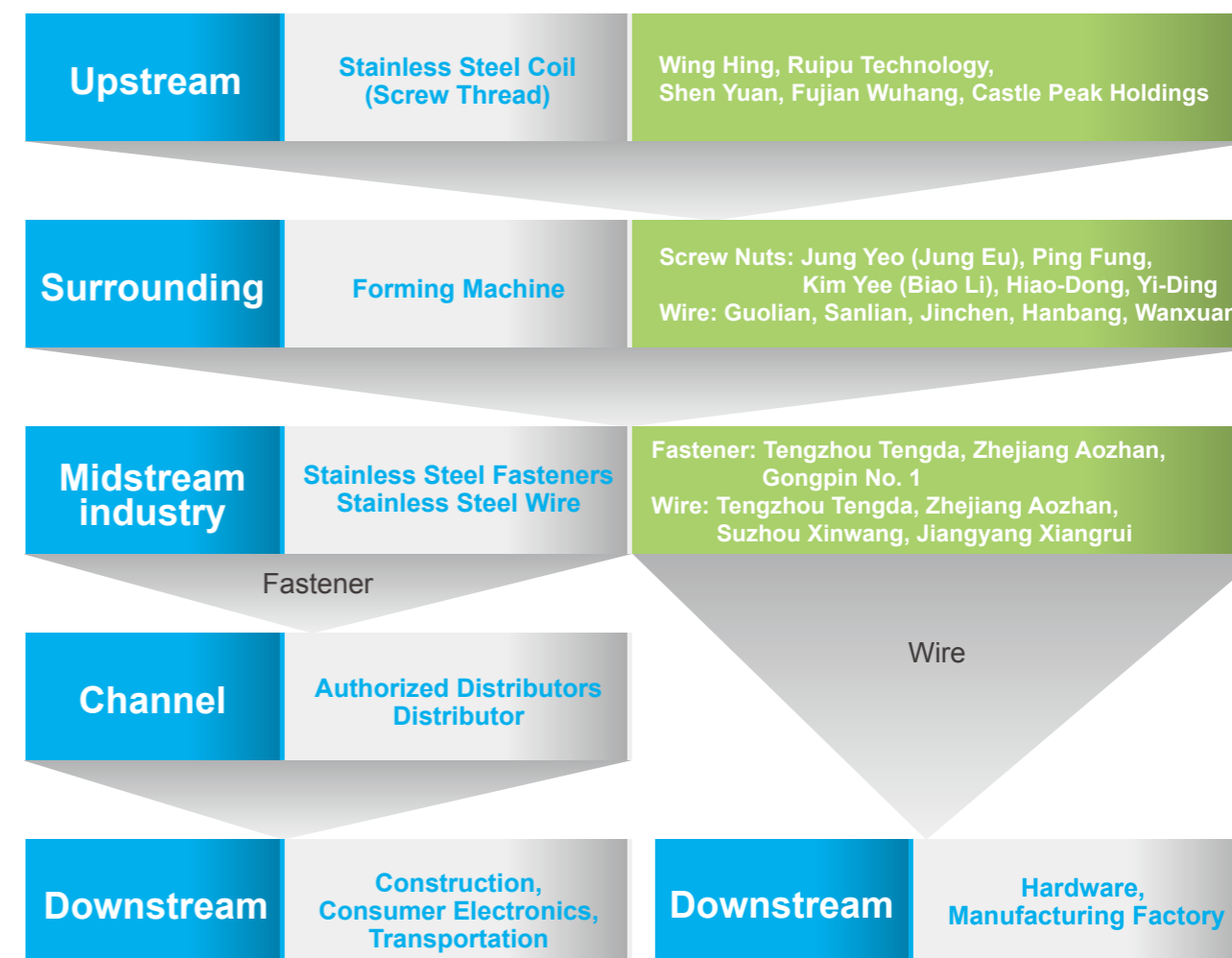
Region	Year	2021		2022	
		Amount	Rate	Amount	Rate
China		9,097,728	68.75	9,773,196	63.35
America		1,987,667	15.02	2,568,240	16.65
Asia		1,023,616	7.73	1,974,369	12.8
Europe		901,469	6.81	851,406	5.51
Oceania		120,065	0.78	146,790	0.95
Africa		104,971	0.91	114,408	0.74
Total		13,235,516	100.00	15,428,409	100.00

**► Disclosure value chain of upstream, midstream and downstream tables**

Main upstream of stainless steel fastener industry is stainless steel mill, and special steel industry belongs to general industry. Main products has identified two groups, plate and strip stainless steel. Plate stainless steel would be made into furniture, electrical appliances, cars and etc. Strip stainless steel would be made into production of tubes, bars and stainless steel coils. A portion of the stainless steel disk element is dedicated to the production of stainless steel fasteners. Nowadays, stainless steel plate unit made in China has meet requirements. In the past, manufacturers of stainless steel fasteners emphasized the use of imported high-grade coils, and the domestic production of stainless steel coils in China has become a major source of raw materials for stainless steel fasteners.

There are few large midstream companies specializing in the production of stainless steel fasteners and wires, most of them are operating in Hebei Province, the Yangtze River Delta and the Pearl River Delta; The downstream is the channel between sales and customers. In terms of distribution channels, the number of branch offices operated directly by stainless steel fastener manufacturers are less than 5 companies. Tong Ming Co., Ltd. is the only company set the branch in China, the other stainless steel fastener industry still sells its products through other distributors and authorized dealers. To the professional distributors, the number of biggest scale chain operators are less than 25 in China. It estimates that there are over 100 thousand fastener distributors in China; Stainless steel fasteners are widely used in a wide range of applications and are sold through downstream distributors to customers who use them directly, while the mode of commissioned sales to contracted distributors requires the acceptance of reasonable price differentials demanded by distributors, and profits will be compressed. The upstream and downstream industries of stainless steel fasteners and wires in China are summarized as follows:

**Upstream and downstream industries of stainless steel fasteners and wires in China**



Note: Parentheses denote the names of companies of the same group operating in Taiwan.  
Resource: Report of Tong Ming shareholders meeting in 2022.

**► Other Disclosure**

There is no related ESG suppliers with our company so far, we will take related investigation in future.

### ► 1.1.3 Related Enterprise to Tong Ming and Developing History

Year	Important Note
1995	The predecessor of Zhejiang Tong Ming Company, Tong Ming Industrial (Jiaxing) Co., Ltd. was established in Jiaxing Economic Development Zone of Zhejiang Province, covering an area of 150,000 square meters.
2008	After the approval of the Ministry of Commerce, the company was restructured from a Sino-foreign equity joint venture to a foreign-invested joint-stock company and renamed as Tong Ming Enterprise (Zhejiang) Co., Ltd.
2009	1. Zhejiang Tong Ming Company invested RMB \$5,498 thousand in Easy Trade (Shanghai) Co., Ltd. 2. The company (Tong Ming Enterprise Co., Ltd.) has set up Organizational Reorganization Group
2010	Tong Ming is planning diversification. Shares were transferred by Tong Hwei Co., Ltd., the director holding 89.5% of the Company's shares, to four shareholders, Ching-Tung Tsai, Hung-Chuan Tsai, Ming-Ti Tsai, and Yi-Ting Tsai, who were the actual capital contributors.
2012	1. Tong Ming Enterprise Co., Ltd. invested WINLINK FAS-TENERS CO., LTD.; 2. Tong Ming Enterprise Co., Ltd. has established Tong Win International Co., Ltd.
2013	1. Tong Ming transfers of individual shareholdings by four shareholders: Ching-Tung Tsai, Hung-Chuan Tsai, Ming-Ti Tsai, and Yi-Ting Tsai to "Tong One International Co., Ltd.", "Richard International Co., Ltd.". The control power still remains to Tong Ming. 2. The shareholders meeting approved the general re-election of the directors (including three independent directors) and supervisors of Tong Ming and the appointment of three independent directors as members of the Audit Committee in place of the supervisors. 3. Set up Payment Committee 4. Tong Ming set up the branch-Shenzhen Easy Fasteners Co., Ltd. 5. Listed for trading on the Taiwan Stock Exchange on December 16th.
2016	1. Zhejiang Tong Ming established the Access Division. 2. Ching-Tung Tsai, the chairman, holds 16.26% equity of company. On December 5, 2012, it donated to CTBC Bank to hold the investment account of L'ETOILE NEUVE CO., LTD. CTBC Bank hold the investment account of Kai-Luen Co., and CTBC Bank hold the investment account of Sunrise Co.
2018	Zhejiang Tong Ming completes ceiling type of solar power generation equipment in all plants.
2019	1. Zhejiang Tong Ming established Tong Win Trading (Jiaxing) Co. 2. Tong Ming Express "Joint Venture Zone" was launched.
2020	In November 2020, Tong Ming invested and established FASTLINK, Inc. in Japan to engage in trading business in the Japanese region.
2021	1. In March 2021, the Board of Directors of Tong Ming re-solved to increase capital by 30,000 thousand shares in cash. 2. From June to August 2021, convertible bonds were converted into 3,203 thousand shares. 3. In August 2021, the board of directors of Tong Ming re-solved to increase capital by 30,000 thousand shares in cash.
2022	1. Tong He Enterprise Co., Ltd. (Zhejiang) was established in March, and wire products will be put into production in the future. 2. In June 2022, Tong He Enterprise Co., Ltd. (Zhejiang) the construction of the factory and officially put into production of wire products. 3. In September 2022, Zhejiang Tong Ming set up Dong Yi Supply Chain Company to engage in the online sales platform for non-standard products of fasteners. 4. In November 2022, Tong Ming invested and established Tong Link Co., Ltd. in Taiwan, specializing in the trading of stainless steel fasteners and computer programming in Taiwan.

### ► 1.1.4 Participation in External Organizations

External Association	Participation Identity
Taiwan Fastener Trading Association	Member (Taiwan)
Common parts and components fastener branch	Member (China)
Zhejiang Fastener Association	Member (China)
Zhejiang Fastener Union	Member (China)

#### + List of Awards

### ► 1.1.5 All company awards records in recent years

Serial	Awards Name	Date	Awards Department
1	Ten Top Industry Enterprise of Outstanding Enterprises in Digital Economy in 2019	2020.2	JiaXing Economic Development Zone Association Committee Jiaxing International Business Trade Union and Regulatory Commission
2	High-quality Development in 2019	2020.2	JiaXing Economic Development Zone Association Committee Jiaxing International Business Trade Union and Regulatory Commission
3	Advanced Unit of Harmonious Labor Relations in 2019	2020.2	JiaXing Economic Development Zone Association Committee Jiaxing International Business Trade Union and Regulatory Commission
4	Ten Top Industry Enterprise of High-quality Development in 2020	2021.2	JiaXing Economic Development Zone Association Committee Jiaxing International Business Trade Union and Regulatory Commission
5	Ten Top Zhejiang Fastener Innovative Technology Enterprise	2021.3	Zhejiang Fastener Association
6	Zhejiang Champion Enterprises of Fastener Products	2021.3	Zhejiang Fastener Association
7	Ten Top of High-quality Development Industry Enterprise in 2021	2021	JiaXing Economic Development Zone Association Committee Jiaxing International Business Trade Union and Regulatory Commission
8	The Red Cross Award Bronze Medal	2022.4	JiaXing The Red Cross Society
9	Certificate of Caring Donation Charity in 2022	2022.9	Zhejiang Women and Children's Rescue Foundation



High-quality Development in 2019



Ten Top Industry Enterprise of Outstanding Enterprises in Digital Economy in 2019



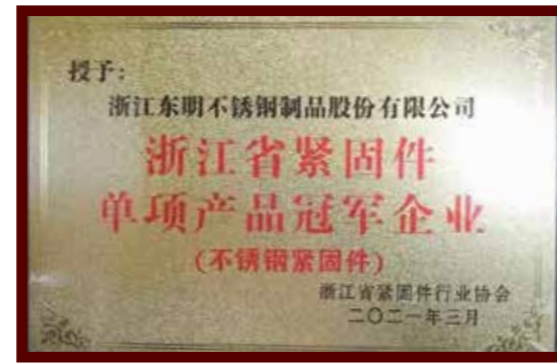
Advanced Unit of Harmonious Labor Relations in 2019



Ten Top Industry Enterprise of High-quality Development in 2020



Ten Top Zhejiang Fastener Innovative Technology Enterprise



Zhejiang Champion Enterprises of Fastener Products



The Red Cross Award Bronze Medal



Certificate of Caring Donation Charity in 2022



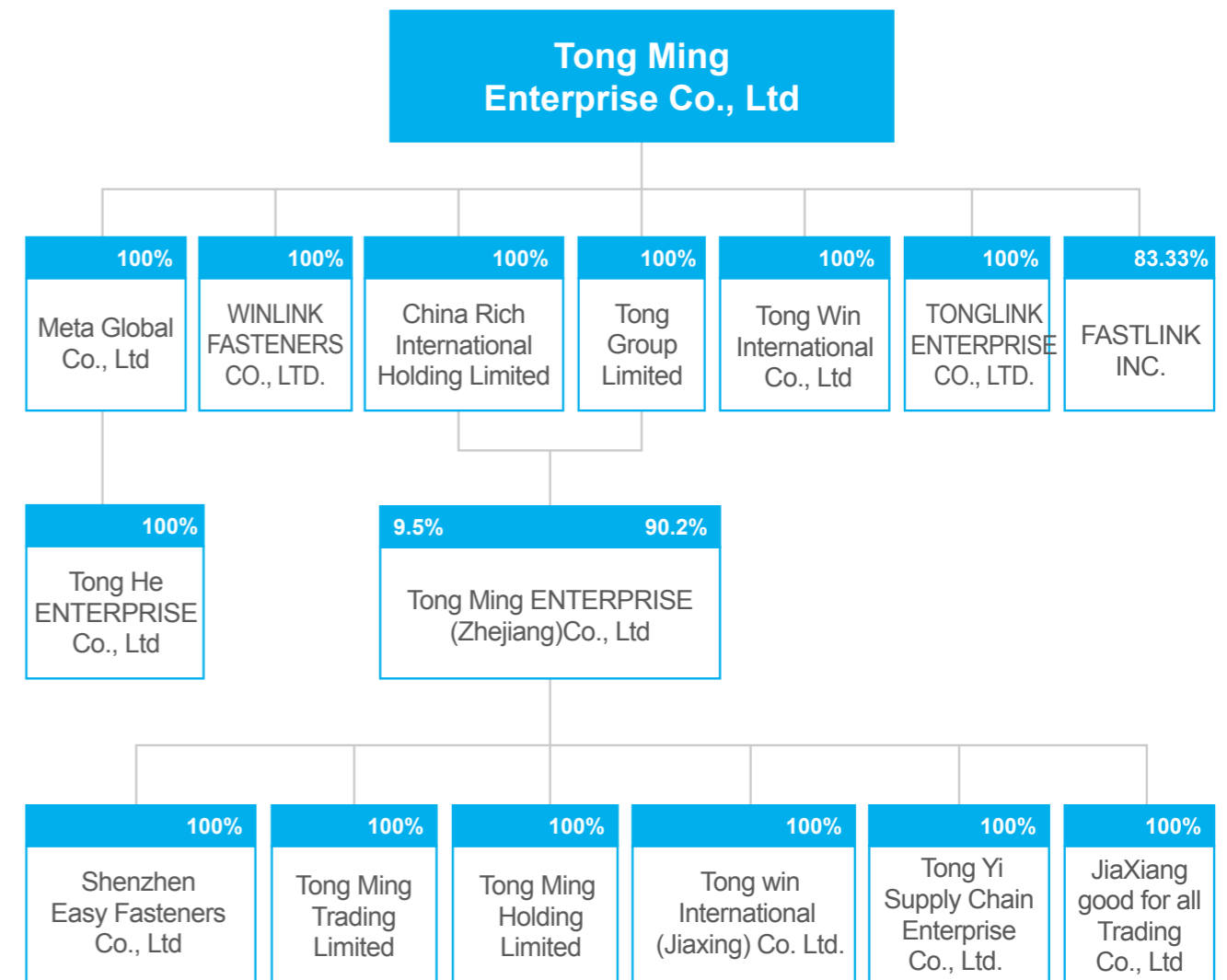
Ten Top of High-quality Development Industry Enterprise in 2021

## 1.2 Corporate Governance

### + Governance Structure

Major History of Company	Reference 1.1.3 Tong Ming re-lated enterprise and develop-ment history
Company Organ-ization Chart	Reference note 1:

#### Reference Notes 1: Company Organization Chart





## ► 1.2.1 Board of Directors

### Nomination and Selection Process for the Board and Committees

The company adopts a candidate nomination system for the election of independent directors. However, the company shall adopt the candidate nomination system for the election of any director during the listing period. Under the candidate nomination system, directors and independent directors shall be elected by the shareholders from the lists of candidates for directors and independent directors, respectively. The rules and procedures for the nomination of candidates may be determined by the Board in accordance with the Tong Ming Act and the Listing (OTC) Rules.

### Description of Diversity and independence of the Board of Directors

#### + Diversity and independence of the Board of Directors:

The company respect directors diversity policy to strengthen corporate governance and promote the development of the composition and structure of the Board of Directors. We believe that diversity policy would raise the performance. Board members are selected based on the principle of meritocracy and possess a wide range of complementary competencies across industry sectors, including basic composition (e.g., age, gender, nationality, etc.), as well as their respective industry experience and related skills (e.g., finance, accounting, law, information technology, and public service, etc.), and their ability to make business judgment, operational management, leadership decision-making, and crisis management, among other competencies. In order to strengthen the functions of the Board of Directors to achieve the ideal objectives of corporate governance, Article 20 of the company Corporate Governance Code states that the Board of Directors as a whole should possess the following competencies:

1. Business judgment
2. Accounting and financial analysis
3. Management
4. Crisis management
5. Industry knowledge
6. International market view
7. Leadership
8. Decision-making ability

#### + The independence of Board of Directors:

The current board of directors of the company consists of 7 members, including 4 directors and 3 independent directors, with 42.85% of the total number of independent directors, and the term of office of the 3 independent directors has a term of 1 year.

The independent directors of the company are in compliance with the "Regulations Governing the Establishment of Independent Directors and Matters to be Observed by Public Companies", and there are no circumstances as stipulated in Article 26-3 of the Securities and Exchange Act (No. 3 and No. 4) among the directors and the independent directors that would make the Board of Directors of the company independent.

### Attendance Rate of the Board of Directors

Job Title	Name	Attendance Rate(%)	Number of directors of other companies	Industry, ESG related background/ experience	Shareholdings in competitors, suppliers and customers
Chairman	Ching-Tung, Tsai	100	0	Industry	N/A
Director	Tong One Holdings Limited Representative: Hung-Chung, Tsai	100	0	Industry	N/A
Director	Richard International Co.,Ltd Representative: Ti-Ting, Tsai	100	0	Industry	N/A
Director	Wen-Lin, Ko	100	0	Industry	Yes
Independent Director	Shih-Kun, Wang (Note 1)	100	0	Accounting	N/A
Independent Director	Po-Ming, Yang (Note 1)	75	2	Industry	N/A
Independent Director	Yung-Lung, Chen (Note 1)	100	1	Industry	N/A
Independent Director	Yung-Shiang Ko (Note 2)	100	0	Accounting	N/A
Independent Director	Ming-Tze, Huang (Note 2)	100	0	Industry	N/A
Independent Director	Ching-Pang, Hsu (Note 2)	100	0	Industry	N/A

(Note 1): Shih-Kun, Wang, Po-Ming, Yang and Yung-Lung, Chen, as the 3 independent directors, took office on June 14, 2022.

(Note 2): Yung-Shiang, Ko, Ming-Tze, Huang and Ching-Pang, Hsu, as the 3 independent directors, term expires on June 14, 2022.

## ► 1.2.2 Board of Directors Performance Evaluation

### Board of Directors Performance Evaluation

Self-evaluation (Questionnaire)	2020	2021	2022
Board of Directors	4.85	4.7	4.35
Audit Committee	4.97	5	4.62
Remuneration Committee	4.98	5	4.68
External Evaluation	2020	2021	2022
Board of Directors	No	No	No
Audit Committee	No	No	No
Remuneration Committee	No	No	No

Note: Self-assessment performance is evaluated out of 5 points.

► **1.2.3 Relevant Board Issues**

<p>To disclose the process for the Board of Directors to explain and avoid discussing specific topics that involve a conflict of interest for an individual director.</p>	<p>► The company "Rules of Procedure for Board of Directors' Meetings" established a system for directors to disqualify themselves from joining in the discussion and voting, and to disqualify themselves from participating in the discussion and voting, and to refrain from acting as a proxy for other directors in exercising their voting rights, if they have an interest in any of the motions listed in the Board of Directors' Meetings and if they have an interest in the motions or in any legal entity that is detrimental to the company interest.</p>
<p>If the Chairman is also the General Manager, please state the reasons for such an arrangement</p>	<p>► There's no such thing happened in the company</p>
<p>As mentioned above, how can a company avoid interests when the chairman of the board of directors also serves as the general manager?</p>	<p>► There's no such thing happened in the company</p>
<p>Description of the process for communicating with the Board of Directors about a critical incident. (Note: A critical incident is an event that has been raised by an interested party through a complaint/whistle-blowing or other channels that the company has had an actual/potential negative impact on them)</p>	<p>► Reference Note 1</p>
<p>Total number of critical incidents communicated during the year</p>	<p>► Reference Note 1</p>

<p>Description of the company's approach to identifying complaints, including whether a complaint channel has been established. (Note: 1. Grievance mechanisms allow stakeholders to raise concerns and seek remedies for potential and actual negative impacts on them; 2. whistleblowing mechanisms that allow stakeholders to raise concerns about wrongdoing or violations of the company's operations or business relationships, whether or not the individual is affected)</p>	<p>► The company has a Spokesperson and a Deputy Spokesperson, as well as litigation and non-litigation agents in the Republic of China, who are available to investors and other interested parties for inquiries about the company operations or related rights. In addition, the company has set up a special section for stakeholders on its website. Stakeholders may contact the company at any time by phone, in writing, by fax, or by e-mail if they so desire.</p> <ol style="list-style-type: none"> <li>1. The company has provided channels for proper reporting and complaints, and has stipulated the penalties for violation of the regulations in the Personnel Management Rules and Regulations, and has immediately announced within the Company the title, name, date of violation, content of the violation, and disposition of the violator.</li> <li>2. Upon receipt of a report, the specialized unit of the Company shall immediately handle and review the matter to minimize the risk of recurrence. The unit shall not disclose its knowledge of the matter to others.</li> <li>3. The company adopts confidentiality measures to protect the complainant from improper handling of the report.</li> </ol>
<p>Description of the company procedures for remedying the negative impacts that have been caused.</p>	<p>► There's no such thing happened</p>
<p>Description of how stakeholders will be involved in the design, review, operation and improvement of the mechanism.</p>	<p>► The company maintains open communication channels with banks, employees, consumers and suppliers, and respects and protects their legitimate rights and interests. In addition to having a spokesperson system and litigation and non-litigation agents, the company will honestly disclose corporate information in accordance with laws and regulations, with a view to providing stakeholders with highly transparent financial and business information.</p>

<p>Description of how the organization tracks the effectiveness of the complaint mechanism and remedies, including feedback from stakeholders</p>	<ol style="list-style-type: none"> <li>1. The company has provided channels for proper reporting and complaints, and has stipulated the penalties for violating the regulations in the Personnel Management Rules and Regulations, and has immediately announced the title, name, date of violation, content of the violation, and disposition of the violator within the company.</li> <li>2. Upon receipt of a report, the specialized unit of the company shall immediately handle and review the matter to minimize the risk of recurrence. The unit shall not disclose its knowledge of the matter to others.</li> <li>3. The company adopts confidentiality measures to protect the complainant from improper handling of the report.</li> </ol>
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**Note 1:**

Date	Major resolution	Resolution
2022/3/16	1.The company annual report on operations and consolidated financial statements in 2021.	Passed as proposed and reported to shareholders meeting.
	2.The company profit distribution case in 2021.	Passed as proposed and reported to shareholders meeting.
	3. The company statement of Internal Control System.	Passed as proposed.
	4. Adjustment of KGI Bank credit facility and Tong Ming endorsement.	Passed as proposed.
	5.Making "Corporate Governance Policy" act.	Passed as proposed and reported to shareholders meeting.
	6.Amendments to "Incorporation" act.	Passed as proposed and reported to shareholders meeting.
	7.Revised "Procedures for the Acquisition or Disposal of Assets" act	Passed as proposed.
	8. Revised the "Corporate Social Sustainability Code of Practice".	Passed as proposed.
	9. 2021 Employee compensation and directors compensation distribution.	Passed as proposed.

2022/3/16	10. Comprehensive Re-election of Directors (including Independent Directors) of the company.	Passed as proposed.
	11 Lifting of the restriction on competition of new directors (including independent directors) and their representatives.	Passed as proposed.
	12. Proposal to convene the 2022 Annual General Meeting of Shareholders of the company.	Passed as proposed.
	13.The company proposes to issue the second domestic secured convertible bonds.	Passed as proposed.
2022/6/14	1. Election of chairman for the term.	Passed as proposed.
	2. Qualifications for appointment of the fourth term of the Remuneration Committee.	Passed as proposed.
2022/8/22	1. Proposed adoption of the company Consolidated Financial Statements for the second quarter in 2022.	Passed as proposed.
2022/11/8	1. Proposed 2023 Operating Plan (annual budget) for the company.	Passed as proposed.
	2. Proposed 2023 Audit Plan of the company.	Passed as proposed.
	3. Cooperate with legal amendments and itself made finance. The revised operation and management resolution.	Passed as proposed.
	4.New making "Risk Management Code of Practice"act.	Passed as proposed.

+ Role of the directors in formulating corporate strategy and due diligence

**Role of the top governance unit in overseeing impact management**

**+ The role of the Board of Directors or the General Manager in the development and approval of the company business policy and ESG strategy.**

- ▶ Annual management policies are announced in the General Manager's annual report.

**+ What is the role of the board of directors in the due diligence process conducted by a company?**

- ▶ The members of the Board currently have oversight responsibilities with respect to due diligence.



Insurance of the Board of Directors	Insurance of the Board of Directors (USD 2,000,000)
Assigned manager as the manager of corporate governance. The work of corporate governance manager is supervising work and result. (Such as, enhancing assessing projects of corporate governance, advanced studies and related programs hours.)	The accounting director in charge of corporate governance director to executive and share the result; Class hours: 12 hours
Listed Companies Group of Corporate Governance Evaluation/ Rating Interval of Listed Companies	80~100% Rating Interval

**Diversity of Board Members Indicators**

Diversity Statistics /Year			2020		2021		2022	
			Num-ber of People	Percent-age	Num-ber of People	Percent-age	Num-ber of People	Percent-age
Direc-tor	Gender	Male	6	85.71%	6	85.71%	6	85.71%
		Female	1	14.29%	1	14.29%	1	14.29%
	Age	Under 50	5	71.43%	4	57.15%	2	28.57%
		50~60	0	0	1	14.28%	3	42.86%
		Over 60	2	28.57%	2	28.57%	2	28.57%
	Educa-tional Qualifica-tions	Graduate School	3	42.86%	3	42.86%	5	71.44%
Institu-tion of Higher Educa-tion		3	42.86%	3	42.86%	1	14.28%	
Others		1	14.28%	1	14.28%	1	14.28%	

Note: Formula:

- Female Director Percentage=(Number of female directors in the year / Number of directors in the year)\*100%
- Male Director Percentage=(Number of male directors in the year / Number of directors in the year)\*100%
- Female Director Percentage + Male Director Percentage should be 100%
- Director operators under 30 y/o Percentage=( Total number of director operators under 30 y/o in the year / Total number of employees in the year) \*100%
- Percentage of indirect operators graduated from grad school =(Total number of indirect operators graduated from grad school in the year / Total number of employees in the year)\*100%

**Complaints (Report) / Opinion Channel**

Complaints (Report) / Opinion Channel	Number of cases ac-cepted in 2022	Processed	Case Closed
Audit Email joan@winlink.com.tw	0	0	0
Competent Authority jessica@winlink.com.tw	0	0	0
Stakeholders Website Email (Having doubt to company) tongming@tonggroup.com.tw	0	0	0

**Advanced Studies for the Board of Directors in 2022**

Job Position	Name	Date	Organizer	Class	Training Hours
Director	Ching-Tung, Tsai	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Corporate Director Representative	Hung-Chuan, Tsai	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Corporate Director Representative	Ti-Ting, Tsai	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Director	Wen-Lin, Ko	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Independent Director	Shih-Kun, Wang	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Independent Director	Shih-Kun, Wang	2022/12/5	Accounting Research and Development Foundation	Latest corporate governance policy and practical analysis of appraisal	3
Independent Director	Shih-Kun, Wang	2022/12/9	Accounting Research and Development Foundation	Analysis of legal liabilities and cases related to disputes over the management rights of the company	3
Independent Director	Shih-Kun, Wang	2022/12/28	Accounting Research and Development Foundation	Preparation and revealed basic of sustainable report -Highlights of IFRS ISSB S1 and S2 Standards	3
Independent Director	Po-Min, Yang	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Independent Director	Po-Min, Yang	2022/11/17	Taiwan Institute for Sustainable Energy	Towards the future of none-emission	3
Independent Director	Yung-Lung, Chen	2022/8/22	Taiwan Securities Association	Corporate Governance and Corporate Social Responsibility	3
Independent Director	Yung-Lung, Chen	2022/11/9	Securities & Futures Institute	Legal liability for corporate fraud and the courts should know about criminal trials	3
Independent Director	Yung-Lung, Chen	2022/11/9	Securities & Futures Institute	The latest practical development of In-sider trading in Taiwan and the resolution to prevent and responses to enterprises	3

**Audit Committee Organization**

Audit Committee	
Audit committee member	Attendance (%)
Shih-Kun, Wang	100
Po-Min, Yang	50
Young-Lung, Chen	100

**Payment Policy**

Project	Board of Directors	Manager
Fixed Salary and Variable Pay	Fixed Salary	Fixed Salary and Variable Pay
Signing Bonus or Recruitment Bonus	None	None
Deferred Share or Vested Shares	None	None
Reclaim Mechanism	None	None
Retirement Benefit	None	According to Act
How the Board of Director and managers make bond between payment policy and economy, environment, society targets and performance?	We haven't connected our ESG target and performance to payment of the Board of Director and managers. We'll continue to keep up this issue, and will discuss after ESG is ready.	

### Remuneration Committee Member's Resume and Attendance

Remuneration Committee		
Member	Actual At-tendance (%)	Remuneration Committee Member's Resume
Shih Kun, Wang	100	Li-Yi United Accounting Firm Li-Yang United Accounting Firm Deloitte & Touche United Accounting Firm
Po Min, Yang	50	Century Asset Management Co., Ltd. Nan Shan Life Insurance Co., Ltd. Vice President of HSING TA CEMENT Co., Ltd. Chairman of Ching-Da Co., Ltd.
Young Lung, Chen	100	100 Assistant Vice President in Audit Department of PwC Taiwan Vice President of Fu Lan De Lin Consulting Co., Ltd. Vice President of Ki-Sheng( Tong Ming) Co., Ltd. Independent Director of B'IN LIVE CO., LTD.

Note:

- Company chapter has included all employees, percentage of remuneration and extent of directors:
  - If the company has profits at the end of accounting year, it should withdraw 0/1000 to 1/1000 as the repayment to employees. Repayment distribution in shares or cash by decision of the Board of Directors to those employees who are qualified; the Board of Directors would make the decision that the profits which above mentioned to directors. The repayment distribution of employees and directors should be reported to shareholders meeting. However, if the company has accumulated losses, it should reserve the amount of compensation in advance, and then provide employees and directors payment in accordance with the ratio mentioned above.
  - Repayment to the directors would be different that in accordance with Article 64 of the Company Regulation. The repayment authorized by the director, based on (a) participation rate of company operating; (b) contribution to company; (c) reference to industry norms; (d) other factors.
- The basis for estimating the amount of employees, directors and supervisors compensation, the basis for calculating the number of shares to be distributed as stock dividends, and the accounting treatment in the event that the actual amount of stock dividends distributed differs from the estimated amount:
  - The basis for the amount of employees, directors and supervisors compensation for the current period: Please refer to the explanation of dividend policy in (6) 1. above.
  - Basic share count calculation from current stock dividends: The company has no stock dividends in the year.
  - Accounting resolution of when dividends is different from estimated: If there is major dividend amount change that decided by the Board of Directors meeting, it should adjust the original annual charge. If the change was included in annual fee and the amount changed till shareholders made the change decision, then it would change in accounting estimates and are recorded as adjustments in the following year.

### Annual total payment rate

Unit: NTD\$ Thousand

Highest personal salary in company(A)	9,344	
Main operating site in countries	Taiwan	China
Median of total salary of other employees in main operating sites(B)	1,127	360
Ratio (A/B)	829.1%	2595.6%
Increasing rate of highest personal salary in last year(C)	20.75%	
Increasing rate of other employees median of total salary in last year(D)	23.7%	-3.9%
Ratio (C/D)	87.6%	-532.2%

Note:

- Year total salary includes all payment, bonus, stock awards, optional awards, non-equity incentive plan compensation, changes in pension amounts and unvested deferred compensation gains, all other compensation gained from company.
- B project should be the median of the annual total compensation of all employees (excluding the highest paid particular person) in different operating locations, e.g., the median salary of each employee in Taiwan / China / Vietnam.
- In calculating the median annual total remuneration of the staff in each location for the past 2 years, the median does not necessarily have to be the same staff.

### Company business concept and target

Theory of Business		
1.Internal sales of fastener	2.External sales of fastener	3.Wire products
Continuously optimize the e-commerce platform and value-added services, and increase the sales of self-manufactured standard products; In order to meet customers request, we developed an online sales platform for non-standard products to complement the various value-added services offered by Tong Ming Express to increase shipment.	With the production advantages and quick shipment mode of our main products to expand shipment volume, we are able to maintain our market share and stable growth by combining the relevant resources of our subsidiaries and continuing to strengthen cooperative relationships with industrial customers in specific regions, despite the strong competition in the international market.	Continuing to capitalize on the company's strengths, the overall market is conducive to business development, and we will leverage our production capacity to expand our shipment volume.

### Short, Mid and Long-term Target

Short-term Target

Mid and Long-term Target

#### A. Marketing Strategy

##### (A) Product Pricing Strategy and Increase in Product Offerings

In the regular product segment, we will utilize our advantages in raw material procurement to respond quickly to the market price in order to increase the overall sales volume and market share. In the high-end product segment, we will continue to invest more resources in higher gross profit products, increase the proportion of non-self-produced products, and increase the number of stainless steel related products.

##### (B) Strengthening logistics and channel development

In the future, the domestic market in China will continue to grow under more intense competition, and the proportion of domestic sales business will also increase at the same time. The company will also expand its distribution warehouses in the central and western regions and other regions, and upgrade its warehouse management system to improve the efficiency of shipment, in order to provide fast delivery services to customers in China.

##### (C) Strengthening Customer Relationships and E-Commerce

Under the existing e-commerce model, we cooperate with financial institutions to increase the number of service items and strengthen the business nature of our branch offices, focusing on deepening customer service and expanding new customers in order to create a more complete channel platform for hardware products.

#### B. Production Strategy

##### (A) Continuously maintain the best inventory level and low out-of-stock rate of products.

(a) The company inventory level is the lowest in the industry (approximately 4 months).

(b) No product stock-out rate.

##### (B) Implementation of quality control system and continuous improvement of product quality.

#### C. Product Development Direction

In the area of stainless steel fasteners, we will strengthen the development of special non-standard products and stainless steel materials, and effectively build up intellectual property rights.

For stainless steel wires, we will expand our investment in the development of production processes for wires that are less susceptible to fluctuations in raw material prices and increase the use of stainless steel wires in related products.

#### A. Marketing Strategy

(a) Integrate local domestic and overseas channels, and expand stainless steel-related products in the domestic market based on the channel division, which is an industry leader with its own brand and a complete sales platform in the domestic market.

(b) In the export business, the main goal is to extend the value of the channels and achieve global distribution by utilizing the production advantages and combining the diversification of services of different businesses and the quick delivery mode of main products.

#### B. Production Policy

(a) Continuously promote the upgrading of equipment and the improvement of manufacturing processes to enhance production efficiency, with low waste and a high degree of environmental protection as the goal.

(b) To establish an information platform with domestic and foreign factories to respond to real market demands in a timely manner, and to closely integrate supply and demand situations with large-scale customers.

#### C. Product Development Direction

In response to the global resource constraints and the rising awareness of environmental protection and consumer safety, the development of environmentally friendly materials and processes, as well as the combination of technological innovations, are the company long-term research and development goals.

#### D. Operation and Financial Management

(a) In response to changes in the business environment and the upgrading of information products, we will continue to optimize our information systems and systems so that the company can continue to maintain its competitiveness.

(b) In line with the development towards the channel business, we will actively cultivate channel talents and promote internationalized operation and management capabilities towards globalization in order to meet the needs of the company future growth.

### Disclosure of communication practices between independent directors and internal audit supervisors and accountants during the year

In 2022, the independent directors, internal audit supervisor and accountants met together a total of 4 times, and the independent directors communicated smoothly with the internal audit supervisor and accountants.

### ► 1.2.4 Functional Organization

Board of Directors includes: Audit Committee, Remuneration Committee, ESG Committee



### ► 1.2.5 Policy Commitment

The company to governmental official document; operating investigation; applying the warning principle; respect human right.

+ Governmental official document: responsible unit (administration department)

+ Operating investigation: responsible unit (internal audit office)

+ Applying the warning principle: responsible unit (internal audit office)

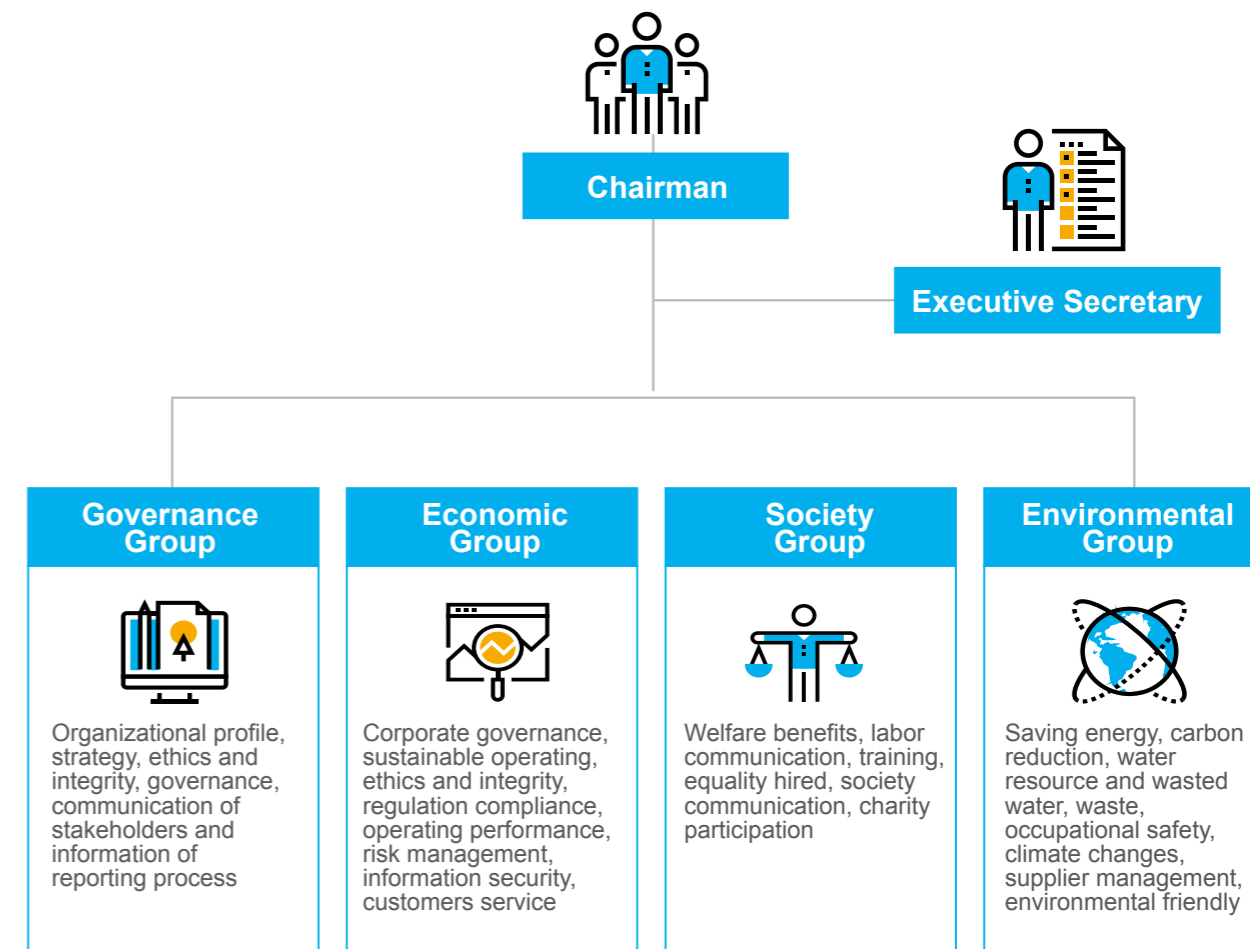
+ Respect human right: responsible unit (administration department)

According to company annual education training to plan

► **1.2.6 ESG Committee**

<p>The company made and audit the process of “Code of Practice on Sustainable Development.”</p>	<p>The Audit Office is responsible for formulating and implementing, after approval by the Board of Directors. Summary: <a href="https://www.tonggroup.com.tw">https://www.tonggroup.com.tw</a></p>
<p>ESG Committee organizational chart</p>	<p>As below</p>
<p>ESG Committee Operation</p>	<ol style="list-style-type: none"> <li>1.We established related organization due to greenhouse gases inven-tory but ESG related committee which would be estimated to estab-lished in 2023.</li> <li>2.The director as ESG chairman. Functional groups are set up under the Committee, with heads of departments acting as group leaders.</li> <li>3.The Committee hold twice a year and the secretary will send the notice before meeting. The team leader has to compile suggestions and comments from stakeholders and provide them to the executive sec-retary and make the decision during the meeting. The chairman will do the final verify.</li> <li>4.When complete of the report, the General Manager convenes the ESG Committee to jointly confirm that all material ESG topics have been covered in the year report.</li> <li>5.The company made sustainable report.</li> <li>6.The director will report the results of ESG implementation to the Board of Directors once a year.</li> <li>7.The Board of Director will report the suggestion and opinions to ESG report.</li> </ol>
<p>ESG Committee Performance and Targets</p>	<p>As ESG Committee hasn’t established yet in 2022, we pending the establishment of relevant KPI.</p>

ESG Committee organizational chart



► **1.2.7 Group Agreement**

The company has established a labor union in accordance with collective bargaining agreement. Holding the congress yearly and regular meeting quarterly. The rate of labor representative participation is 100%.

In order to stabilize labor relations, promote labor harmony, and enhance labor welfare, the company and the labor union uphold the spirit of labor autonomy and the principle of good faith.



## 1.3 Procurement Practices

<b>Policy</b>	▶ Choosing new supplier according to local standards
<b>Commitment</b>	▶ Specific and effective mechanisms and actions to implement the number of local suppliers.
<b>Short-term Target</b>	▶ Local suppliers (raw materials, supplies, equipment, sourcing and transportation) are increased/replaced; Raw material KPI setting: Material order fill rate should be reach 94%, material qualified rate 99.7%, Annual raw material procurement of 126,000 tons ; Material KPI setting: Material delivery rate 86%, AB mold pass rate 96%, supplier quality improvement 12 times/year.
<b>Mid-term and Long-term Target</b>	▶ 1.Evaluation and selection of quality-oriented suppliers 2.Related material supplier of green purchasing 3.Material suppliers should be evaluated once a year 4.Material supplier A classified should be evaluated once a year and B calssified should be evaluated once in 2 years
<b>Strategy</b>	▶ Investing Resource: Annual assessment and audit of suppliers Results: List of qualified suppliers
<b>Responsible Department and Complaint Mechanism</b>	▶ Purchasing Department Taiwan: Sales Department/sales@winlink.com.tw China: juan.zhu@tongming.com.cn
<b>Assessment Mechanism</b>	▶ Annual assessment and audit of suppliers

### ▶ 1.3.1 Proportion of Spending on Local Suppliers

Purchasing categories include labor, equipment, raw materials and etc.

Taiwan	2020	2021	2022
Percentage of local suppliers (%)	81%	83%	84%
Percentage local pur-chased (%)	37%	32%	29%
China	2020	2021	2022
Percentage of local suppliers (%)	98%	99%	99%
Percentage local pur-chased (%)	98%	99%	99%

## 1.4 Operation Performance

<b>Policy</b>	▶ We continue keep gaining profits to reach sustainable operating target through strengthen financial structure and control the cost.
<b>Commitment</b>	▶ Intergrating the group resources to keep enterprise growing, fine financial performance and making maximum value, and feedback to all stakeholders.
<b>Short-term Target</b>	▶ 1. Consolidated revenue reached NTD\$15.4 Billion in 2022. 2. Total fastener production is 10.5 tons in 2022. 3. Total production of wire products is 30,000 tons in 2022.
<b>Mid-term and Long-term Target</b>	▶ 1. Keep strengthening market leader position. 2. Publishing trending products and expanding multiple channels. 3. Establishing TongMing trading platform, increasing revenue and clients.
<b>Strategy</b>	▶ Investing Resource: 1. The Board of Directors will guide the company operating strategy. 2. Operating team plans the overall operating guildlines, targets and implement. 3. All employees working hard together.  Result: There would be significant increase in productivity (about 18%) if operated WMS project.
<b>Responsible Department and Complaint Mechanism</b>	▶ Sales Department/sales@winlink.com.tw
<b>Assessment Mechanism</b>	▶ Annual business report of shareholders

### ► 1.4.1 Direct Economic Value Generated and Distributed

Unit: NTD\$ Thousand

Project	2020	2021	2022
Revenue	9,171,338	13,235,516	15,428,409
Operating Cost	7,898,297	10,534,526	13,416,559
Employee Pay-ment and Benefit	414,435	643,833	707,449
Payments to Funders	352,182	443,574	806,774
Payments to Government	95,775	344,734	208,527
Society Invest	710	2,120	2,260

### ► 1.4.2 Benefit Plan Obligations and Other Retirement Plans

- 1.The company distributes payment to employees in accordance with the law; The company distributes performance bonus in accordance with KPI every month; The company distributes year-end-bonus and profits in accordance with operating profits/special bonus every year.
- 2.The company holds education training in different level, every kind of professional class, certificate allowance and bonus for staff qualification upgrading.
- 3.The Company is applicable to Labor Pension Act, Labor Standards Act in Taiwan, and Labor Law, Social Security Act in China.
- 4.The Company provides the cafeteria, lunch and overtime meal for employees in China area; We provide lunch, group insurance with high coverage, emergency loans, allowance for marriage, childbirth, abortion, funeral, hospitalization, public injury, condolatory supplement for injured, and scholarships for employees' children.
- 5.The company set up diversity entertainment (such as, library, gym, table tennis room, cafeteria and training room) and having diversity activities from every club. For examples, hiking, mountaineering, yoga class, any ball game activities and charities. Also, holding every kind of ball games and inviting the family of employees to join.

### ► 1.4.3 Financial Assistance Received from Government

Obtained approximately NT\$43 million from government grants in 2022.

## 1.5 Market Presence

Policy	▶	We take the action of "Theory of Business and Policy" as our concept, we working harder and harder. By the brand drives the environment and improvement of society, we keep improving so that can bring more happiness to us.
Commitment	▶	<ol style="list-style-type: none"> <li>1. Customzied need</li> <li>2. Compete sales channel intregation</li> <li>3. Logistics Services</li> <li>4. Economies of scale production</li> <li>5. High-effective producing management</li> </ol>
Short-term Target	▶	<ol style="list-style-type: none"> <li>1. Maintianing the No. 1 market shares in China industry</li> <li>2. Product shipment growth rate of 3%</li> </ol>
Mid and long-ter Target	▶	<ol style="list-style-type: none"> <li>1. Keep maintaining the market shares in China industry</li> <li>2. Expanding the market shares in other countries</li> <li>3. Add more items of product</li> </ol>
Strategy	▶	<p>Investing resource:</p> <ol style="list-style-type: none"> <li>1. Fixed assets: Tong He Plant</li> <li>2. More purchased products</li> <li>3. Expanding headcount in Tong He Plant.</li> <li>4. Expanding headcount of channels.</li> </ol> <p>Results:</p> <ol style="list-style-type: none"> <li>1. Increasing wire production</li> <li>2. Increasing purchased product revenue</li> <li>3. Increasing company's revenue</li> </ol>
Responsible Department and Complaint Mechanism	▶	<p>Sales Department</p> <p>Taiwan: Sales Department/sales@winlink.com.tw</p> <p>China Oversea Sales Department / export@tongming.com.cn</p> <p>Channel Purser Department tong-service@tongming.com.cn</p> <p>Wire Sales Department/peihua.lian@tongming.com.cn</p>
Assessment Mechanism	▶	Sales department hold the sales meeting every month for monitoring and setting the target.

► **1.5.1 Ratios of standard entry level wage by gender compared to local minimum wage**

Employee	Gender	Ratios of standard entry level wage compared to local minimum wage
Taiwan	Male	154.47%
	Female	228.49%
China	Male	355.41%
	Female	303.04%

Note 1: The definition of basic staff is based on company's internal human system definition. For example, direct labor, production technician, technician and operator; Also, the staff is limited by only the basic staff but interns or temp workers.

Note 2: We provide the standard salary for the basic staff monthly( same as the regular payment defined by Labor Standards Act).

► **1.5.2 Proportion of senior management hired from the local community**

Mainly Operation Site	Total numbers of Senior management	Proportion of senior management hired from the local community	Ratio
Taiwan	5	5	100%
China	30	26	86.7%

Note 1: The company could define the level of "Executive" by itself, such as, Manager or above, Director or above; Principal level (or above) in China area.

Note 2: The company could define the scope of "Local" by itself, such as geographic definitions could include operating surrounding communities , regions within countries region, or countries.

Note 3: The company could define "Main operating sites" by itself.

Note 4: The formula is (number of local residents employed as executives in each location / total number of executives in each location)\*100%.

**1.6 Regulation Compliance**

► **1.6.1 Violation**

Year	Category	Violation	Losses Amount	Coping Strategy	Description of Variable Difference
2020	Economy	None	None	None	
	Environment	None	None	None	
	Society(People)	None	None	None	
2021	Economy	None	None	None	
	Environment	None	None	None	
	Society(People)	None	None	None	
2022	Economy	None	None	None	
	Environment	None	None	None	
	Society(People)	None	None	None	

## 1.7 Information Protection (Additional)

Information security can protect information from any threaten attacks, which can minimize business losses, ensuring the continuity of the company's business activities and enhance its defensive value.

<b>Policy</b>	<ul style="list-style-type: none"> <li>1. Implementing cyber security education propaganda in order to increasing employee's awareness of cyber security.</li> <li>2. Managing cyber security information effectively , continuing the risk assessment and taking the protection of it.</li> <li>3. Protecting the information and cyber security system avoiding from unauthorized access, keep the security of information and its system.</li> </ul>
<b>Commitment</b>	Information security incident never happens in every year.
<b>Short-term Target</b>	<ul style="list-style-type: none"> <li>1. Raising the awareness of information security (Education training/propaganda)</li> <li>2. No major information security incidents</li> </ul>
<b>Mid-term and Long-term Target</b>	<ul style="list-style-type: none"> <li>1. Implementing external/internal audit</li> <li>2. Keep no information security incidents and pass the external/internal audit</li> </ul>
<b>Strategy</b>	<p>Investing resource: Funding NTD\$4,150,000/Year; Implementation of projects such as virtualization platform expansion and cloud server leasing.</p> <p>Results:</p> <ul style="list-style-type: none"> <li>1. Established information security control measures, such as, server room maintenance, operating computer maintenance, server room access control, network control, personnel access control, data off-site backup, real-time update of anti-virus software version, regular weak scanning.... etc.</li> <li>2. Propagating information security irregularly</li> <li>3. Holding an information security education training/propaganda every year, about 100 participants</li> <li>4. Implementing information security external/internal audit every year</li> </ul>
<b>Responsible Department and Complaint Mechanism</b>	Information: MingRen Wang/ YunLi Hsiao, Complaining mechanism: email:sam@winlink.com.tw/ yunli.xiao@tongming.com.cn
<b>Assessment Mechanism</b>	<ul style="list-style-type: none"> <li>1. Internal Audit /External Audit</li> <li>2. Review information security incident</li> </ul>

### ► 1.7.1 Information Protection Meaning to Company

Meaning of information security is to protect all the information of the company to achieve confidentiality, integrity and availability.


### ► 1.7.2 Information security measures


- 1) Policy: Information security policy (following above)
- 2) Commitment: No information security incidents every year
- 3) Future Target:
  1. Implementing external/internal audit
  2. Keep no information security incidents and pass the external/internal audit
- 4) Investing resource: Funding NTD\$4,150,000/Year; Implementation of projects such as virtualization platform expansion and cloud server leasing:
  1. Established information security control measures, such as, server room maintenance, operating computer maintenance, server room access control, network control, personnel access control, data off-site backup, real-time update of anti-virus software version, regular weak scanning.... etc.
  2. Propagating information security irregularly
  3. Holding an information security education training/propaganda every year, about 100 participants
  4. Implementing information security external/internal audit


### ► 1.7.3 Assessing the effectiveness of information protection management measures

- 1) Internal Audit /External Audit
- 2) Review information security incident

## 1.8 Risk Management

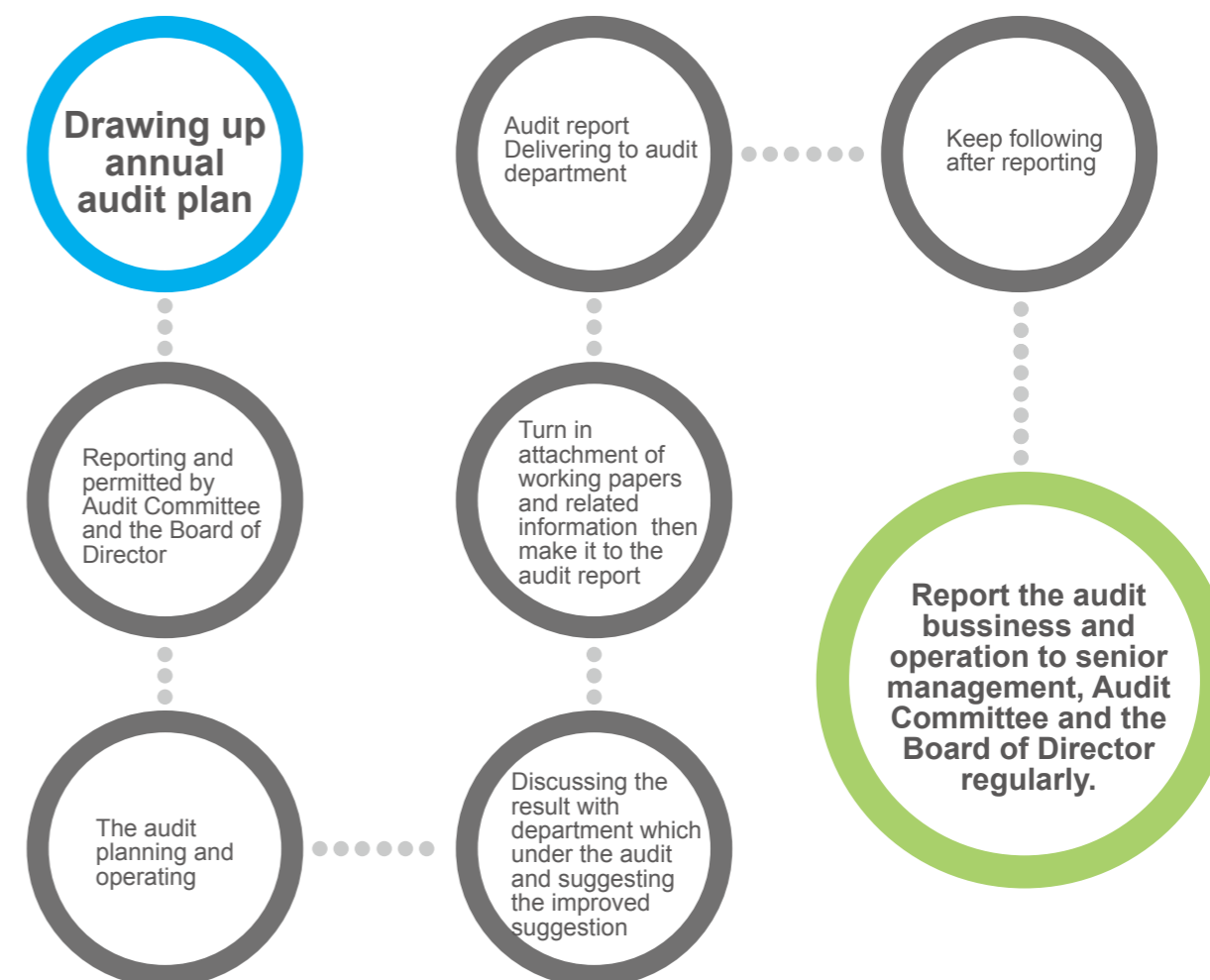
Risk Category	Risk Description	Risk Management Strategy (Coping Strategy)
 Sustainable Environment	GHG emission keep increasing	1.Establishing ESG Committee and the vice president takes charge of Chairman. Holding regular meet-ing every year, examining saving electricity, carbon emission and other measures then reporting it. 2.Establishing mechanism of GHG examine meets the request of stakeholders.
	Unable to save energy effec-tively	3.Improving measures included re-placing the old equipments, solar panels and phasing out of Grade 3 energy-efficient motors and re-placing them with Grade 2 ener-gy-efficient motors; Purchasing more electrostatic machine to fix the problems of smoke emission
	Water waste keep increasing	1. The generated water of production line unit which would be self-managed. Reducing water resource and amount of waste water. 2. Replacement of old pipelines in the plant to avoid leakage and waste of water resources and reduce the amount of ineffective wastewater treatment. 3. Rebuilding the sewage treatment plant to achieve 15% reuse of water and reduce wastewater discharge.
	Waste amount increased / Re-cove-ry rate re-duced	1. Risk management organization: Waste reducing management unit as environmental security unit. 2. Risk identify process: The ratio of waste production is calculated by the environmental security unit on monthly statistics, and the results are provided of the relevant units for reference, and based on the re-sults, the relevant units are re-quested to formulate waste reduc-tion measures. 3. Risk measures and effectiveness: Using improved pharmaceuticals and centralized tanks to reduce the use of oil, which in turn has reduced sludge production.
	The lack of wa-ter and electric-ity	1.Controlling the usage of water and electricity, making related unit can self-managed. 2. The plant generates its own solar power for production.
	Typhoon, flood	After the Central Weather Bureau issued a sea warning for the typhoon and environment unit issued typhoon information, reminding every unit to do precautions against typhoon before it comes. It would renew the latest news of typhoon by the Central Weather Bureau.
	Violation of en-vironmental regulations	1.Risk management organization: Environmental protection regulations management unit as the environment security unit. 2. Risk identify process: Reporting at EHS meetings and clearly informing requested units how they should implement the requirements of the decree to avoid violating environmental regulations. 3. Risk measures and effectiveness: No any violation of environmental regulations in 2022, we will keep monitor it.

Risk Category	Risk Description	Risk Management Strategy (Coping Strategy)
 Employee	Occupational accident (included im-pact of Covid-19)	1.Holding security meeting every month to inspect the occupational security of company. 2.Reviewing short-term perfor-mance and lack of inspections to improve conditions on directors monthly meeting. 3.Environment security unit should review the internal and external cases of work-related injuries and damages in the plant and announce to all employees.
	Overwork (Long time working)	1. At the time of the annual health examine, employees who participate in the examine, filling out a health report that reviewed by an Occupational Medicine physician during on-site service for high-risk (high load) employees. 2. Holding security meeting every month to inspect the occupational security of company.
	High turnover rate (lack of workers)	Employee turnover rate is 2.9% in 2022. If the company has job open-ing, we would have make-up work. Each unit would operate and ar-range the internal work so that won't effect the operation of pro-ductive and sales.

 <p>Operating Performance</p>	Ethical integrity risks	The company has integrity management policy, compiling to the Company's Code of Ethics and disclosure it on the website and annual report, and implementing integrity management policy, also, preventing unfaithful behavior. We disclose the enterprise integrity management operation on the company's website in order to build a fine corporate governance and risk management mechanism. Make a operating environment of sustainable development.
	Information reveals lack of transparency	<ol style="list-style-type: none"> <li>1. The corporate presentation holds annually, hosted by a spokesperson, explaining to investors the current status of the company's operations and its outlook for the future.</li> <li>2. If the event of financial operations that has a significant impact, it should immediately issue a public announcement.</li> <li>3. If you have any questions to our revealed information, you could contact our spokesperson or acting spokesperson.</li> <li>4. Company website has disclosure its operation and governance information, also, the contact of stakeholders.</li> </ol>
	Market competitiveness declines	<ol style="list-style-type: none"> <li>1. Developing the new sales channel. Visiting related client to introduce our products.</li> <li>2. Doing team education training. Building operators' ability and supervisor performance indicators</li> </ol>
	Information security incident happens	<ol style="list-style-type: none"> <li>1. Confirm if it's the information security incident or not, and confirm its category and level first.</li> <li>2. Reporting in order of incident level. It is emergency, it should response in call/email first. If the incident has affected the user's work, the Information Department should notify the relevant unit.</li> <li>3. Take the measures to decrease the degree of harm. It should keep the evidence of incident when it revolves legal liability if it's necessary.</li> <li>4. If the information security incident occurs, review the cause and effect of the incident and the handling process, and formulate an improvement mechanism.</li> </ol>
	Product responsibility (recycle it/ no longer be sold)	<ol style="list-style-type: none"> <li>1. Improving product quality control and return-and-refund mechanism.</li> <li>2. Enhancing the communication between us and clients which can make us better know the expectation from clients.</li> <li>3. If the clients have special request, the company should comply and meet it.</li> <li>4. Once found the major abnormal situations, it should report to the manager immediately and following the instruction from the manager.</li> </ol>
	Supply chain disruption	<ol style="list-style-type: none"> <li>1. Short-term risks: Market demand increasing rapidly and supplying tightening. Countermeasures: Highly get a handle on the delivery date and inventory, preparing for the risk of material shortage</li> <li>2. Mid and long-term risks: The coronavirus breakout, the city lockdown and the impact on production and material supply due to delayed start-up of factories, etc. Countermeasures: Increasing stock and multiple purchasing. Decreasing the dependence of single supplier which can enhance its overall flexibility.</li> </ol>

## 1.9 Internal Audit

Internal Audit	
Internal Audit Process	As shown in the following figure
Are there focused audits for particular businesses/ departments?	None
Total number of audit item in current year	270
Audit compliance ratio? (%)	95%
All non-compliant items were completed within the deadline.	√



## 1.10 Industry Standards (Iron and Steel Industry)

International standards have not yet been disclosed, it will present its content after it disclose.



# 2 Sustainable Environment

Environment



## 2.1 Emission

<b>Policy</b>	▶ In order to enhance climate resistance, we decrease disaster losses and the impact might happened.
<b>Commitment</b>	▶ 1.Dedicated to GHG examination of our company. 2.Controlling company's GHG emission. 3.Providing the solutions of GHG deduction.
<b>Short-term Target</b>	▶ GHG emission amount that the unit could produce has reduced 1~2%.
<b>Mid-term and Long-term Target</b>	▶ 1.GHG emission amount that the unit could produce has reduced less than 5~10%. 2.Assume taking carbon neutrality as target.
<b>Strategy</b>	Invest Resource: 1.We use the LED light and automatic sensor lighting device to replace the old factory lights. 2.Changing electrical equipment from Class III to Class II energy efficiency. 3.Using solar power equipment 4.Regular check and maintainence sewage equipment. 5.Using energy saving transformer.  Result: Every emission indicators.(VOC, odor concentrationcan) meet the standards.
<b>Responsible Department and Complaint Mechanism</b>	▶ Environment Safety Department, TEL: +86-573-8220-3125#111
<b>Assessment Mechanism</b>	▶ Annual energy saving rate / air pollution periodic inspection to meet emission standards

### ▶ 2.1.1 Relevant Information of Carbon Emission

Direct (Scope 1) GHG Emission			
Year	Scope 1 CO2e Eq	Differential Change Description	
2020	1,243	Higher usage of emergency generators in 2021 due to government power restrictions.	
2021	1,610		
2022	1,487		
Indirect Energy (Scope 2) GHG Emission			
Year	Purchased Power Kilowatt-hour (kW·h)	Scope 2 CO2e Eq	Differential Change Description
2020	28,779,446	11,148	Power consumption increasing due to sales increasing.
2021	37,115,585	14,373	
2022	37,572,390	14,550	
Other Indirect (Scope 3) GHG Emission			
Year	Total Traveling Fuel	Up stream Material	
2020	3	1,853	
2021	2	2,726	
2022	9	2,844	

Unit: CO2e Tons Note: Emission factor

### GHG Emission Intensity

Year	Total Emission (Unit: Ton CO2e /Year)	Headquarter(Taiwan) Total Area+ Factory (China) Total Area (Unit: m²)	Intensity	Note
2020	14,247	152,718	0.0933	Category 1+2+3
2021	18,711	152,718	0.1226	Category 1+2+3
2022	18,890	152,718	0.1237	Category 1+2+3

Note: Intensity: CO2e Ton/ m²



**GHG Emissions Reduction**

Unit: Ton CO2e/Year

Year	Direct GHG Emissions Reduction	Saving:
2020	-	1.We use the LED light and automatic sensor lighting device to replace the old factory lights. 2.Changing electrical equipment from Class III to Class II energy efficiency. 3.Using solar power equipment. 4.Regular check and maintenance sewage equipment. 5.Using energy saving transformer.  Note: Energy saving and reduction is our main controlling strategy.
2021	-	
2022	-	

**Ozone Depleting Substance (ODS) Emission**

Unit: CO2e Ton/Year

Ozone Depleting Substance (ODS)	Quantity	Output	Output
2020	0	0	0
2021	0	0	0
2022	0	0	0

**Nitrogen Oxides (NOx), Sulfur Oxides (Sox), and other major gas emission** Unit: KGs

Year	Nitrogen Oxides	Sulfur Oxides	Persistent Organic Pollutants	Volatile Organic Compounds	Particulate Matter	Particulate Pollutants	Hazardous Air Pollutants
2020	No data available	No data available	No data available	4.28	No data available	No data available	No data available
2021	No data available	No data available	No data available	4.28	No data available	No data available	No data available
2022	No data available	No data available	No data available	4.28	No data available	No data available	No data available

Resource: Environmental Impact Assessment (EIA) Report and Pollutant Discharge Permits.

**2.2 Waste**

<b>Policy</b>	▶ Reducing hazardous waste production and minimizing the impact on the environment.
<b>Commitment</b>	▶ Waste generated from factories has to disposed by a third party qualified to handle the waste.
<b>Short-term Target</b>	▶ 1. Hazardous waste disposal rate 100% 2. Waste oil recycling
<b>Mid-term and Long-term Target</b>	▶ Chang Sheng Plant: 1.Waste oil recycling 2. Reduction of sludge generated per ton of waste water by 20~25%.
<b>Strategy</b>	▶ Plant of water disposal: 1.Invest resource: Invest funds: NTD\$36,000,000 2.Results: Reduction of sludge generated per ton of waste water by 20~25%.  Waste oil recycling(includes oil dumper and centrifuge): 1.Invest resource: Invest funds: NTD\$9,000,000 2.Results: Reduction in oil consumption is 5%
<b>Responsible Department and Complaint Mechanism</b>	▶ Environment Safety Department, TEL:+86-573-8220-3125#111
<b>Assessment Mechanism</b>	▶ Annual statistical production, which ensures that it's complete and under monitoring.

**▶ 2.2.1 Relevant Information of Waste**

**+ Waste generation and related impact.**

1. Waste generated from factories has to disposed by a third party qualified to handle the waste.
- 2.Waste resource: sewage station and producing equipments.

**+ Management of significant waste-related impacts**

1. The clearing house we commissioned with a qualified license
2. The factory has certificate of ISO14001 Environmental Management System
- 3.Decreasing waste amount measures:
  - (1) Recycled oil of electrostatic precipitator and centrifuge
  - (2) Sewer station process, switching from chemical to biological methods, 25% waste reduction

Generation of waste

Unit: ton

Year	2020	2021	2022
Thread drawing powder	68	72	73
Hazardous waste (Sludge and waste oil)	1707	2080	2264



Disposal transfer of waste

Unit: ton

Year	Re-use	Reborn	Others
2020	7,000	0	0
2021	9,635	0	0
2022	9,020	0	0

廢棄物的直接處置

單位：公噸

Year	 General industrial waste		 Hazardous industrial waste	
	On-site	Off-site	On-site	Off-site
2020	0	68	0	1,707
2021	0	72	0	2,080
2022	0	73	0	2,264

## 2.3 Water and Effluents

**Policy** ▶ Preventing from extreme weather, increasing the rate of cycled water.

**Commitment** ▶ Protecting water resource management and keep improving it.

**Short-term Target** ▶ Chang Sheng Plant: Reduction in water withdrawals by 5%.

**Mid-term and Long-term Target** ▶  
1. Chang Sheng Plant: The rate of cycled water is up to 15%.  
2. Chang Sheng Plant: The water emission is not over 100,000 tons.

**Strategy** ▶  
1. Investing resource: Chang Sheng Plant: Reviewed water consumption regularly and invested NTD\$53 million (including equipment).  
2. Result: (Chang Sheng Plant): The highest rate of cycled water is up to 25%

**Responsible Department and Complaint Mechanism** ▶ Environment Safety Department, TEL:+86-573-8220-3125#111

**Assessment Mechanism** ▶ Monthly review of water consumption and whether targets have been met

### ▶ 2.3.1 Relevant Information of Water Resources

+ Interaction of shared water resources

The plant industrial water source is river water, and the water used for people's livelihood is tap water.

**Related impact management of water emission**

Unit: mg/L

Year	SS	BOD	COD
2020	/	/	10.33
2021	/	/	11.41
2022	/	/	11.63
Differential Change Description: Our wastewater is inorganic wastewater, SS and BOD are not detected.			

Emission standard: Comprehensive Wastewater Pollutant Discharge Standards (Level 3)  
Data Standards: 500 mg/L

**Water withdrawal**

Unit:ML

Year	Water withdrawal resource	Water withdrawal	Withdrawal of water pressure area from water intake	Total water withdrawal
2020	River water (Industrial water)	129,539	0	172,422
	Tap water (Livelihood water)	42,883	0	
2021	River water (Industrial water)	126,699	0	174,825
	Tap water (Livelihood water)	48,126	0	
2022	River water (Industrial water)	120,467	0	172,976
	Tap water (Livelihood water)	52,509	0	
Note: Industrial water: from river water Livelihood water: from tap water				

**Water discharge**

Unit: ton

Year	Water discharge region	Water discharge (tons)	Total water discharge(tons)
2020	Jiaxing City Joint Sewage Plant	86,150	86,150
	Piped emission		
2021	Jiaxing City Joint Sewage Plant	95,119	95,119
	Piped emission		
2022	Jiaxing City Joint Sewage Plant	96,981	96,981
	Piped emission		

**Water consumption**

Unit: ton

Year	Total water withdrawal area	Total water discharge	Water consumption
2020	172,422	86,150	86,272
2021	174,825	95,119	79,706
2022	172,976	96,981	75,995
Note: Water saving measure: recycled the water that is using.			



# 3 Social Care

Society



### 3.1 Training and Education


Policy	▶	1.Enhancing company competitive 2.Improving employee education training
Commitment	▶	Training employee with high level of ability and competitive
Short-term Target	▶	1.Average training hours $\geq$ 6 hour/people/year 2.The rate of annual education training is 100% 3. Satisfaction after class is 85%
Mid-term and Long-term Target	▶	1. Improving employee education training 2. Enhancing company external and internal training and common curriculum/professional curriculum
Strategy	▶	Investing Resource: 1.Annual education training plan 2.External/Internal curriculum planing and arranging 3.Employee learning extra-training 4.Training internal lecturer  Result: 1.Complete annual education training 2.Finish External/Internal curriculum 3. Training internal lecturer 4.Sharing acknowledge
Responsible Department and Complaint Mechanism	▶	Management Unit/E-mail : hr@tongming.com.cn
Assessment Mechanism	▶	1. Regularly convene training-related meetings (management review meetings) to review performance goals. 2.Training grades 3.Certificate

#### ▶ 3.1.1 Training and education related information

**A Average hours of training per employees in every year** Unit: hour

Statistics / 2022		China	Taiwan	China	Taiwan	China	Taiwan	Please narrate it in words that the differ of employee training hours in recent years
<b>Average hours of training per employees</b> (Note 1)		8h	12h	8h	9h	7h	9h	
<b>Average hours of training per employees by different gender</b> (Note 2)	Female	6h	13h	8h	8h	6h	8h	
	Male	8h	6h	10h	9h	8h	10h	
<b>Average hours of training per employees by different level</b> (Note 3)	Direct	7h	0	9h	0	7h	0	
	Indirect	10h	12h	12h	9h	7h	9h	
Note 1: Average hours of training per employees : Total hours of training for all employees in current year / Total number of employees in current year Note 2: Average hours of training per female employee: Total hours of training for female employees in current year / Total number of female employees in current year Note 3: Average hours of training per employees by different level: Total hours of training for different level employees in current year / Total number of level employees in current year								

#### Improving employees' ability and helping plan

Type of Assistance	Implement plan and providing assistance type and description
 <b>Improving employees working ability plan</b>	1. Training employee working ability and testing 2. Annual plan of internal audit 3. Extra class 4. Specialty operator training 5. Sports training 6. Laboratory staff training 7. specialized training (trained by manager) 8. Management trainee training
<b>Continuing employee assistance</b> (Retirement or end the labor relations)	Auxiliary worker of packaging and workshop, shop operator, finance and retirement re-employment

Percentage of employees receiving performance regularly and career development reviews

Inspected employees in 2022 (China)		Number of inspected people	Number of employees	Percentage
Gender	Male	777	1,158	67%
	Female	381	1,158	33%
Employee Classified	Direct	835	1,158	72%
	Indirect	323	1,158	28%

Inspected employees in 2022 (Taiwan)		Number of inspected people	Number of employees	Percentage
Gender	Male	4	19	21%
	Female	15	19	79%
Employee Classified	Direct	0	19	0%
	Indirect	19	19	100%

Note: Whether the performance of employees shouldn't include the new employee who hasn't employed for 6 months /1 year.

## 3.2 Occupational Health and Safety

<b>Policy</b>	▶ Enhancing the awareness of employee security
<b>Commitment</b>	▶ Compliance, sustainable developing employee health, Prevention, energy saving, emission reduction, pollution prevention, environmental security, keep improving leadership, organization, employee involvement
<b>Short-term Target</b>	▶ 1. Less than 100 days lost at work 2.No occupational diseases happens
<b>Mid-term and Long-term Target</b>	▶ 1. Major accident happened rate is 0%. 2.No fire incidents with damage exceeding NTD\$130,000
<b>Strategy</b>	▶ Investing Resource: Purchasing Labor protection supplies/ Risk rectification of on-site safety hazards / repair and replacement of on-site equipment and tools / occupational health checkups / training on occupational health and safety practices / testing and maintenance of special equipment, Total NTD\$15 million.  Result: 1.Comply with China local regulation and reduces the cost of operation risk. 2.Protect employees health from work injuries
<b>Responsible Department and Complaint Mechanism</b>	▶ Environment Safety Department and other department/+86-573-8220-3125#111
<b>Assessment Mechanism</b>	▶ 1.Reviewing progress of objective management of environment security meeting. 2.Reviewing annual examining report

### ► 3.2.1 Information of Occupational Health and Safety Management System

#### + Occupational Health and Safety Management Systems

1. With ISO45001 system
2. ISO system has certified by TUV Rheinland (Shanghai) Co., Ltd.

#### + Hazard identification, risk assessment and accident investigation

1. We identified hazards and risk assessment based on "HS01 Hazard source identification, risk assessment and control procedures" and proposing the improving measures.
2. We deal with the work injuries process based on "HSM034 Work Injury Treatment and Management Measures", following the "four don'ts" principle after an accident

#### + Occupational health service

The company has pre-employment, on-the-job and off-the-job occupational health checkups. We arrange occupational health examine for employees exposed to occupational hazards annually in accordance with the requirements of GBZ 188-2014 "Technical Specification for Occupational Health Supervision".

#### + Worker participation, consultants and communication of occupational health

The company holds monthly environmental safety meetings. The environmental safety class will report and learn whether there are any occupational accidents, environmental safety hazards, governmental requirements and the latest laws and regulations in the previous month. Each department encounters problems related to the environment and occupational safety in the course of their work and discusses solutions at the meeting. The meeting is attended by production department supervisors, full-time safety staff and part-time safety staff.

#### + Worker training about occupational health

1. There are three levels of safety education for new employees when they join the company, weekly safety-related morning meetings in each section, regular safety manuals in the Environmental Safety Division, and regular safety training in the department.
2. All training classes are for free.

#### + Promoting workers health

1. Company cares for the mental health and has the health mechanism
2. Company provides occupational health and welfare examines

#### + Prevention from lighten sales-related and direct-related occupational safety and health impact

Holding environment security meeting and directors meeting every month to discuss the major occupational security issue and the solution of it.

### Workers of occupational safety and health system in 2022

Management /Law	Examination Type	Number of People(Days)	Ratio	Note
Occupational Safety and Health Act	Internal Audit	426	37%	
	Labor Examination	426	37%	
ISO 45001	Internal Audit	426	37%	
	Labor Examination	426	37%	

### ► 3.2.2 Information of Occupational Injuries and Diseases

#### Employee — Occupation injuries and disease statistics

Statistics/Year	2020	2021	2022
<b>Total working hours (Note 1)</b>	2,007,662	2,712,760	2,822,833
<b>Fatalities caused by occupational injuries (Note 1)</b>	Number of people	0	0
	Portation	0	0
<b>Serious occupational injuries (Note 2)</b>	Number of people	0	0
	Portation	0	0
<b>Recorded occupational injuries (Note 3)</b>	Number of people	3	9
	Portation	0.298854	0.66353
<b>Occupational disease</b>	Number of people	0	0
	Portation	0	0
<b>Recorded occupational disease (Note 3)</b>	Number of people	0	0
	Portation	0	0

Note 1: Company could self-choose the rate per 200,000 or million hours worked

Note 2: Serious occupational injuries: Serious occupational injuries would cause employees couldn't recover in six month, but the statistics of it should eliminate the number of dead people.

Note 3: Recorded occupational injuries and disease: Occupational injuries or illnesses resulting from any of the following conditions, such as death, absence from work, work restriction or change of job, exceeding emergency medical treatment, or loss of consciousness, or major injuries or illnesses diagnosed by a physician or other licensed health care professional (even if it wouldn't cause to death, leaving work, work restricted or changing jobs, emergency medical treatment, or losing consciousness), but the statistics should include the number of dead people; it should estate if minor injuries (work-related injuries resolved by first aid at the scene) are excluded or included.

**Occupation injuries and disease type statistics**

Type/Year	2020	2021	2022	Hazards and Improvements	
<b>Occupational injuries type</b>	Fall injury	1	2	3	Hazards: Employees injury  Improvements: Improving employee education training and following the operation instruction strictly
	Crush injury	2	6	10	
	Scald	0	0	1	
	Cut	0	1	0	
<b>Occupational disease type</b>	Overworked	0	0	0	

► **3.2.3 Related Information of frequency of working injury, occupational diseases, lost days rate, absence hours and fatal accidents.**

**Frequency, occupational diseases, lost days rate, absence hours and fatal accidents.**

Project			2020		2021		2022	
<b>Injury Rate (IR) / Disabling Frequency Rate (FR)</b>	Gender	Male	0.298854	1.49427	0.66353	2.94902	0.99191	4.95955
		Female	0	0	0.073724	0.36862	0	0
<b>Occupational Disease Rate (ODR)</b>	Gender	Male	0		0		0	
		Female	0		0		0	
<b>Lost Day Rate(LDR)/ Disabling Severity Rate (SR)</b>	Gender	Male	9.6629	48.3149	11.5012	57.506	30.890952	154.45476
		Female	0	0	3.317654	16.58827	0	0
<b>Absence Rate (AR)</b>	Gender	Male	3040.35	/	4153.41	/	5256.00	/
		Female	1346.84	/	1510.49	/	1635.24	/
<b>Total numbers of fatal accidents</b>	Gender	Male	0	/	0	/	0	/
		Female	0	/	0	/	0	/

- Injury Rate(IR)= (Total number of injuries/ Total working hours of all staff)× 200,000  
Disabling Frequency Rate (FR) = (Total number of disabling frequency / Total working hours of all staff)×1,000,000
- Occupational Disease Rate (ODR) = (Total number of occupational disease/ Total working hours of all staff)×200,000
- Lost Day Rate(LDR)=(Total days of lost days / Total working hours of all staff) × 200,000  
Disabling Severity Rate (SR) =(Total days of disabling severity / Total working hours of all staff)×1,000,000
- Absence Rate (AR) = (Total days of absence / Total working days of all staff) ×200,000

Note 1: The definition of absence is when the employee discharge due to incapacity for work. Including sick leaves(work injury, occupational disease, regular sick leave and menstruation leave) and personal leave but leave that unapproved, maternity leave and bereavement leave.

Note 2: Description of if minor injuries (work injuries resolved by first aid at the scene) should be eliminated or included.

**Occupational Injury Type(China)**

Occupational Injury			2020	2021	2022
<b>Traffic Accident</b>	Gender	Male	0	0	0
		Female	0	0	0
<b>Cutting</b>	Gender	Male	0	1	0
		Female	0	0	0
<b>Falling</b>	Gender	Male	1	1	3
		Female	0	1	0
<b>Scald</b>	Gender	Male	0	0	1
		Female	0	0	0
<b>Crushing, Bullet wound</b>	Gender	Male	2	6	10
		Female	0	0	0



### 3.3 Employers-employee Relations

<b>Policy</b>	▶ Employees are the foundation of an enterprise's organizational structure. The company attaches great importance to the partnership between employees and the company, and working together to create a friendly labor-employer relationship through a harmonious and solid foundation between employers and employees, in order to reduce labor risks and implement sustainable operations.
<b>Commitment</b>	▶ Employees are the company's greatest asset. In order to take into account the rights and interests of employees and promote labor relation coordination, we hold regular labor relation meetings and establish a good communication mechanism to achieve its harmony.
<b>Short-term Target</b>	▶ <ol style="list-style-type: none"> <li>1. Holding labor relation meeting (union): once a year</li> <li>2. Holding employee welfare committee: 3 times a year</li> <li>3. Complaint case: 0</li> <li>4. Sexual harassment prevention case: 0</li> <li>5. Reporting unethical behavior: 0</li> </ol>
<b>Mid-term and Long-term Target</b>	▶ <ol style="list-style-type: none"> <li>1. Holding labor relation meeting and employee welfare committee</li> <li>2. Investigation of complaints and sexual harassment prevention issues</li> <li>3. Major labor issue and related violation</li> <li>4. Pass examination system of bilateral communicate</li> <li>5. Employee satisfaction survey</li> </ol>
<b>Strategy</b>	▶ <ol style="list-style-type: none"> <li>1. Investing Resource <ol style="list-style-type: none"> <li>(1) Holding labor relation meeting regularly to discuss labor issue and promoting its harmony</li> <li>(2) Giving provident fund to benefit committee and other department regularly every year</li> </ol> </li> <li>2. Result <ol style="list-style-type: none"> <li>(1) Company trip, department banquet</li> <li>(2) Increasing salary</li> <li>(3) Year-end party</li> <li>(4) Company benefit policy</li> <li>(5) Social activity</li> <li>(6) Additional medical insurance</li> </ol> </li> </ol>
<b>Responsible Department and Complaint Mechanism</b>	▶ Management Department/E-mail : hr@tongming.com.cn
<b>Assessment Mechanism</b>	▶ <ol style="list-style-type: none"> <li>1. Holding (labor relations, employee welfare committee) meeting assessment</li> <li>2. Entity and complaining email</li> <li>3. Report to manager directly</li> </ol>

#### ▶ 3.3.1 Information of Employee

##### Full-time employees

Statistics/Year		2020		2021		2022	
<b>Number of employees</b> (Note 1)		977		1146		1158	
<b>Employment contract</b> (Note 2)		Non-fixed	Fixed	Non-fixed	Fixed	Non-fixed	Fixed
<b>Gender</b>	Male	557	77	625	150	706	71
	Female	300	43	331	40	350	31
<b>Region</b>	Taiwan	0	0	0	0	0	0
	China	857	120	956	190	1056	102
<b>Employment type</b> (Note 3)		Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<b>Gender</b>	Male	567	67	654	121	716	61
	Female	324	19	345	26	369	12
<b>Region</b>	Taiwan	21	1	18	2	17	2
	China	891	86	999	147	1085	73

Note 1: Based on the total number of workers at the end of the year (12/31).  
 Note 2: Employment contract can be put into two categories: Indefinite contract employees(Full-time) and fixed term contract employees(temporary, short-term, seasonal and special).  
 Note 3: Employment type can be put two categories: full-time employee(The working hours per week reaches the maximum of legal working hours) and part-time employee(Workers whose weekly working hours do not reach the maximum of legal working hours and who work only part of the working hours, e.g., work-study students and hourly-rated workers)  
 Note 4: Employees without guaranteed hours: Employees who are not guaranteed a minimum or fixed hours by the company might be required to be available for work at the request of the company, but the company is not contractually obligated to provide such employees with a minimum or fixed hours of work per day, week, or month. Temporary employees, non-hours employees contracts, and on-call employees fall into this category. If the company does not have this type of employee, it may not be disclosed.

##### The ratio of female employees of all employees

Statistics/Year	Female Employees	All Employees
<b>Total</b>	381	1158
<b>Proportion</b>	32.90%	-

##### The ratio of female senior executive of all employees

Statistics/Year	Female Senior Executive	All Senior Executive
<b>Total</b>	12	32
<b>Proportion</b>	37.50%	-

Note 1: Report the number of directors to Financial Supervisory Commission  
 Note 2: The company could define the level of "Executive" by itself, such as, Manager or above, Director or above; Principal level (or above).

### Non-employee Workers

Statistics/Year		2020		2021		2022	
<b>Total number of workers(Note 1)</b>		63		125		43	
<b>Contract Type</b>		Dispatch	Others	Dispatch	Others	Dispatch	Others
<b>Gender</b>	Male	52	0	119	0	43	0
	Female	11	0	6	0	0	0
<b>Region</b>	Taiwan	0	0	0	0	0	0
	China	63	0	125	0	43	0
<b>Working Type</b>		Technician / Operator	Technical Adviser	Technician / Operator	Technical Adviser	Technician / Operator	Technical Adviser
<b>Gender</b>	Male	52	0	119	0	43	0
	Female	11	0	6	0	0	0
<b>Region</b>	Taiwan	0	0	0	0	0	0
	China	63	0	125	0	43	0

Note 1: Based on the total number of workers at the end of the year (12/31).

Note 2: If more than 30% of the company's business activities are carried by workers not from the company (e.g., dispatched workers, contractors), please describes the content and scale of the workers.

### New and Departed Employees

New and Departed Employee Statistics / Year		2020		2021		2022		Different changes of the number of staff at the same level in past three years
		Total (People)	Proportion (Note)	Total (People)	Proportion (Note)	Total (People)	Proportion (Note)	
<b>New employees</b>								
<b>Age</b>	Under 30	217	36%	393	41%	333	43%	The reason of number of new employee has changed:
	Over 30, under 50	323	53%	545	56%	412	53%	
	Over 50	70	11%	30	3%	27	4%	
<b>Gender</b>	Male	392	64%	757	78%	589	76%	
	Female	218	36%	211	22%	183	24%	
<b>Educational Qualifications</b>	Graduate School	0	0	0	0	0	0	
	Institution of Higher Education	109	18%	97	10%	84	11%	
	Others	501	82%	871	90%	688	89%	
<b>Region</b>	Taiwan	2	0.00%	2	0%	2	0.00%	
	China	608	100%	966	100%	770	100%	
<b>Departed employees</b>								
<b>Age</b>	Under 30	171	33%	326	41%	306	44%	The reason of number of departed employee has changed:
	Over 30, under 50	281	54%	454	57%	369	53%	
	Over 50	68	13%	22	2%	23	3%	
<b>Gender</b>	Male	328	63%	622	78%	539	77%	
	Female	192	37%	180	22%	159	23%	
<b>Educational Qualifications</b>	Graduate School	0	0	0	0	0	0	
	Institution of Higher Education	89	17%	84	10%	73	10%	
	Other	431	83%	718	90%	625	90%	
<b>Region</b>	Taiwan	1	0.00%	4	0%	2	0.00%	
	China	519	100%	798	100%	696	100%	

Note: New Workers Rate= (Total number of new employees in particular level in present year / Total number of employees in particular level in present year) \*100% .

For example, Female New Workers Rate= (Total number of new female employees in particular level in present year / Total number of female employees in particular level in present year) \*100% .

Turnover Rates= (Total number of new employees in particular level in present year / Total number of employees in particular level in present year) \*100% .

For example, Turnover rate of employee under 30 year-old= (Total number of turnover rate of employee under 30 year-old / Total number of turnover rate of employee under 30 year-old at the end of year) \*100% .

### ▶ 3.3.2 Employee Benefits

Salary of non-supervisory full-time employees Unit: People/ NTD\$ Thousand

Non-supervisory full-time employees	The number of employee	Average annual salary	Average median annual salary
2021(Taiwan)	9	572,380	624,760
2021(China)	1115	424,456	419,491
2022(Taiwan)	8	629,106	764,822
2022(China)	1126	390,115	346,107

#### Full-time Employee Benefits

Benefit Items	Full-time Employee	
	Main Operating Site (Taiwan)	Main Operating Site (China)
Group Life Accident Insurance	✓	✓
Marriage/ Funeral Subsidy	✓	✓
Holiday Bonus	✓	✓
Year-end Bonuses	✓	✓
Regular Physical Check-up	✓	✓

### ▶ 3.3.3 Parental leave

Employee's Parent Leave/Year (China)	Gender	Statistic		
		2020	2021	2022
The number of employee who have parent leave.	Male	12	21	13
	Female	8	15	12
The number of employee who applied parent leave.	Male	12	21	13
	Female	8	15	12
The number of employee who go back to work after parent leaves (A)	Male	12	21	13
	Female	8	15	12
The number of employee who actual go back to work after parent leaves (B) (included early resumption of duty)	Male	12	21	13
	Female	8	15	11
Reinstatement Rate (B/A)	Male	100%	100%	100%
	Female	100%	100%	92%
The number of employees who had completed their parent leave in the last year and were still in service in 12 months after reinstatement (C)	Male	12	21	12
	Female	8	15	11
Retained Rate (C/Previous Year B)	Male	100%	100%	92%
	Female	100%	100%	100%

Note 1: The number of employee who could have parent is based on the number of employee who applied parent and paternity leaves in these 3 years.

Note 2: Reinstatement rate = (Total number of staff actually reinstated in the year / Total number of staff to be reinstated in the year) \*100%

Note 3: Retained Rate= (Total number of employees still in service 12 months after reinstatement in the previous year / The number of persons actual reinstated in the previous year) \*100%

Retained Rate= (Total number of employees still in service 12 months after reinstatement in the previous year / The number of persons actual reinstated in the previous year) \*100%

Employee's Parent Leave/Year (Taiwan)	Gender	Statistic		
		2020	2021	2022
The number of employee who have parent leave.	Male	0	0	0
	Female	1	0	2
The number of employee who applied parent leave.	Male	0	0	0
	Female	0	0	0
The number of employee who go back to work after parent leaves (A)	Male	0	0	0
	Female	0	0	0
The number of employee who actual go back to work after parent leaves (B) (included early resumption of duty)	Male	0	0	0
	Female	0	0	0
Reinstatement Rate (B/A)	Male	0	0	0
	Female	0	0	0
The number of employees who had completed their parent leave in the last year and were still in service in 12 months after reinstatement (C)	Male	0	0	0
	Female	0	0	0
Retained Rate (C/Previous Year B)	Male	0	0	0
	Female	0	0	0

Note 1: The number of employee who could have parent is based on the number of employee who applied parent and paternity leaves in these 3 years.  
 Note 2: Reinstatement rate = (Total number of staff actually reinstated in the year / Total number of staff to be reinstated in the year) \*100%  
 Note 3: Retained Rate= (Total number of employees still in service 12 months after reinstatement in the previous year / The number of persons actual reinstated in the previous year) \*100%

## 3.4 Social Participation (Additional)

### ► 3.4.1 Social Charity

+ In 19<sup>th</sup>, Jan, 2022, the Tong Ming Community Chest went to the Fairview Community on Tonghui Street and the Sunshine Community on Jiabei Street to console the poor residents in the community, caring them and giving them love.



+ In 28<sup>th</sup>, Jan, 2022, we assisted JiaXing Sunshie society to hold "Happy Tiger New Year, Welcome the Chinese New Year" new-year activity and sponsored it. Inviting migrant workers from the community to stay in JiaXing for the Lunar New Year, we hope to create a caring and joyful festive atmosphere for the residents who stayed in Jiaxing for the Lunar New Year.



+ In March, 5<sup>th</sup>, 2022, we did the children caring activities in Xiuzhou Distinct for those children who could feel the caring and love from the society. The volunteers and social workers of Tong Ming Charity”of Zhejiang Tong Ming, they walked into 2 poor children household, giving them a caring accompany. The volunteers of Tong Ming Charity send children clean gift pack, tried to know their situation and encouraged them to be optimistic and brave, learning how to fix the problems, staying in healthy and having an optimistic and brave life idea. The volunteers of Tong Ming Charity and social workers told children a funny and living story, taking them to learn “7 steps to wash hands.” Children started to learn the right way to brush teeth and wash hands, and having a healthy life habit.



+ TongMing has rewarded by The Red Cross Society of The Republic of China Bronze Award in April, 2022. For the past many years, Zhejiang TongMing donated to charity of The Red Cross Society, helping the poor students and old people has no family to improved their lives. Acting the action of charity and loving the society development with whole heart.2



+ Zhejiang Women and Children’s Foundation issued donated certification on Step, 1<sup>st</sup>, 2022 to thanks Zhejiang Tong Ming’s caring and supporting to “Renew Paradise” charity project.  
”Renew Paradise” dedicated to helping children from low-income families in rural areas suffer from poor learning and living environments and a lack of care and concern, and the program takes environmental improvement as an entry point to help children in difficult circumstances grow up healthily.



### ► 3.4.2 Environment Charity

+ March, 12<sup>th</sup>, 2022 is the International Arbor Day. For the purpose of letting children can get closer to the nature, planting green plants, chasing dreams and increasing their awareness of green and beautify environment.



► 3.4.3 Cultural Activities

+ In order to give the employees a better spare time cultural life, building a chilling working atmosphere surrounding, our HR department held “King Pro League” competition in Aug, 27<sup>th</sup>, 2022. We received the positive response from the staff at once due to this competition.



Appendix A: GRI Content Index

Usage Statement	Tong Ming Enterprise Co., Ltd has followed GRI Standard content reported from Jan, 1st , 2022 to Dec, 31st , 2022.					
Used GRI 1	GRI 1: Foundation 2021					
Applicable GRI Standards	Self-select from the published GRI industry standard headings (GRI 11 to GRI 54) to apply. such as GRI 11: Oil and Gas Sector 2021					
Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
<b>GRI 2: General Disclosures 2021</b>						
The organization and its reporting practices	2-1	Organizational details	1.1.1 Organization	21		
	2-2	Entities included in the organization's sustainability reporting	Report Disclosure Period and Scope	4		
	2-3	Reporting period, frequency and contact point	Releasing Frequency	4		
	2-4	Restatements of information	Releasing Frequency	4		
	2-5	External assurance	Releasing Frequency	4		
Activities and workers	2-6	Activities, value chain and other business relationships	1.1.2 Organizational activities, Value chain	22		
	2-7	Employees	3.3.1 Information of Employee	78		
	2-8	Workers who are not employees	3.3.1 Information of Employee	78		

Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
Governance	2-9	Governance structure and composition	1.2 Corporate Governance	28		
	2-10	Nomination and selection of the highest governance body	1.2 Corporate Governance	28		
	2-11	Chair of the highest governance body	1.2.3 Relevant Board Issues	31		
	2-12	Role of the highest governance body in overseeing the management of impacts	1.2.3 Relevant Board Issues	31		
	2-13	Delegation of responsibility for managing impacts	1.2.6 ESG Committee	43		
	2-14	Role of the highest governance body in sustainability reporting	1.2.6 ESG Committee	43		
	2-15	Conflicts of interest	1.2.3 Relevant Board Issues	31		
	2-16	Communication of critical concerns	1.2.3 Relevant Board Issues	31		
	2-17	Collective knowledge of the highest governance body	1.2.3 Relevant Board Issues	31		
	2-18	Evaluation of the performance of the highest governance body	1.2.2 Board of Directors Performance Evaluation	30		
	2-19	Remuneration polices	1.2.3 Relevant Board Issues	31		
	2-20	Annual total compensation ratio	1.2.3 Relevant Board Issues	31		
	2-21	Annual total compensation ratio	1.2.3 Relevant Board Issues	31		

Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Letter from Operator	3		
	2-23	Policy commitments	1.2.3 Relevant Board Issues 1.2.5 Policy Commitment	31 42		
	2-24	Embedding policy commitments	1.2.5 Policy Commitment	42		
	2-25	Processes to remediate negative impacts	1.2.3 Relevant Board Issues	31		
	2-26	Mechanisms for seeking advice and raising concerns	1.2.3 Relevant Board Issues	31		
	2-27	Compliance with laws and regulations	1.6.1 Violation	50		
	2-28	Membership associations	1.1.4 Participation in external organizations	26		
	Stakeholder engagement	2-29	Approach to stakeholder engagement	Main stakeholder communication	7	
2-30		Collective bargaining agreements	1.2.7 Group Agreement	44		
GRI Standard titles		International standards have not yet been disclosed	1.10 Industry Standards (Iron and Steel Industry)	56		
<b>GRI 3: Material Topics 2021</b>						
Material Topics	3-1	Process to determine material topics	Identify Material Topics	13		
	3-2	List of material topics	Identify Material Topics	13		
<b>Economy</b>						
<b>Economic Performance</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.4 Operation Performance	46		

Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	1.4.1 Direct Economic Value Generated and Distributed	47		
	201-2	Financial implications and other risks and opportunities due to climate change	Appendix C: Climate	97		
	201-3	Defined benefit plan obligations and other retirement plans	1.4.2 Benefit Plan Obligations and Other Retirement Plans	47		
	201-4	Financial assistance received from government	1.4.3 Financial Assistance Received from Government	47		
<b>Procurement Practices</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.3 Procurement Practices	45		
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	1.3.1 Proportion of Spending on Local Suppliers	45		
<b>Market Presence</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.5 Market Presence	48		
GRI 202: Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	1.5.1 Ratios of standard entry level wage by gender compared to local minimum wage	49		
	202-2	Proportion of senior management hired from the local community	1.5.2 Proportion of senior management hired from the local community	49		
<b>Regulation Compliance</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	1.6 Regulation Compliance (Self-decided Topic)	50		

Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
<b>Information Protection (Additional)</b>						
Non-Material Topics		Non-Management of Material Topics	1.7 Information Protection (Additional)	51		
<b>Environment</b>						
<b>Water and Effluents</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	2.3 Water and Effluents	64		
GRI 303: Water and Effluents 2018 Management	303-1	Interactions with water as a shared resource	2.3.1 Relevant Information of Water Resources	64		
	303-2	Management of water discharge-related impacts	2.3.1 Relevant Information of Water Resources	64		
GRI 303: Water and Effluents 2018	303-3	Water withdrawal	2.3.1 Relevant Information of Water Resources	64		
	303-4	Water discharge	2.3.1 Relevant Information of Water Resources	64		
	303-5	Water consumption	2.3.1 Relevant Information of Water Resources	64		
<b>Emission</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	2.1 Emission	59		
GRI 305: Emission 2016	305-1	Direct (Scope 1) GHG emissions	2.1.1 Relevant Information of Carbon Emission	60		
	305-2	Energy indirect (Scope 2) GHG emissions	2.1.1 Relevant Information of Carbon Emission	60		
	305-3	Other indirect (Scope 3) GHG emissions	2.1.1 Relevant Information of Carbon Emission	60		
	305-4	GHG emissions intensity	2.1.1 Relevant Information of Carbon Emission	60		
	305-5	Reduction of GHG emissions	2.1.1 Relevant Information of Carbon Emission	60		
	305-6	Emissions of ozone-depleting substances (ODS)	2.1.1 Relevant Information of Carbon Emission	60		
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	2.1.1 Relevant Information of Carbon Emission	60		



Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
<b>Waste</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	2.2 Waste Management	62		
GRI 306: Waste 2020 Management	306-1	Waste generation and significant waste-related impacts	2.2.1 Relevant Information of Waste	62		
	306-2	Management of significant waste-related impacts	2.2.1 Relevant Information of Waste	62		
GRI 306: Waste 2020	306-3	Waste generated	2.2.1 Relevant Information of Waste	62		
	306-4	Waste diverted from disposal	2.2.1 Relevant Information of Waste	62		
	306-5	Waste directed to disposal	2.2.1 Relevant Information of Waste	62		
<b>Society</b>						
<b>Employers-employee Relations</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.3 Employers-employee Relations	77		
GRI 401 : Employment 2016	Employers-employee Relations	New Employee hires and employee turnover	3.3.1 Information of Employee	78		
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.3.2 Employee Benefits	81		
	401-3	Parental leave	3.3.3 Parental leave	82		
	Salary	The number of full-time employees who are not in supervisory positions, the average and median salary of full-time employees who are not in supervisory positions, and the difference between the first three items and the previous year should be disclosed.	3.3.2 Employee Benefits	81		
<b>Occupational Health and Safety</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.2 Occupational Health and Safety	72		

Topic	Reveled Project	Project Description	Chapter	Page	Reasons for omission/ Required explanation	GRI Sector Standard REF. No.
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-2	Hazard identification, risk assessment, and incident investigation	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-3	Occupational health services	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-5	Worker training on occupational health and safety	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-6	Promotion of worker health	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.2.1 Information of Occupational Health and Safety Management System	73		
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety impacts directly linked by business relationships	3.2.1 Information of Occupational Health and Safety Management System	73		
	403-9	Work-related injuries	3.2.2 Information of Occupational Injuries and Diseases	74		
	403-10	Occupational Diseases	3.2.2 Information of Occupational Injuries and Diseases	74		
<b>Training and Education</b>						
GRI 3: Material Topics 2021	3-3	Management of Material Topics	3.1 Training and Education (specialist education)	69		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	3.1.1 Training and education related information	70		
	404-2	Programs for upgrading employee skills and transition assistance programs	3.1.1 Training and education related information	70		
	404-3	Percentage of employees receiving regular performance and career development reviews	3.1.1 Training and education related information	70		
<b>Social Participation (additional)</b>						
Non-Material Topic		Management of Non-Material Topic	3.4 Social Participation (additional)	84		






Applied to GRI Standards, the Company defines not in material topics.	
GRI Standards Titles (Optional)	
Topic	Explanation
GRI 203: Indirect Economic Impacts	N/A(This issue has been covered in the context of economic performance.)
GRI 205: Anti-corruption	N/A(Not included in the material topic through the material topic assessment questionnaire.)
GRI 206: Anti-competitive Behavior	N/A(Not included in the material topic through the material topic assessment questionnaire.)
GRI 207: Tax	N/A(Not included in the material topic through the material topic assessment questionnaire.)
GRI 301: Materials	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 304: Biodiversity	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 308: Supplier Environmental Assessment	N/A(Not included in the material topic through the material topic assessment questionnaire.)
GRI 402: Labor/Management Relations	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 405: Diversity and Equal Opportunity	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 406: Non-discrimination	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 407: Freedom of Association and Collective Bargaining	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 408: Child Labor	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 409: Forced or Compulsory Labor	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 410: Security Practices	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 411: Rights of Indigenous Peoples	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 413: Local Communities	N/A(This issue has been covered in the context of economic performance.)
GRI 414: Supplier Social Assessment	N/A(Not included in the material topic through the material topic assessment questionnaire.)
GRI 415: Public Policy	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 416: Customer Health and Safety	N/A(With reference to the disclosure of the industry and the Company's internal assessment)
GRI 417: Marketing and Labeling	N/A(Not included in the material topic through the material topic assessment questionnaire.)
GRI 418: Customer Privacy	N/A(With reference to the disclosure of the industry and the Company's internal assessment)

## Appendix B: SDGS(Sustainable Development Goals)

### ► Sustainable Development Goals

Sustainable Development Goals (SDGs) were published by the United Nations in 2015, which provided 17 sustainable development goals and 169 targets. It's the SDGS guideline as the members and global enterprises following before 2030.

Tong Ming takes SDGS into company's operating strategy, which makes company's the thinking model that focus on economic performance expanding to environment, other regulation compliance, raising benefits, eliminating unequal conditions in the workplace, mitigating greenhouse gases, and improving workplace benefits. Tong Ming will continue to contribute to the goal of sustainable development and fulfill its corporate social responsibility in the future.

SDGs	Detailed Targets	Responses from Tong Ming
	<ul style="list-style-type: none"> <li>1.4 Ensuring every male and female, especially the poverty and disadvantaged group have fair rights and acquiring rights on economy before 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Providing the salary that better than statutory wage and complete benefit, making employee can work with dignity. Improving personal and family economic life.</li> <li>Adjusting the wage of employees according to company's profit statue, enhancing our team building.</li> </ul>
	<ul style="list-style-type: none"> <li>4.5 Eradicating education divide and ensuring the disadvantaged group have every level-educated and job training, included disabled people, natives and vulnerable children before 2030.</li> </ul>	<ul style="list-style-type: none"> <li>Arranging employee to job training according to their occupation and ensuring everyone have the chance.</li> </ul>
	<ul style="list-style-type: none"> <li>5.1 Eradicating all the discrimination of women.</li> <li>5.4 Recognize and value women's unpaid family care and domestic work through social protection policies.</li> </ul>	<ul style="list-style-type: none"> <li>Do not take the gender factor as the employee hired and promotion.</li> <li>Providing male or female have the right to take parent leaves.</li> </ul>
	<ul style="list-style-type: none"> <li>8.5 Accomplishing a full productive employment. Make everyone, included young people and the disadvantaged can have a good job and realizing equal pay for equal work before 2030.</li> <li>8.8 Protect employee's right and promoting the safety of working environment, especially women and workers who do the dangerous work.</li> </ul>	<ul style="list-style-type: none"> <li>Do not take the gender factor as the employee hired and promotion.</li> <li>Adjusting the wage of employees according to company's profit statue, enhancing our team building.</li> <li>Female employees can adjust the work content by law, lighting the workload. Protect our female employees.</li> </ul>
	<ul style="list-style-type: none"> <li>13.3 Under the circumstance of the that risk reduction, adaptation, impact mitigation and early warning of climate change, we improved our education system, raising our awareness to improve ability addressing the challenges</li> </ul>	<ul style="list-style-type: none"> <li>Controlling GHG emission, reducing the negative aspect of climate change.</li> <li>Doing the waste classified management and deal the waste by the professional company.</li> </ul>

## Appendix C: Climate

Item	Content	Response
1	Describing the related risks and chance of supervisory and governance of the Board of Director and Management.	<ol style="list-style-type: none"> <li>Reporting ESG Annual Plan to the Board of Director in 2022 and set up ESG Committee in 2023. The director as the contact and the vice president as the chairman. The working content includes sustainable environment, corporate governance, society responsibility, sincerity managing, risk management, training talented and information security.</li> <li>“ESG Committee” reports annual plan and operating performance to the Board of Directors.</li> </ol>
2	Identifying climate risks and chances that how to impact enterprise’s business, strategy and finance (short-term, mid-term, long-term).	<ol style="list-style-type: none"> <li>Sales/Strategy:               <ol style="list-style-type: none"> <li>Short-term: Striving for the European market in the current trend.</li> <li>Mid and long-term: Providing supply and demand structure changes the product and service mechanism, and affects the procurement strategy.</li> </ol> </li> <li>Finance:               <ol style="list-style-type: none"> <li>Short-term: It might increase the operating cost which would change the policy.</li> <li>Mid and long-term: According to the government laws, causing the market need has been changed which in order to obtain the best sales advantage in the future.</li> </ol> </li> </ol>
3	Description of extreme climate issue and the impact of transition to finance.	<p>Extreme Climate Issue: It might affect human productive operating or supply chain(material).</p> <p>Transition Action: We support low-carbon in the future. Now we have improved technical, product innovative and Green power supply(solar energy/steam heating)</p>
4	Description of identify the climate risk, assessment and management process and how to integrate into its risk management system.	<ol style="list-style-type: none"> <li>Regularly monitor relevant international/government laws and regulations to understand potential significant risks as a reference for the Company's operational decisions.</li> <li>Having the regularly meeting and report its progress.</li> </ol>
5	If scenario analysis is used to assess the resilience to climate change risk, the scenarios, parameters, assumptions, analytical factors, and key financial impacts should be described.	<ol style="list-style-type: none"> <li>minor situation: The global warming has partially been under control.</li> <li>Serious situation: If it cannot control the global warming it might caused extreme climate, which would raise the disaster risk.</li> <li>The related fee of carbon might impact of company’s profit.</li> </ol>

Item	Content	Response
6	If there is a transition plan for managing climate-related risks, it should describe the plan and the metrics and objectives used to identify and manage entity and transition risks.	<ol style="list-style-type: none"> <li>Action: Keep following international regulations and related information of climate that published by government.</li> <li>Entity risk: Depending on the unusual weather conditions, the responsible unit will conduct preparations for the operation, carry out countermeasures, and confirm the inspections.</li> </ol>
7	If used internal carbon pricing as planning tools, the price setting basic should be described.	The Company hasn’t made the internal carbon pricing system yet, we’ll wait the international and government regulations, and keep following up.
8	If set the climate-related targets, information of activities, the scope of greenhouse gas emissions, the planning schedule, and the annual progress should be provided; If used carbon offset or Renewable Energy Certificates (RECs) to achieve related goals, the source and amount of carbon offset or Renewable Energy Certificates (RECs) to be offset should be specified.	<p>Short-term target: GHG emission amount that the unit could produce has reduced 1~2%.</p> <p>Mid-term target: GHG emission amount that the unit could produce has reduced less than 5~10%.</p> <p>Long-term target: Assume taking carbon neutrality as target.</p>
9	GHGs inventory and confirmation	16,037 tons in 2022(Category1+2)

### ► 1-1 GHGs Inventory and Confirmation

Table Description:

- Company can do GHGs inventory by following standards:
  - Greenhouse Gas Protocol, GHG Protocol
  - ISO 14064-1 published by International Organization for Standardization, ISO.
- Confirmed institutions should conform to the sustainable report confirmed the relevant requirements by Taiwan Stock Exchange and Center of Taipei Exchange.
- The subsidiary could report individual, aggregated (e.g., by country, by region), or combined (Note 1)
- The intensity of GHG emissions can be calculated per unit of product/service or turnover. Its revenues (in thousands of New Taiwan Dollars) should be disclosed, at least (Note 2).
- The percentage of total emission generated by operating sites or subsidiaries not included in the inventory calculation shouldn’t higher 5%. The total emissions mentioned above are the emissions calculated according to the mandatory inventory scope as specified in the instructions for filling out the Table 1.
- The Confirmation should come from confirmed institution and report the confirmed report (Note 3).

### The Company Profile

- Companies with capitalization of more than \$10 billion, iron and steel industry, cement industry
- Companies with capitalization of more than \$5 billion but less than \$10 billion
- Companies with capitalization of less than \$5 billion

### According to the listed companies sustainable development, at least should disclose

- Parent company individual inventory
- Integrated financial report of subsidiary inventory
- Confirmed parent company
- Integrated financial report of confirmed subsidiary

Scope 1	Total Emission (Tons CO2e)	Intensity (Tons CO2e/thousand dollar)(Note 2)	Confirmed Institution	Confirmed Situations (Note 3)
Parent company (integrates subsidiary)	1,486	0.013240	None	None
Total				
Scope 2	Total Emission (Tons CO2e)	Intensity (Tons CO2e/thousand dollar)(Note 2)	Confirmed Institution	Confirmed Situations (Note 3)
Parent company (integrates subsidiary)	14,549	0.129632	None	None
Total				
Scope 3 (self- revealed)	N/A	N/A	None	None

(Amendation)

1.Additions to the table.

2.In order to improve information revelation of climate change and other related issue, it request listed company to disclosure the related-information of climate change.

## Appendix D: Sustainability Indicator of Corporate Governance

### ► Appendix 1-6 Index of disclosure sustainable — iron industry

Number	Index	Index Type	Revealed Situations in 2022	Unit	Note
1	Total consumption, percentage of purchased power, renewable energy and self-generated energy consumption. (Note 1)	Quantify	Total diesel, gasoline and power (1) 148070 Billion Joule (2) 85.88% (3) 97.52%, 20903 billion Joule	Billion Joule, Percentage(%)	
2	Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuel.	Quantify	(1) Liquefied petroleum gas and natural gas, total 585,777 cubic meters (2) 0 (3) 100% (4) 0%	Kilostere (m <sup>3</sup> ) Percentage(%)	
3	Total water withdrawal and water consumption	Quantify	(1) Water withdrawal 172976 cubic meters. (2) Water consumption 75995 cubic meters.	Kilostere (m <sup>3</sup> )	
4	The weight of waste, percentage of hazardous waste and cycle produced	Quantify	(1) 2337 tons (2) 100 % (3) 0 %	Tons (t), Percentage(%)	
5	Occupational Accident Number and Ratio	Quantify	0 % / 1158 people	Ratio(%), Number	
6	The production categorized by the product category	Quantify	Stainless Steel Fasteners: 77,751 tons Stainless Steel Wire: 34,482 tons	It could be different by product category.	

1. Total consumption, percentage of purchased power, renewable energy and self-generated energy consumption in 2022. (Note 1)				
Item	Consumption	Purchased Power	Renewable Energy	Self-generated Energy Consumption
Actual Condition	148070	127163	20903	20903
Percentage	100%	85.88%	14.12%	14.12%

Unit: Billion Joule, Percentage(%)

2. Total fuel consumption, percentage of coal, percentage of natural gas, and percentage of renewable fuel in 2022.				
Item	Total Fuel Consumption	Percentage of Coal	Percentage of Natural Gas	Percentage of Renewable Fuel
Actual Condition	585777	Unused	100%	Unused
Percentage	100%	Unused	100%	Unused

Unit: Billion Joule, Percentage(%)

3. Total water withdrawal and water consumption in 2022.		
Item	Total Water Withdrawal	Total Water Consumption
Actual Condition	172976	75995
Percentage	100%	100%

Unit: Kilostere (m<sup>3</sup>) Note: Producing equipments ( 13 annealing furnace) use 8 cooling tower to cool down. The difference is the amount of evaporated water.

4. The weight of waste, percentage of hazardous waste and cycle produced in 2022			
Item	Generated waste weight and percentage(hazardous and non-hazardous)	Generated waste weight and percentage	Generated waste cycled and percentage
Actual Condition	2337	2264	0
Percentage	100%	96.87%	0%

Unit: Tons (t), Percentage (%)

5. Occupational Accident Number and Ratio in 2022.	
Item	Occupational Accident/Ratio
Actual Condition	0
Percentage	0%
Number of people in factory	1158

Unit: Ratio (%), Amount

6. The production categorized by the product category in 2022.		
Item	Stainless Steel Fasteners - Production	Stainless Steel Draw Wire - Production
Actual Condition	77,751	34,482
Percentage	69%	31%

Noted: It could be different due to product category





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