

Sino-American Silicon Products Inc.
2023 Status of Promotion of Sustainable Development

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
I. Has the Company established a governance framework to promote sustainable development and a dedicated department (or have another department be responsible for related efforts) for fulfilling sustainable development, with the board of directors authorizing high-level managers to handle such efforts, and having relevant progress be supervised by the board of directors?	V		<p>The Company has established the “Corporate Sustainability Development Committee” in 2016 as the highest-level corporate social responsibility implementation organization for the Company. The Chairperson of the committee was originally held by the president, but was switched to the Chairperson of the board since June 2020 due to organizational changes. The committee members comprised of department heads in order to coordinate the development direction of the Company's corporate social responsibility and sustainability goals. To align with international development trends and the high level of attention paid to ESG issues, the Company renamed its sustainability organization the “ESG Committee,” which shall be chaired by the Chairperson of the Board of Directors, to facilitate deeper promotion and implementation of sustainability goals.</p> <p>The ESG Committee is the highest governing body overseeing the management and supervision of sustainability practices within SAS. To promote the activities at the environmental aspect, community aspect, and governance aspect, the ESG Committee has set up professional committees (incorporated as needed). Promotion committees are established in the early stage of project implementation to achieve short-term goals. The Company has established two promotion committees as needed, namely the Greenhouse Gas Inventory and Reduction Promotion Committee, and the TCFD Promotion Committee. Both have become the professional committees upon the completion of promotional projects; in addition, to enhance the functions of professional committees under the ESG Committee, in Q2 2023, the two professional committees concerned were integrated as “Climate Change Professional Committee,” for their members to execute the tasks, regular tracking, audit and review. Each year, the chair of the ESG Committee reviews the performance and the achievement of goals and continuously review for improve. With the concerted efforts of all departments, we strive to fulfill our corporate sustainability commitments.</p> <p>The ESG Committee reports to the Board of Directors at least once a year on the implementation focuses, annual goals and implementation results of the year, and every quarter, reports on key implementations regarding each sustainability issues, including the GHG inventory and progress of verification at each branch and subsidiary, TCFD implementation results, customers' net zero emission requirements to the Company and target setting status, the introduction of SBT project establishment and implementation status, SAS net zero roadmap blueprint, the material topics of the sustainability report and the progress of the preparation and verification of the report, progress of CDP questionnaire responses, new government/regulatory issues, and IFRS S1/S2 discussion.</p>	No significant difference

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			The Committee is supervised by the board of directors. The board of directors supervises the goal-setting for sustainable development and reviews the implementation, while giving relevant advices and guidance based on the content of the report. The sustainability report is submitted for the Board of Directors’ approval upon the completion of verification, before issuance and announcement.	
II. Whether the company conducts business operations in accordance with the principle of materiality risk assessment of environmental, social and corporate governance issues, and formulates relevant risk management policies or strategies?	V		<p>The Company has prescribed the “Risk Management Policy and Procedures” approved by the board of directors. The board of directors is the highest risk management unit, based on the overall operating strategies and operating environment, aims to comply with laws and regulations, promote and implement the Company's holistic risk management, and bear the ultimate responsibility for risk management; the senior management is responsible for planning, commanding, and deploying the implementation of risk management decisions by the board of directors, and coordinating interaction and communication; each functional unit is responsible for analyzing, managing and monitoring related risks within their respective units to ensure the effective implementation of risk control mechanism and procedures; the internal audit is an independent unit that assists the board of directors to monitor the implementation of the risk management mechanism, audits the implementation status of risk response and control by each functional unit, and provides the improvement advice of risk monitoring. The implementation of the above risk management is reported to the Audit Committee and the Board of Directors annually, and the implementation of which is supervised by the Audit Committee to ensure the effective operation and implementation of risk management.</p> <p>The scope of risk management includes hazard risk, operational risk, financial risk, strategic risk, compliance risk/contract risk, environmental risk and other risks. Through the effective implementation of risk management processes (including risk identification, risk measurement, risk monitoring, risk reporting, and risk response), the Company’s risk management mechanism is realized.</p> <p>The Company’s ESG Committee conducts risk evaluation on environmental, social and governance issues related to company operations based on the principle of materiality, and establishes relevant risk management strategies through the communications with the internal and external stakeholders and reference with the contents of global risk reports. Except the climate change risks, in the short-term, there are two major emerging risks identified: error messages and pollution, while the information security issue is still at the high-risk level. For the possible impacts to be encountered at the aspects such as corporate operation, the Company has established the corresponding risk strategies and implementation mechanism, to ensure the risks are under effective control. For more information on each risk and corresponding risk management strategies, please refer to the “Governance and Operations” section and “Climate Change Risk Management” section in the Company’s Sustainability Report.</p>	No significant difference

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			The Company regularly assesses risks every year. The risk assessment boundary covers all the Company's operations and production bases, and the assessment is reported to the board of directors annually. The latest report was made to the board of directors on August 4, 2023.	
III. Environmental issues (I) Whether the Company establishes an appropriate environmental management system which suits its industrial characteristics?	V		<p>The Company insists the promotion of ISO 14001 Environment Management System,” and “ISO 50001 Energy Management System, “The Company introduces the concept of product lifecycles, and starts from improving the manufacturing process and product design stage in order to truly achieve reduction of source raw materials. By insisting the operating philosophy of corporate sustainability, the global net-zero target is supported with concrete actions, with efforts to reduce energy application, and continuously improve the energy performance. In addition, the Company accommodates the environment and energy management system, to determine the goal of energy saving and material saving every year, while continuously implementing water recycling and waste reduction measures, to treasure resources and reduce uses of resources, and achieving the effect of reducing greenhouse gas emissions.</p> <p>The Company abides by relevant domestic laws and regulations. Chunan plant and Ilan plant have passed and renewed the internationally recognized environmental and safety and health management system certification of ISO 14001 and ISO 45001 certification. The updated certifications information as below:</p> <p>ISO 45001 : 2018 Expiry: 11 March, 2022-11 March,2025 Approved Date: 17 February,2022 Certification No.: 196466-2016-ASA-RGC-JAS-ANZ</p> <p>ISO 14001 : 2015 Expiry: 11 March, 2022- 11 March,2025 Approved Date: 17 February,2022 Certification No.: 196463-2016-AE-RGC-UKAS</p> <p>The Company insists a safe and healthy working environment, fulfills its environmental protection responsibilities and the goals of green management, seeking to take environmental protection into account while serving customers, and provide a better and safer operating environment. Through “legal compliance, green management, consultation and participation, external communication, and continuous improvement” as well as other commitments to implement the environment, safety and health policies, including compliance with laws and regulations, and fulfillment of other requirements; elimination of work-related hazards and reduction of occupational safety and health risks; active investment in</p>	No significant difference

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			waste reduction and pollution prevention, control of environmental risks and reduction of impacts; monitoring of global climate action trends, with assessments and investments in resources for promoting green manufacturing and green supply chain, pursuit of the best utilization efficiency of energy resources, reduction of the potential environmental impact of the product life cycle, and moving towards environmental sustainability; consultancy with workers and their representatives and participation in environmental, safe and health system activities with recognition of individual responsibilities; active establishment of good interactions with stakeholders, with regular reports on the management performance of occupational safety and health and environment-related issues; continuous improvement of the environment, safe and health management system for better performance of environment, safe and health management .	
(II) Whether the Company is committed to improving the utilization efficiency of various resources and using recycled materials with low impact on environmental?	V		The Company, by promoting the “ISO 14001 environmental management system,” has introduced the product life cycle concept in order to reduce raw material consumption and waste output, and achieve the goal of sustainable operation and environmental protection. To achieve the goal of sustainable utilization of environmental resources, the Company focuses on the improvement of the efficiency of the use of various resources, gives priority to the process reduction and reuse, and finally makes disposal; in the selection of raw materials, it will choose recycled materials with low impact on the environment as far as possible in order to reduce the impact on the environment. Starting in 2021, the "ISO 50001 energy management system" has been gradually introduced to identify major energy-using equipment and prioritize improvement equipment, to monitor, measure and take corrective action plans for continuously improving and enhance energy efficiency. For the Company's energy management and waste reduction status, please refer to the Section “Climate Change Risks and Actions” and “Chapter 3. Management of Energy and Pollutant Emission” in the Company's Sustainability Report.	No significant difference
(III) Whether the Company assesses the potential risks and opportunities of climate change to the company now and in the future, and take measures to deal with climate-related issues?	V		The Company has adopted the TCFD framework and established the TCFD Implementation Committee (now consolidated as the Professional Committee on Climate Change) under the ESG Committee to collect the related risks and opportunities of climate change and integrate them with the issues of concern to the stakeholders. These are identified and scored by the representatives in the task forces under the Committee, and the results of the identification presented to the ESG Committee meeting each year. The related committee members and teams formulate the management approaches and targets regarding the risks (material topics) then report to the soonest board meeting. For further information on countermeasures, please see the chapter "Climate Change Risks and Actions" of the Company's Sustainability Report.	No significant difference
(IV) Whether the company counts greenhouse gas emissions, water consumption and total weight of waste in the past	V		1. The Company inventories and tracks the volume of greenhouse gas emissions, water consumption, waste, the use of recycled materials, and power consumption	No significant difference

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two years, and formulate policies for energy, carbon, greenhouse gas and water use reduction, or other waste management?			<p>every year. Please refer to the Company's Sustainability Report “Chapter III. Management of Energy and Pollution Emissions ” or the relevant data and coverage of information</p> <p>2. According to results of the organizational examination of greenhouse gas emissions, the main source of greenhouse gas emissions of the Company is electricity (Scope 2). Therefore, the reduction of electricity use and the improvement of energy efficiency are the top priorities of the Company at present. Starting from the corporate core of the Company, by introducing the environmental management system and the energy management system, the Company promotes various energy-saving improvement measures to achieve the goal of energy saving and carbon reduction. The Company has introduced various energy-saving engineering improvement plans every year, such as air conditioning and inverter control of cooling water, air conditioning system engineering improvement, replacement with power-saving lighting, air compressor waste heat recovery, among other things, in plants. In 2021, Chunan Plant adopted ISO 50001 for energy management system and passed the certification. In the same year, it applied for the green building label under the "Approach of Carbon Reduction Benefits Assessment," and obtained the Diamond Grade of Green Building Label. The Yilan Plant introduced the ISO 50001 energy management system in 2022, and passed the certification. Via the promotion of the ISO 50001 energy management system, the Company continues to optimize and improve energy management, and achieves a number of energy-saving improvements.</p> <p>3. In addition to energy saving and carbon reduction, by promoting ISO 14001 Environment Management System, the Company has introduced the concept of product life cycle through the promotion of the new ISO 14001 environmental management system in other parts of environmental protection improvement, such as water saving and waste reduction, so that the reduction of raw materials at the source can be achieved from the improvement of process and product design stages. With respect to prevention of air pollution and water pollution, the company also works with the promulgation of the environment management system. Each year, goals for energy conservation, water conservation, waste reduction and resource saving are established in order to lower energy resource consumption while achieving results of reducing greenhouse gas emission. In the aspect of waste management, the traditional concept of clean-up and disposal is transformed into the concept of effective management of resources, so as to reduce the output of waste.</p>	

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			For the information above, please refer to the Section “Climate Change Risks and Actions” and “Chapter 3. Management of Energy and Pollutant Emission” in the Company’s Sustainability Report	
IV. Society issues (I) Whether the Company establishes the related management policies and procedures in accordance with the relevant laws and international human rights conventions?	V		<p>The Company upholds the core value of respecting employees and putting people first. We observe and support the local laws and regulations of our business locations around the world; safeguard the legal rights and interests of full-time employees, contract workers and part-time staff, interns, and job seekers; and are committed to promoting cooperation and encouraging our partnering suppliers to adopt the same standard in their operating activities.</p> <p>The Company recognize and support the spirit and basic principles of human rights protection mandated in international human rights conventions such as the “Universal Declaration of Human Rights,” the “United Nations Global Compact,” and the “International Labor Conventions,” and abide by relevant labor laws and above international human rights regulations, setting “Human Rights Policy”, in an effort to creating an equal, safe, and dignified workplace environment.</p> <p>The five policy guideline and related implementation status of the Company “Human Rights Policy” as below:</p> <ol style="list-style-type: none"> 1. Continuing to create opportunities for achieving diversity, inclusiveness, and equality and prohibit any forms of discrimination (including on the basis of gender, gender orientation, race, class, age, marital status, language, thought, religion, nationality, political party, place of origin, place of birth, appearance, facial features, disability, etc.) The Company continues to promote the prohibition of all inappropriate discrimination in recruitment, appointment, and operating processes. To fulfill the responsibility of caring for migrant workers, we not only organize Christmas parties or prepare Christmas gifts for Filipino workers every year, but also commit to improving their overseas living conditions. 2. Prohibiting forced labor and child labor The Company complies with all labor-related laws and regulations, respects the wishes of all employees, and encourages work–life balance. In addition, methods of detecting child labor and remedial measures are clearly stipulated in the “Personnel Employment Rules” to ensure that all operating activities are free from the illegal use of child labor. If use of child labor in operational processes is found, relevant remedial plans will be enforced for six months or until the child reaches the age of 16 in order to protect the rights of the child. 3. Creating a safe and healthy work environment The Company continues to provide free health examination, arrange on-premise medical services, organize health promotion activities, and keep track of specific populations to raise employees' awareness of self-health management. In 2023, 	No significant difference

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			<p>we organized a total of 100 health promotion activities such as lectures, first aid courses, cancer prevention screening, etc., for a total of 3,357 participants. The Company also establishes various work safety and health management procedures and operating standards, and implements special hazardous operation control, chemical management, and environmental monitoring to prevent occupational injuries, eliminate hazards, and reduce environmental safety and health risks, thereby creating a safe operating environment for employees.</p> <p>4. Providing fair and reasonable salary and working conditions Each year, the Company determines industry salary standards through salary surveys, and appropriately adjusts employee salaries with reference to objective data such as overall economic indicators and price indexes. For the purpose of fairness, employee remuneration standards are based on job position, seniority, and professional skills to ensure equal pay for equal work and avoid discrimination and differential treatment on the basis of gender, age, or other conditions. In addition, the Company also strictly controls working hours to meet the legal limit, and actively prevents burnout through regular working hour analysis reports and an abnormal attendance management system.</p> <p>5. Providing avenues and environment for freedom of expression and respecting employees’ freedom of association. The Company convenes four employer-employee meetings each year during which matters concerning the coordination of labor-management relations, labor conditions, and worker benefits are discussed so as to promote harmonious employer-employee relations. The Company also sets up employee suggestion boxes in appropriate and obvious places to provide employees with whistleblowing and grievance channels, so that their dissatisfaction and concerns can be expressed and resolved.</p> <p>The above policies and statements have been declared by senior executives and are published on the Company's website. Each year, the Company assesses risks associated with human rights and labor rights in accordance with the Responsible Business Alliance (RBA) standards, which are incorporated in the Company's "Personnel Employment Rules" and "Sexual Harassment Preventive Measures, Complaint and Punishment Regulations". Employees can anonymously submit grievances via such channels as the mailbox or telephone to report illegal infringements. Relevant committees will keep the entire handling process confidential. Meeting outcomes will be used to actively track, monitor, and afford necessary support to the parties involved so as to safeguard human rights and avoid recurrence. The Company has not been the subject of any complaints for violation of human rights (forced labor, child labor, discrimination,</p>	

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			<p>harassment, and freedom of association) at all operating locations in the past three years.</p> <p>Regarding training, new recruits are trained on human rights when they report for duty; existing employees are arranged from time to time to take courses on workplace violence and sexual harassment prevention. These training courses are mandatory to employees in managerial roles, who are identified as one of the main stakeholders of the Company, so as to actively prevent illegal infringement in the workplace. In 2023, the Company recorded 378 people in attendance, for 24 sessions of courses.</p>	
(II) Whether the Company legislates and implement reasonable employee welfare measures (including compensation, vacations and other benefits), and appropriately reflect operating performance or results in employee compensation?	V		<p>The Company fairly decides and distributes employees’ remunerations from the annual profit, if any, for 3%~15%, as set for in the Articles of Incorporation, and the performance of individual employee pursuant to the “Employee Remuneration Distribution Procedures.” It seeks to properly reflect the operating performance or results on the employees’ remunerations.</p> <p>The Company establishes attendance rules in accordance with the Labor Standards Act. The attendance rules specify paid leaves to which employees are entitled. All employees of the Company are entitled to labor insurance, health insurance, group insurance, and pension contribution, among other general benefits. Company-provided benefits include year-end bonus, gifts for birthday and festivities, year-end banquet, subsidies for matrimony, bereavement, and other celebration, domestic and overseas travel, emergency relief fund, scholarship, on-the-job education subsidies, childbirth subsidy, meals, and comprehensive range of training programs. The Company also creates a cross-functional team to be in charge of an Employee Care Program (ECP) that integrates employee benefits and plans ways to improve their benefits so that appropriate resources are made immediately available when employees encounter a personal problem.</p> <p>Since 2021, the trust of employee shareholding was also added. Employees may evaluate on their own whether to join or not, and participants are given rewards equal to 100% of the amount contributed by themselves.</p>	No significant difference
(III) Whether the Company provides its employees with a safe and healthy work environment, and regularly implements employee safety and health education measures?	V		<p>1. The Company regularly inspects the working environment of employees, and conducts various safety and health education and training courses and health seminars based on the needs of employees, promotes anti-bullying in the workplace, with the annual physical examination of employees: the health care for employees is moving in the direction of diversity. Every year, based on the analysis of the test data collected from the overall health examination report of the employees, an annual health management plan with improvement planning that meets the health needs is formulated to maintain the physical health of the employees; in terms of health education, the Company promotes various health promotion activities, including cancer screening tests, health seminars,</p>	No significant difference

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			<p>and emergency rescue courses to help employees develop correct health care knowledge and enhance health care awareness; in addition, in order to create a healthy workplace where employees can work with peace of mind, the Company is committed to implementing the maternity protection program, and actively provides the friendly workplace measures superior to the legal requirements. In addition to comfortable breastfeeding space, childbirth subsidies, and exclusive discounts for contracted corporate nurseries and kindergartens, the "Good Maternity Pack" has been planned since 2021, where each expecting mother will be given a good maternity pack, i.e. a breastfeeding pillow, to encourage pregnant employees to report early for receiving the maternal health assessment in workplace immediately and initiating protective measures, to create a mother-friendly workplace through this measure.</p> <p>2. The Company's Chunan and Yilan Plants (coverage of verification) have passed the environmental and occupational safety management system verification and updated their ISO 14001 and ISO 45001 certificates to provide the employees with a healthy and safe working environment. The certification information are as below:</p> <p>●ISO 45001 : 2018 Expiry: 11 March ,2022-11 March, 2025 Verification date: 17 February, 2022 Verification No.: 196466-2016-ASA-RGC-JAS-ANZ</p> <p>●ISO 14001 : 2015 Expiry: 11March, 2022-11 March, 2025 Verification date: 17 February, 2022 Verification No.: 196463-2016-AE-RGC-UKAS</p> <p>3. In 2023, the Company did not encounter any work-related fatalities, occupational diseases or major occupational disasters. There were a total of 10 recordable occupational injuries (excluding employee commuting accidents); the type of diseases include four cases of tripping, two of clipped/rolled, and one case of splash of chemicals, falling, injury due to improper action each. According to the Ministry of Labor's definition, the disabling frequency (FR) rate was 5.62, and the disabling severity rate (SR) was 144. We have conducted special investigations for each occupational disaster incident, and taken improvement measures (such as improving facilities/equipment, establishing systematic document specifications, or strengthening personnel education and</p>	

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			<p>training) based on the root cause of the incident, and provided training to other departments to prevent similar incidents from occurring again.</p> <p>4. The number of fire incidents, fatalities, and ratio of fatalities to total employees of the Company in 2023 were all 0. In order to avoid disasters, improve safety management (including fire safety), and effectively respond to disasters and correct/prevent recurrences, the Company has established "Management Procedures for Incident Reporting, Handling, and Investigation," "Emergency Preparation and Response Management Procedures," and "Energy Non-conformity and Corrective Action Management Procedures," and conduct contingency drills for possible emergencies.</p> <p>Please refer to the Company's Sustainability Report “Chapter V. Health and Safety in Workplace” for detailed information.</p>	
(IV) Whether the Company establishes some effective career development training plan for employees?	V		<p>The Company prepares the annual education and training program based on its operating strategies, and short-, medium-, and long-term goals, while regarding the talent cultivation and technology inheritance as its priorities. Strengthen the talent database to grasp the dynamics and development direction of the Group's talents, and organize different types of training courses, industry-academia collaborations, and project studies, so that employees can keep abreast of global political and economic trends, new technologies, while supplementing with job deputy, rotation and on-the-job training mechanisms, to strengthen employees' different functions. The Company provides diverse training resources, encompassing the following six categories: competency training for new recruits, professional competency training, general management competency training, intellectual property training, and health and safety management training. This system provides suitable training courses for employees in their different stages of career development, so that the Company and employees will be adaptive to the ever evolving world, and own the knowledge, skills, and capabilities go along with the time.</p> <p>The Company's learning culture is promoted to encourage colleagues to contribute their expertise and make full use of training resources, and establish "Regulations for Internal Lecturer Management," for implementing the Company's knowledge management, technology inheritance, and consolidate core competitiveness.</p> <p>In 2023, total 11 classes of function training for new recruits were conducted, attended by 11 persons, with total 135 hours; 704 classes of professional function training were conducted, attended by 12,440 persons, with total 1,939.5 hours; 252 classes of general function training were conducted, attended by 2,493 persons, with total 420 hours.</p>	No significant difference
(V) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant	V		<p>The Company's products and services complies with the relevant regulations and standards applicable to the Company's industry; through the supplier management, it is ensured that the products from the supply chain fully conform to the industrial</p>	No significant difference

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regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?			standards and policies like RoHS, REACH, WEEE, among other things, to fulfill the social and environmental responsibility; the Company is also committed to comply with product standard and operational regulations in plants required by customers, to achieve the promises with full force, and maintain quality relationships. The Company also has a legal compliance unit in place, to ensure that commercial conditions, products, processes and services to meet the requirements of competition laws and relevant export control regulations with jurisdiction. Before working with any customer, the Company shall sign a non-disclosure agreement (NDA) approved by the legal department, and personnel shall not breach the contracts entered with the Company by disclosing the known trade secrets to others, nor shall they inquire or collect trade secrets not related to their duties, in order to fully protect the confidential and sensitive information of both parties. With regard to the protection of customers' personal information, the Company's Compliance Unit charges the unit in charge of data with conducting regular inventory of personal data involved in business operations to ensure that the unit in charge of data observes the Personal Information Protection Act when collecting, processing, and using personal data. The Company has established the “Procedures of Customer Complaints Management” to maintain good communications with its customers, as well as effective appealing procedures regarding products and service.	
(VI) Whether the company formulates supplier management policies that require suppliers to follow relevant regulations on environmental protection, occupational safety and health or labor human rights, and their implementation?	V		The Company emphasizes to the sustainable management of suppliers. For the requirements of sustainability, we focus on the requirements under the supplier's environmental, social and corporate governance aspects. To cope with operating system for the supplier management, the Company has established the “Supplier Evaluation and Appraisal Mechanism,” to regularly manage, evaluate, appraise, coach, and track the improvement of suppliers. Meanwhile, based on the supply chain management policy, the Company requires suppliers to sign the “Statement of Commitment to Supplier’s Code of Conduct” and to comply with the Responsible Business Alliance (RBA) Code of Conduct, to ensure the suppliers to adopt the same standards as the Company with respect to anti-bribery and corruption, social and environmental responsibility, conflict-free minerals, trade compliance, non-infringement, prohibition of silicon materials linked to forced labor, and green procurement (RoHS, REACH and WEEE), while promoting the cooperation to join the engagement in green procurement, and enforcing policies and regulations related to environmental protection, occupational safety and health, intellectual property rights, labor rights, and human rights. 1. Supplier Evaluation and Appraisal Suppliers must pass the Supplier Evaluation and Appraisal and comply with the Supplier’s Code of Conduct. ● Operation of Evaluation and Appraisal:	No significant difference

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			<p>(1) Domestic and foreign suppliers that have valid certifications such as ISO 9001:2015, IATF 16949:2016 and ISO 14001:2015, proving their quality systems have been reviewed and certified as qualified by a recognized institution or equivalent international standards.</p> <p>(2) For the domestic suppliers of raw materials and major consumables without ISO 9001:2015, IATF 16949:2016, or ISO 14001:2015 quality certification, the on-site appraisal will be conducted to see whether the vendor is qualified as supplier. The foreign suppliers must conduct a self-assessment with the “survey of suppliers’ quality management system” and “survey related to the suppliers’ environment.” If the self-assessment result is 70 points or above, such vendors are subject to the approval by the Company’s internal quality assurance, R&D and procurement personnel.</p> <ul style="list-style-type: none"> ● Status of implementation: <p>(1) Statement of Commitment to Supplier’s Code of Conduct signed by suppliers</p> <p>(2) Supplier quality certification management system</p> <p>2. On-site audit</p> <p>Formulate an annual supplier audit plan and perform a regular audit once a year to ensure that suppliers continue to maintain their supply and service quality.</p> <ul style="list-style-type: none"> ● Implementation status: No supplier scored less than 70 points in 2023. <p>3. Coaching the Improvement and Tracking</p> <p>During the audit process, the Company provides counseling and advice for improvement, and tracks the improvement status.</p> <ul style="list-style-type: none"> ● Implementation status: In 2023, no vendor was listed to be tracked for counseling improvement. 	
V. Does the company prepare sustainability reports and other reports that disclose non-financial information by following international reporting standards or guidelines? Does the company obtain third-party assurance or guarantees for the reports above?	V		<p>1. The Company prepares Sustainability Reports in alignment with the Global Reporting Initiative (GRI) Standards, indicators of semiconductor industry in the “Sustainability Accounting Standards” issued by the Sustainability Accounting Standards Board (SASB), and “Taipei Exchange Rules Governing the Preparation and Filing of Sustainability Reports by TPEX Listed Companies”.</p> <p>2. The Company’s 2023 Sustainability Report has been verified by DNV GL Business Assurance Co., Ltd. as meeting the requirements of the GRI Standards and moderate level of assurance of DNV VeriSustain. The Sustainability Report and verification statement are disclosed on the Company website and Market Observation Post System.</p>	No significant difference
<p>VI. If the Company has established the corporate social responsibility principles based on “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: The Company has established the “Sustainable Development Best-Practice Principles” and devoted to promote the sustainable development, which has no significant difference with the Rules.</p>				

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VII. Other important information to facilitate better understanding of the Company’s promotion of sustainability development:				
1. Environmental protection: It is everyone's responsibility to promote environmental protection and low-carbon activities. In addition to strengthening energy-saving management and control of the process, the Company actively implements waste classification and resource recovery, promotes energy saving and carbon reduction, and has energy-saving and carbon-reduction equipment expenditure.				
2. Social welfare: The Company continues to assess risks and opportunities in our place of business operations (locations in Taiwan include Hsinchu, Miaoli, and Yilan). We are committed to taking care of disadvantaged individuals in rural areas, such as economically disadvantaged families, children, and those with physical and mental disabilities, expecting through the charity donation activity support to improve their life and education condition. In addition, implement specific action plans for environmental protection in the place of operation through local volunteer services. To encourage employee participation in charity and welfare, the Company will match employee's contribution at a 1: 1 ratio (i.e., the Company will donate the exact same amount of donation made by employees), thereby increasing the size of donation to help more places that are in need of assistance. The Company invested resources in the following social welfare activities in 2023:				
(1) The Company donated a total of NT\$622,000 to World Vision Taiwan for the "Turkey/Syria Earthquake Rescue and Relief Program."				
(2) "Early Healing Fundraising Project," donated NT\$360,000 to the Syin-Lu Social Welfare Foundation				
(3) Donation of Miaoli Branch of Genesis Social Welfare Foundation under the “Local Care, Help the Equipment Update Program of Genesis Miaoli Nursing Home,” for total of NT\$339,000.				
(4) “Winter Charity Fair Sponsorship Program” in which we donated NT\$10,000 to Hsinchu Center of Taiwan Fund for Children and Families.				
(5) “2023 Mid-Autumn Festival Moon Cake Donation Charity Event” in which we donated NT\$15,000 to Holy Family for Special Education; and to Yilan Hsing-Fu Social Welfare Charity Foundation, for a total of NT\$15,000				
(6) SAS and Globalwafers' plants in Taiwan held the "Earth-Friendly, Hand-in-Hand Beach Cleanup Event," at the Longfeng Fishing Port in Chunan, Miaoli and cleaned up more than 100 kilograms of marine debris.				
(7) The Company advocates blood donation activities, continues to support the service mission of the blood donation center, "donation of blood, saves a life," to help solve the blood shortage problem of the blood bank. Two blood donation activities are organized in each plant every year. For 2023, 290 donors, 477 bags, and 119,250cc of blood were accumulated. SAS actively responds to social needs, encourages employees to roll up their sleeves and work together to alleviate the blood shortage, and shows their passion for public welfare to pass on love.				
(8) SAS and Globalwafers jointly responded to the "Earth Hour 60" initiative by turning off unnecessary lights and power-consuming equipment for one hour at 8:30 pm on March 25, 2023, within the extent no affecting normal production, including the office area, parking lot, and outdoor lighting power supply in the plants. A plant-wide promotional event was also conducted before taking action, to encourage employees to turn off unnecessary lights. It is hoped to protect our future and that of the next generation with concrete actions by deepening the awareness of employees in climate changes via the light turning-off action.				
(9) To support the cultural development in Taiwan, the Company actively supports the cultural business and development of arts in Taiwan. In 2023, the Group Company worked with the Alliance Cultural Foundation to invest NT\$5 million to support the Paul Chiang Art Promotion Project and the "Paul Chiang Art Park" to revitalize the local community through arts, and promote the cultural sustainable development of Hualien and Taitung.				
(10) Yilan branch is located in Letzer Industrial Park. We have adopted the beautification and maintenance of the sidewalks around the park, and we also assist in the beautification and cleaning of the sidewalks of the main roads. In 2023, we have a total of 60 people-times to participate.				
3. Consumer rights: The Company has internally established the “Customer Complaint Management Procedure” to provide customers with a channel to express their complaints, and signed contracts such as supply contracts and quality contracts with its customers, in order to fully ensure customer's rights and interests.				
4. Human rights: The Company attaches great importance to human rights. Regardless of race, gender and age, employees enjoy the same right to work, and the Company also provides opportunities for free expression and development to standalone, in order to achieve respect for personal dignity.				
5. Safety and health: With zero disaster as the goal, the Company is committed to the promotion of safety and health policy and the continuous improvement of process and working environment. Through the joint efforts of all staffs, we continuously improve the occupational safety and health performance.				
6. Employee health care: The Company carries out health examination for employees each year to let them know their health status each ear, and then care for and strengthen their health. We also arrange professional medical specialists to visit our plant every month for consulting services. In the workplace, in order to grasp the status of employees' working environment				

Evaluation Item	Implementation Status			Deviations from “the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Abstract Explanation	
<p>and assess the exposure status of hazard factors, besides setting detection and alarm equipments at appropriate positions, work environment test is also done regularly as a basis for improving the workplace environment.</p> <p>7. Human capital development: The Company identifies, cultivates, and rewards talented employees by adopting a sound performance-based reward system, fostering professionals who are still studying, subsidizing continuing education for in-house employees, or signing contracts with a cadre of key employees, so as to facilitate talent retention. In addition, we motivate employees to stay with the company by issuing employee stock ownership trust and awarding medals to senior employees.</p> <p>(1) PhD and Masters scholarships: The Company has Rules on Applying for PhD and Masters Scholarships in place to continue to support the education of professionals and secure a pool of talents for the company after they graduate.</p> <p>(2) Funding for on-the-job continuing education: The Company has “On-the-Job Continuing Education Rules” in place to fully subsidize the continuing education of in-house employees who demonstrate excellent performance and willingness to pursue further studies, thereby encouraging employees to advance their career.</p> <p>(3) Signing contracts with a cadre of key employees: The Company enters a contractual relationship with a cadre of key employees in managerial roles who possess strategic planning capabilities or irreplaceable skills, so as to achieve talent retention and ensure the sustainable development of the Company’s human capitals.</p> <p>8. Pandemic containment in Plants: The post-pandemic era has come. The global outbreak of COVID-19 has changed the work and lifestyle significantly. Some of the changes will normalize immediately once the pandemic is under control, but some of the changes will be permanent. Even though long-term social distancing is not required, some behaviors will continue to exist, such as increased frequency of hand-washing, and maintaining personal hygiene, to reduce the risk of the spread of infectious diseases.</p> <p>The Company will regularly adjust its pandemic containment measures in accordance with changes in the global pandemic. Not only the Company implement high-standard corporate pandemic containment mechanisms to ensure uninterrupted production line operations, it also continuously promotes diverse care measures, ensure the safety of all employees, and exert a positive corporate influence of corporate, for ensuring the safety of healthy workplace.</p> <p>(1) Pandemic containment information: to enable employees to grasp the real-time information on pandemic containment, the health management center gathers the latest domestic and international pandemic information from time to time, and adjusts the real-time announcement of pandemic containment measures in the plant on a rolling basis, depending on the pandemic level, so that employees can receive accurate pandemic containment information quickly.</p> <p>(2) Care for health: cares are given to employees with fever symptoms and suspected contact history, regular follow-up and care are provided to strengthen the physical health of all employees.</p> <p>(3) Disinfection of the Plants: The disinfection and cleaning measures for public areas are formulated, the frequency of environmental disinfection is adjusted, with the supply of alcohol-based sanitizer in public areas and additional partitions in the cafeteria, posters of correct hand-washing slogans in each restroom, and regularly check of the pandemic containment materials, to ensure that the Company has sufficient pandemic containment materials.</p> <p>(4) Physical and mental care: To facilitate employees to pay attention to their physical and mental status and identify their needs for physical and mental balance, in 2021, SAS introduced the Employee Assistance Program Consortium (EAPC), providing each employee with two complimentary one-on-one counseling services each year, and sends out regular promotional materials of psychological growth, to help employees resolve negative emotions and pressure.</p>				