



Your Global Partner  
in Hot Stamping and  
Cold Transfer Solutions



# ESG REPORT 2023

Environmental, Social and Governance Report

UNIVACCO TECHNOLOGY INC.

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# 01

About This Report

UNIVACCO TECHNOLOGY INC.

## About This Report

UNIVACCO Technology Inc. (hereinafter referred to as UNIVACCO) aims to fulfill corporate social responsibility and promote economic, environmental, and social progress to achieve sustainable development goals. Adhering to the principle of "taking from society and giving back to society" in business operations, implementing corporate social responsibility, and conveying the UNIVACCO philosophy of "Integrity, Pragmatism, Gratitude, and Contentment." UNIVACCO has been publishing annual sustainability reports since 2014, summarizing the previous year's activities, progress, and concrete performance in key areas of corporate social responsibility, including corporate governance, green production and environmental protection, employee relations, and community engagement. The company also actively aligns with the United Nations' 17 Sustainable Development Goals (SDGs), broadly mapping its specific initiatives to the SDGs across the report's sections on corporate governance, Green Production and Environmental Protection, and Employee Relations and Social Engagement. The previous report was issued in September 2023, while the current report is being released in August 2024.

## Reporting Scope

This report covers UNIVACCO's manufacturing sites in Tainan, Taiwan (excluding overseas locations or subsidiaries). The reporting period is from January 1, 2023, to December 31, 2023. The report addresses material sustainability issues relevant to UNIVACCO's business development and stakeholders. It focuses on topics of high materiality to the company, while also providing contextual information on secondary and general issues through descriptions of the year's activities.

There were no significant changes in the organization's size, structure, ownership, or supply chain during the reporting period that would affect the scope of the report. There are no significant differences in the reporting scope compared to the previous reporting period, nor any restatements of information.

To fulfill our commitment to stakeholder engagement, this report utilizes a systematic analysis approach to identify, assess, and disclose sustainability topics of concern to various stakeholder groups in 2023. The disclosed data comes from UNIVACCO's own statistics and survey results. Financial statement figures are presented as consolidated group numbers, verified by Ernst & Young. Unless otherwise specified, all financial data is expressed in New Taiwan Dollars. Environmental, safety, and health performance is expressed using internationally accepted indicators. Data required by law for testing is measured or certified by third-party impartial institutions and presented using conventional numerical description methods.

## Report Structure

The content structure of this report references the GRI 2021 Standards issued by the Global Reporting Initiative (GRI) for compliance reporting and the Resource Transformation Sector guidelines of the Sustainability Accounting Standards Board (SASB). To provide readers with reliable and publicly accessible information, this report has undergone external assurance conducted by SGS Taiwan Ltd. It complies with the AA1000 Assurance Standard (AA1000 AS) Type I for moderate third-party assurance.





#### About UNIVACCO

**UNIVACCO TECHNOLOGY INC.**

#### Date of establishment

**August 29, 1990**

#### Chairman

**Tsai, Kuo-Lung**

#### Total capital

**NTD 940,916**  
billion

#### Total revenue

**NTD 2.459**  
billion

#### Number of employees

**487** Total Workforce in 2023  
(Tainan sites and overseas expatriates)  
persons

#### Addresses of Tainan facilities

- Headquarters/No. 383, Mayou Rd., Madou Dist., Tainan City (VC1 Factory)
- No. 381, Mayou Rd., Madou Dist., Tainan City (VC1 Factory)
- No. 301, Mayou Rd., Madou Dist., Tainan City (VC2 Factory)
- No. 303, Mayou Rd., Madou Dist., Tainan City (VC3 Factory)
- No. 251, Mayou Rd., Madou Dist., Tainan City (VC4 Factory)
- No. 57, Section 2, Majia Rd., Madou Dist., Tainan City (OP1 Plant)

#### Main products

(For 2023 production volume data, please refer to our Annual Report)

- **Stamping Transfer Products** (99.6% of product portfolio by volume)  
Hot stamping film, cold transfer film, digital films, and other functional films
- **Optical Materials** (0.4% of product portfolio by volume)  
Protective films, SMD cover tapes, medical tapes

#### Value Chain Overview

In the Stamping Transfer Products Industry, the supply chain is broadly structured into upstream material suppliers, midstream vacuum metallization manufacturers, and downstream hot stamping or printing houses. Univacco leverages high-quality Polyethylene Terephthalate (PET) and Oriented Polypropylene (OPP) films as carriers, applying high-performance functional coatings formulated with environmentally compliant materials. After undergoing hot stamping or cold transfer processes, our films are widely used in label and packaging embellishment, serving a diverse range of industries and everyday consumer products, including Wine, Spirits, Food, Beverage, Personal Care, Cosmetics, Fragrances, and Commercial Prints.

## 01

## About This Report

## Embellishment and Applications

## HOT STAMPING FILM

UNIVACCO offers high-quality hot stamping solutions, perfect for surface decoration on a variety of paper types. Whether it's smooth, coated, lightly coated, textured, dry, or rough paper, or even laminated materials and PVC synthetic leather, our hot stamping films are the ideal choice.

Our products deliver outstanding results, ranging from bold full-area coverage to intricate fine lines. Available in a wide array of metallic and holographic effects, they meet diverse design needs. Commonly used in applications such as wine, spirits, food, beverages, personal care, cosmetics, fragrances, and commercial prints, our hot stamping films elevate the visual appeal of products for brands worldwide.

## COLD TRANSFER FILM

Cold transfer technology offers greater flexibility compared to hot stamping. With silver, gold, and holographic cold transfer, multiple colors can be applied in a single pass, creating a diverse range of metallic effects.

It streamlines the printing process by reducing production time and ensuring high registration accuracy. This makes it an ideal choice for packaging and labeling in fast-moving consumer goods (FMCG) industries, including daily essentials, cosmetics, and food.

UNIVACCO's cold transfer product range is extensive, offering both web-fed solutions for labels and sheet-fed options for packaging, commercial printing, and other printed materials.

## OTHER SPECIALTY FILMS

UNIVACCO offers a comprehensive product portfolio designed for various printing machines and stamping substrates. Our digital transfer solutions for sheet-fed and digital transfer solutions for web-fed meet the growing demand for high-quality digital printing, enabling precision and efficiency across different applications.

Additionally, our functional transfer products—designed for application on glass and plastic—are highly sought after for their versatility and outstanding performance in diverse markets.



# 01

## About this report

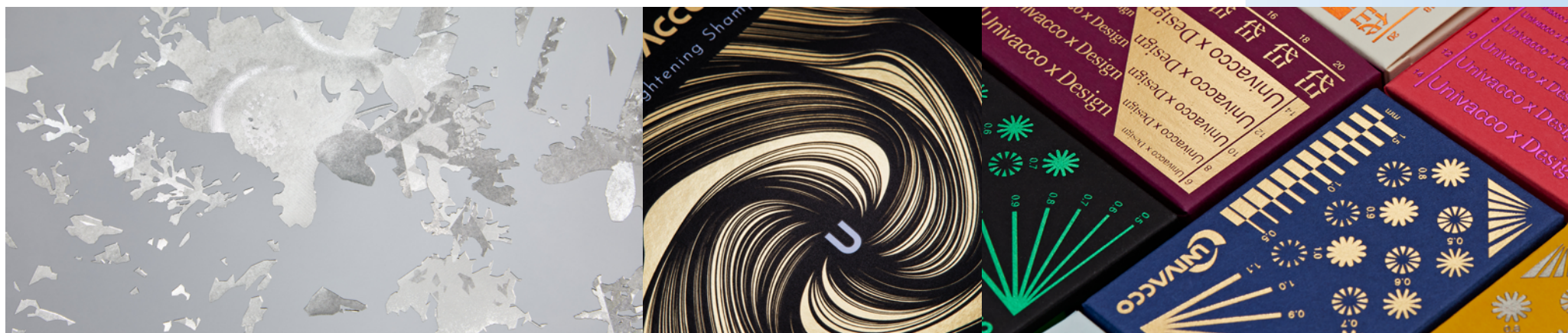
Embellishment and Applications

ESG REPORT 2023

### Contact Information

If you have any questions or suggestions regarding this report, please contact us:

|                         |   |
|-------------------------|---|
| Contact details         | Univacco Technology Inc. Corporate Sustainability Development Committee Hsu, Ying-Sheng |
| Telephone               | 06-5703853*1066   |
| Fax                     | 06-5102727  |
| Address of Headquarters | No. 383, Mayou Rd., Madou Dist., Tainan City 721013, Taiwan                             |
| E-mail address          | 3303HR@univacco.com   |
| Company website         | www.univacco.com  |





# 02

Message From The Chairman Of The  
Corporate Sustainability Committee

UNIVACCO TECHNOLOGY INC.

## 02

# Message From The Chairman Of The Corporate Sustainability Committee

## To Our Stakeholders Committed to UNIVACCO's Sustainable Development:

In the challenging yet optimistic year of 2023, as we emerged from the pandemic, we faced the ongoing impact of high inflation on the global economy. The prolonged Russia-Ukraine conflict, the escalating Israel-Palestine situation, and rising cross-strait tensions have all introduced uncontrollable variables into our business environment. Despite these challenges, we have remained committed to sustainable operations, continuously striving to fulfill our mission and vision. By focusing on enhancing our three core product technologies and strengthening the UNIVACCO brand, we achieved our second-highest profitability performance in nearly a decade. This success reflects the dedication of all our employees and the unwavering support of our shareholders, supplier partners, and customers.

As global risks become more diverse, maintaining resilience and growth momentum is now the greatest challenge for businesses. We continue to measure ourselves against increasingly stringent ESG standards and advance our 2030 sustainability strategy. By focusing comprehensively on the three pillars of ESG, we are carefully navigating changes to remain relevant and forward-looking.

On the environmental front, we have enhanced management quality and aligned with international standards. In 2023, all of our production facilities in Taiwan received third-party verification for ISO 14064-1 Greenhouse Gas Emissions and ISO 50001 Energy Management. We continue to analyze and control our internal energy use, uphold green manufacturing responsibilities, and actively reduce greenhouse gas emissions to address the challenges of climate change.

In the social dimension, our people-centric corporate culture remains a priority. We actively promote a diverse, equitable, and inclusive (DEI) work environment, striving to create a workplace that embodies happiness, hope, learning, growth, and safety—instilling a sense of pride in every UNIVACCO employee.

On corporate governance, we remain aligned with international trends, ensuring robust long-term development. We carefully assess the potential impacts of global challenges and innovation opportunities, continuously enhancing the resilience and strength of our governance practices.

In 2024, we participated in the EcoVadis global supply chain assessment for the first time and were honored with a Silver Medal, reflecting our ongoing commitment to sustainable development. Looking ahead, we will leverage our influence to collaborate with supplier partners in developing circular economy models, creating positive environmental and social impacts throughout the supply chain.

Together, we aim to enhance our sustainability resilience, fulfill our corporate social responsibility, and deliver on our commitments to sustainable development.

Thank you for standing with us on this journey.

CEO and Chairman of the Corporate Sustainability Committee




03

Sustainable Governance

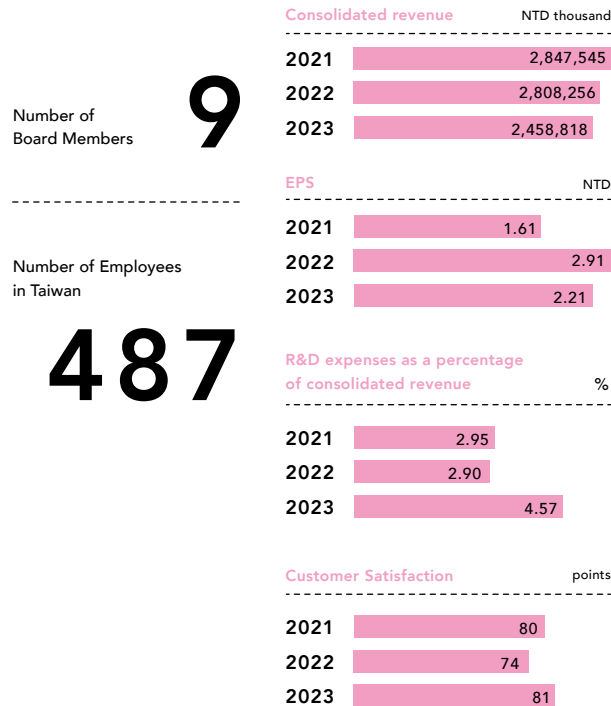
UNIVACCO TECHNOLOGY INC.

# 03

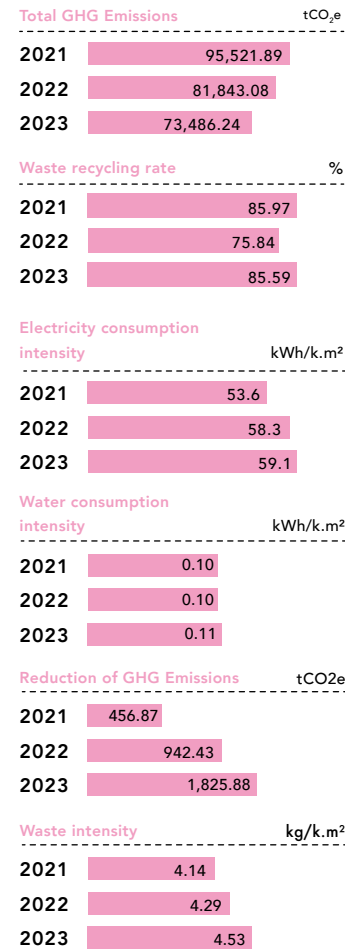
## Sustainable Governance

### Key Sustainability Performance

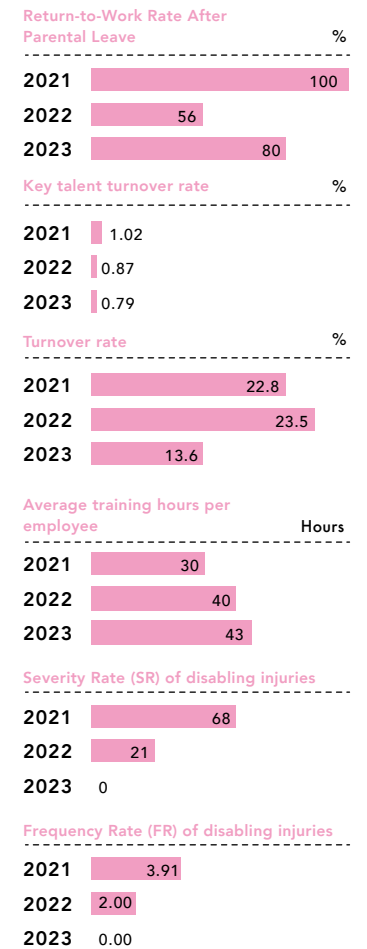
#### 3.1 Key Sustainability Performance Corporate Governance



#### Environmental Protection



#### Social Responsibility





# 03

## Sustainable Governance

### Commitment

ESG REPORT 2023

### Sustainability Commitment

"Integrity, pragmatism, gratitude, and contentment" are the core values that UNIVACCO has pursued since its inception. While pursuing global expansion and sustainable development, we adhere to principles of integrity and pragmatism. We actively create corporate value, strengthen corporate governance, understand and respond to stakeholder needs, promote environmental sustainability, and support societal expectations. UNIVACCO commits to exerting a positive influence, collaborating with society to create a happier, more equitable environment fostering mutual support, learning, and growth. The company also actively aligns with the United Nations' 17 Sustainable Development Goals (SDGs), broadly mapping its specific initiatives to the SDGs across the report's sections on corporate governance, Green Production and Environmental Protection, and Employee Relations and Social Engagement. The previous report was issued in September 2023, while the current report is being released in August 2024.

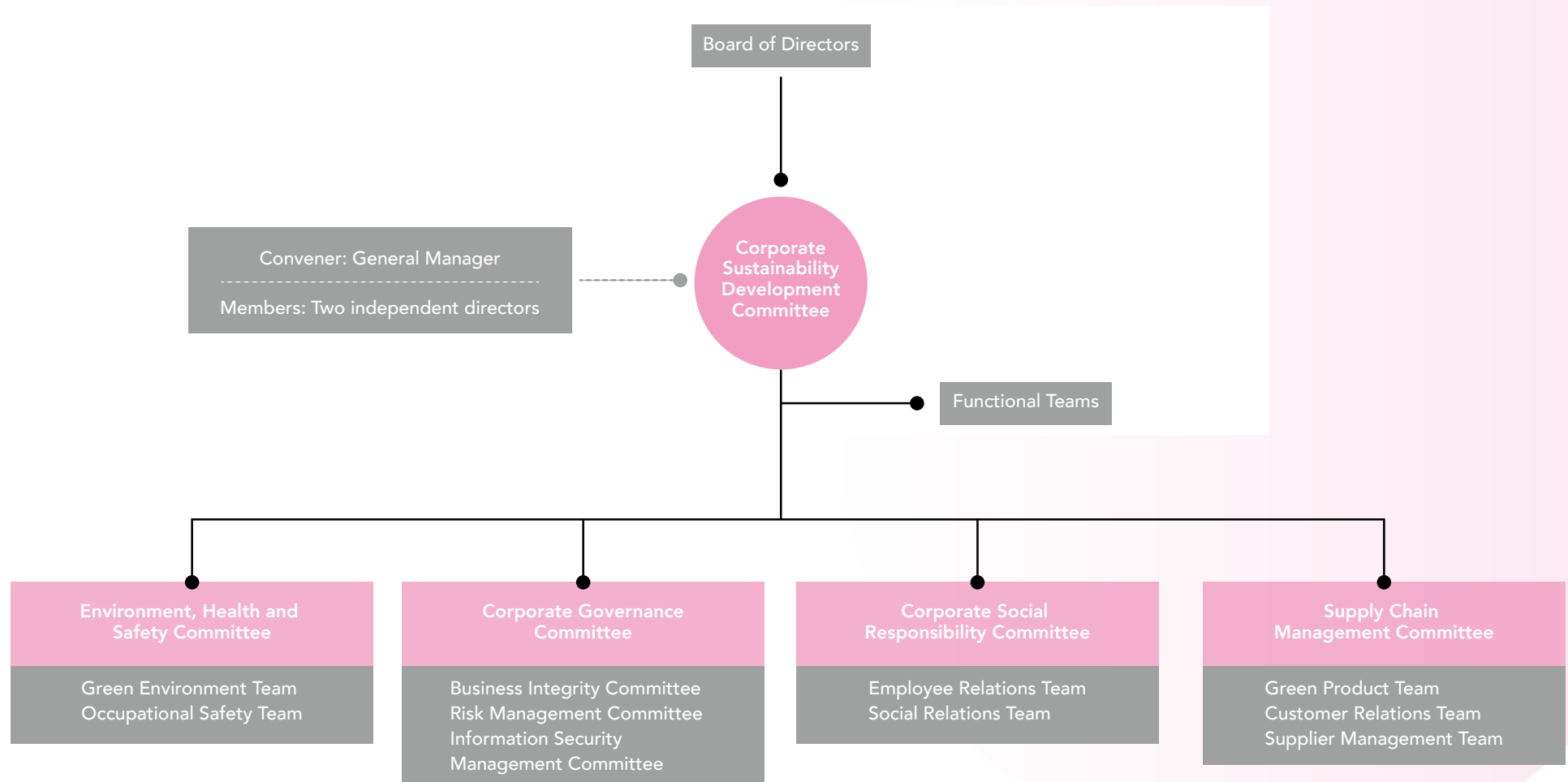
In our operations, UNIVACCO pledges to adhere to the following code of conduct:

- Compliance with national laws and regulations, upholding ethical business practices
- Strive for operational development and continuous value creation
- Provide a safe, equal, healthy, and progressive work environment
- Respect employee opinions and maintain harmonious labor relations
- Actively promote education and training to support employee growth
- Continuously improve environmental protection measures, implementing energy conservation, carbon reduction, and clean production
- Develop environmentally friendly products, promote green supply chains, and actively procure green products
- Assist suppliers, contractors, and other partners in improving their capabilities and growing together
- Address and support social needs, coexisting and thriving with society

### Sustainability Governance Organization

To promote Sustainability operations and strengthen corporate governance, UNIVACCO established a "Corporate Sustainability Committee" under the Board of Directors in 2021, merging the previous "Corporate Social Responsibility Committee". This committee continues to integrate initiatives related to economic, environmental, and social issues. Following the completion of the annual corporate sustainability report, the committee presents to the Board of Directors an assessment of all stakeholder reviews conducted that year, identifying economic, environmental, and social topics with significant impact on the company, along with associated risks, opportunities, and corresponding management strategies. This information is then published on the company's official website to provide stakeholders with relevant data. Additionally, corporate responsibility activities and employee codes of conduct are communicated to staff through internal announcements and intranet bulletins.

## Organizational Chart of the Corporate Sustainability Development Committee



# 03

## Sustainable Governance

Responding to global sustainable development

ESG REPORT 2023

### 3.3 Responding to global sustainable development

In 2015, the United Nations passed the Sustainable Development Goals (SDGs) and set 17 issues and goals related to global sustainable development.

UNIVACCO Technology deeply acknowledges the urgency and responsibility of the SDGs and aims to realize relevant SDGs within its operational model and value chain. After understanding the SDGs and their sub-goals, and in line with UNIVACCO Technology's sustainability policies and vision, we consider how to bring about substantial changes based on our existing foundation. In 2023, after discussions and resolutions by the Corporate Sustainability Committee, we focused on eight SDGs as UNIVACCO's future key development directions.

#### 2023 SDGs Focus Areas



#### Good Health and Well-being

##### Healthy and Safe Workplace

3.d Employee health check rate: 99%



#### Education quality

##### Appropriate Education and Training

4.4 Training hours per person: 43 hours  
4.c Cumulative internal Knowledge  
Management digital learning courses: 49  
4.4 Emergency response drill participants: 534



#### Gender Equality

##### Safeguarding Labor Rights

5.1 Return-to-work rate after parental leave: 80%;  
Retention rate one year after return: 80%



#### Affordable and Clean Energy

##### Improving Energy Efficiency

7.3 Electricity intensity reduced by 1.27% compared to 2020  
7.3 Water intensity reduced by 9.71% compared to 2020  
7.a Solar power generation: 424,500 kWh



#### Employment and Economic Growth

##### Industry-Academia Collaboration

8.b Scholarships for 3 students in industry-specific graduate programs, 3 corporate projects executed  
3.3 Disabling Injury Frequency Rate: 0.00  
3.3 Disabling Injury Severity Rate: 0  
3.3 Contractor work incidents: 0 casesh



#### Reduced Inequalities

##### Safeguarding Labor Rights

10.3 Labor and human rights law violations: 0 cases  
10.3 Labor dispute cases: 0  
10.2 Employees with disabilities: 5  
10.3 Labor-management meetings: quarterly, case improvement rate 100%



#### Responsible Consumption and Production

##### Green Products / Green Procurement / Waste Management

112.a Cumulative environmentally friendly product developments: 15 (baseline year 2023)  
12.a Environmentally friendly products certified: 4  
12.6 Sales ratio of environmentally friendly products: 41%  
12.5 Waste output per unit production area reduced by 0.65% compared to 2020  
112.5 Waste film output per unit production area reduced by 18.21% compared to 2020  
12.5 Waste resin output per unit production area increased by 0.62% compared to 2020  
12.5 Waste recycling rate increased by 8.38% compared to 2020  
12.7 Green procurement rate for IT and general office products: 100%  
12.a Passed IECQ QC 080000 third-party verification



#### Climate Action

##### Greenhouse Gas Reduction and Energy Conservation

13.3 Electricity saving rate: 3.13%  
13.3 Greenhouse gas emissions per unit production area reduced by 6.2% compared to 2020

04

Material Topics and Stakeholders

UNIVACCO TECHNOLOGY INC.

# 04

## Material Topics and Stakeholders

ESG REPORT 2023

### Material Topics and Stakeholders

UNIVACCO references the GRI Standards and AA1000 Accountability Principles, applying the four principles of inclusivity, materiality, responsiveness, and impact to identify material topics. Following the GRI Universal Standards 2021, we further assess the significance of economic, environmental, and human rights impacts of material topics as a basis for sustainability strategy planning and information disclosure in this report.

## STEP1 Understanding Organizational Context

### Stakeholder Identification

Following the five aspects of the AA 1000 SES (Stakeholder Engagement Standards) stakeholder engagement principles: influence, attention, responsibility, dependence, and diverse perspectives, and considering the importance and relevance to operations, UNIVACCO categorizes its stakeholders into six main groups: employees, shareholders/investors/financial institutions, corporate customers, suppliers, government agencies, and community and social group residents.

6

major stakeholder categories

### Sustainability Issue Collection

We reference sustainability standards and guidelines including GRI Sustainability Reporting Standards, ISO 26000 Social Responsibility Guidance, Sustainability Accounting Standards Board (SASB) Industry Standards, UN Sustainable Development Goals (SDGs), and Task Force on Climate-related Financial Disclosures (TCFD) as the foundation for collecting sustainability issues.

5

major sources of sustainability issues

### Convergence of Sustainability Issues

In 2023, the Corporate Sustainability Committee and external expert consultants updated and listed various sustainability issues and conducted convergence.

16

sustainability issues

# 04

## Material Topics and Stakeholders

ESG REPORT 2023

### STEP2

#### Identifying Actual and Potential Impacts

We identify actual and potential impacts on the economy, environment, and people (including human rights) through our operational activities and business relationships. We describe these impacts to define their potential forms and positions in the value chain.

Impact assessment sources include management systems, government regulations, market trends, risk management documents, and stakeholder feedback channels such as questionnaires and grievance mechanisms.

We inventory corresponding management policies, implementation measures, preventive actions, and mitigation procedures for impacts.

### STEP3

#### Assessing the Significance of Impacts

UNIVACCO identifies actual and potential impacts on governance, economy, the environment, and people, including human rights impacts, within its organizational activities and business relationships. The Corporate Sustainability Committee conducted an impact analysis on 16 UNIVACCO-related topics, evaluating the significance of actual and potential negative impacts based on severity and likelihood of occurrence. Each impact was scored from 1 to 5 for severity and likelihood, with impacts scoring above 15 (product of severity and likelihood) considered significant. This process identified nine significant sustainability issues.

### STEP4

#### Prioritizing the Most Significant Impacts for Reporting

The Corporate Sustainability Committee reviewed the results of step 3 and, based on factors such as international benchmark analysis, sustainability trends, and stakeholder concerns, selected 12 sustainability issues as material topics for this year. Compared to the previous reporting period, the number of material topics increased from 10 to 12, adding "Talent Attraction and Retention" in the social aspect and "Risk Management" in the corporate governance aspect. Each topic requires an explanation of response strategies, short-, medium-, and long-term goals, performance results, and management approaches in this report.

# 04

## Material Topics and Stakeholders

ESG REPORT 2023

Material Topics Impact Description and Management Approachdevelopment

### Material Topics Impact Description and Management Approach

E:Environment | S:Social | G:Corporate Governance

|                                    | ESG-G  | ESG-G   | ESG-G  | ESG-G  | ESG-G   | ESG-G   |
|------------------------------------|--|---|--|--|---|---|
| Material Issues                    | Corporate Governance and Operations  | Innovative Development and Intellectual Property Protection   | Product Quality and Safety   | Cyber Security and Personal Data Protection  | Customer Relationship Management  | Sustainable Supply Chain Management   |
| Impact Hotspots on the Value Chain | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use   | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use   | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use   | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  |
| Importance to Operations           | Transparent and sound corporate governance ensures orderly organizational development and maximizes stakeholder interests. | Actively incorporating sustainability thinking in design reduces products' environmental impact, a core component of company competitiveness. | Establishing comprehensive quality systems and continuous improvement activities increases product stability, reduces unnecessary costs, and enhances operational performance. | Developing a comprehensive information security management system protects company confidentiality, customer trade secrets, and personal data, strengthening organizational resilience against security incidents and threats. | Core competitiveness stems from building sustainable and close partnerships with customers. Deepening customer trust through sustainable operations and social responsibility management systems, meeting customer needs and gaining recognition. | Suppliers are important partners. We assist suppliers in improving labor, health and safety, environment, ethics, and management aspects to jointly implement sustainable supply chain management and promote industry-wide prosperity. |
| GRI Standards-Specific Topics      | GRI 201  |   | GRI 416  | GRI 418  | GRI 417   | GRI 308<br>GRI 414  |
| Corresponding SASB Standards       |  |   |  |  |   | RT-IG-440a.1  |
| Disclosure Chapter                 | 5.2 Governance structure   | 5.4 Innovation Development and Intellectual Property Protection   | 5.5 Product Quality Management   | 5.6 Cyber security and personal data protection  | 5.7 Customer Relationship Management  | 5.8 Sustainable Supply Chain Management   |

Continued on next page -



# 04

## Material Topics and Stakeholders

ESG REPORT 2023

### Material Topics Impact Description and Management Approachdevelopment

Continued from previous page -

E:Environment | S:Social | G:Corporate Governance

|                                    | G   | G   | E   | E   | S  | S   |
|------------------------------------|---|---|---|---|--|---|
| Material Issues                    | ESG-G<br>Risk Management  | ESG-G<br>Integrity and Compliance   | ESG-E<br>Climate Change Strategy and Energy Management  | ESG-E<br>Waste Management   | ESG-S<br>Talent Attraction and Retention   | ESG-S<br>Occupational Health and Safety   |
| Impact Hotspots on the Value Chain | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use   | Upstream - Raw Material Stage<br>Company Operations<br>Downstream - Customer Use  |
| Importance to Operations           | Risk management is crucial for maintaining stable production. Effective risk management enables companies to fully understand faced risks, their nature and severity, take timely measures to avoid or reduce risks, and quickly restore operational capabilities when damages occur. | Establishing a culture of ethical management and regulatory compliance, conducting business activities based on principles of fairness, honesty, trustworthiness, and transparency to avoid any legal violations and fulfill obligations. | Actively managing climate-related risks and opportunities to strengthen operational resilience in response to the diverse and complex impacts of climate change. Facing the scale of manufacturing electricity use, energy transition trends, and national energy policies, we continuously enhance energy efficiency and stable sources, implementing energy-saving and carbon reduction measures towards low-carbon transformation goals. | Continuously promoting process technology improvements, implementing low-pollution management, and preventing risks from pollution. | Providing fair and comprehensive compensation and benefits policies to ensure workforce stability and attract talent, contributing to the company's competitiveness. | Employee health and workplace safety are foundational to corporate sustainability. UNIVACCO follows international standards to create a work environment where employees feel safe, ensuring high operational efficiency. |
| GRI Standards-Specific Topics      |   |   | GRI 302<br>GRI 303<br>GRI 305   | GRI 306   | GRI 202<br>GRI 405<br>GRI 404  | GRI 403   |
| Corresponding SASB Standards       |   |   | RT-IG-130a.1  |   |  | RT-IG-320a.1  |
| Disclosure Chapter                 | 5.9 Risk management   | 5.10 Legal compliance<br>5.11 Business ethics   | 6.2 Climate Change Strategy and Energy Management   | 6.3 Waste Management  | 7.2 Best Workplace   | 7.7 Occupational Health and Safety  |

# 04

## Material Topics and Stakeholders

### Stakeholder Feedback Summary

### Stakeholder Engagement

UNIVACCO selects different engagement methods based on stakeholder characteristics, concerns, and engagement purposes. We report stakeholder communication results to the Board of Directors annually.

|   | Significance and Importance to UNIVACCO   | Point of Contact    |
|---|---|---------------------|
| Employees   | Employees are UNIVACCO's most important partners for sustainable development. We continuously improve labor conditions, offer competitive compensation and benefits, and uphold our corporate culture of "gratitude and contentment." We respect and care for employees, creating a happy workplace to attract talent, enabling employees to fully realize their potential and progress alongside the company, thus generating greater operational performance. | Ms. Li              |
|   |   | 3303HR@univacco.com |
| Shareholders, Investors, and Financial Institutions | UNIVACCO supports responsible investment return principles, striving to protect all shareholders'/investors'/financial institutions' interests and maximize investment benefits as a primary goal.  | Ms. Wang            |
|   |   | IR@univacco.com     |
| Corporate Customers                                 | UNIVACCO provides high-quality, sustainable products and services, prioritizing customer satisfaction and pursuing win-win relationships.   | Ms. Chen            |
|   |   | sales@univacco.com  |
| Suppliers   | UNIVACCO offers fair and reasonable contract terms, collaborating with suppliers to optimize product quality and improve supplier management mechanisms to reduce operational risks and costs.  | Mr. Hsu             |
|   |   | 3303HR@univacco.com |
| Government Agencies                                 | UNIVACCO complies with relevant regulations, actively cooperates with policy implementation, and maintains transparent two-way communication to gain government trust, support, and cooperation.  | Mr. Lu              |
|   |   | 3303HR@univacco.com |
| Community and Local Residents                       | UNIVACCO strictly controls the impact of operations on the surrounding environment and strives for harmonious coexistence with local communities.   | Mr. Hsu             |
|   |   | 3303HR@univacco.com |

## Stakeholder Feedback Summary

Communication  
Platform and  
FrequencyKey  
Communication  
IssuesUNIVACCO's  
Response

| Employees   | Corporate Customers   |
|---|---|
| <ul style="list-style-type: none"> <li>Strategic Planning Meetings (Annual): Company strategy goals and implementation planning</li> <li>Employee Questionnaire Survey (Biennial): Assess employee satisfaction to continuously improve and create a friendly workplace</li> <li>Management Two-way Communication (Monthly): Meetings between section chief-level managers and senior leadership</li> <li>Internal Network Information System (As needed): Announcements and information queries via intranet</li> <li>Labor-Management Meetings: Employee assemblies (Monthly), Employee forums (Quarterly), Welfare Committee meetings (As needed) for suggestions and improving labor relations</li> <li>New Employee Care Interviews, Employee Mailbox, HR Hotline, Employee Feedback (As needed)</li> <li>Competency Management Development Meetings: Develop OJT professional training plans for key units and positions based on job description and competency assessment gaps, track IDP implementation</li> </ul> | <ul style="list-style-type: none"> <li>Questionnaires (As needed)</li> <li>Customer Service Online Mailbox (As needed)</li> <li>Customer Satisfaction Survey (Annual)</li> <li>Corporate Official Website (Updated periodically)</li> <li>Corporate Sustainability Report (Annual)</li> <li>Participation in industry-related international exhibitions to directly understand customer and market development trends (As needed)</li> <li>Customer Visits, Customer Meetings (As needed)</li> </ul>  |
| <ul style="list-style-type: none"> <li>Employee Benefits</li> <li>Talent Attraction and Retention</li> </ul>  | <ul style="list-style-type: none"> <li>Product Quality and Safety</li> <li>Customer Relationship Management</li> <li>Environmentally Friendly Product Design</li> </ul>   |
| <ul style="list-style-type: none"> <li>The Welfare Committee increased the monthly revenue contribution from 0.05% to 0.08% to promote employee welfare. In 2024, subsidies for employee gatherings, childbirth, etc., were increased.</li> <li>Individual interviews to clarify employee perceptions of performance-based compensation, explaining performance and promotion systems</li> </ul>  | <ul style="list-style-type: none"> <li>Regularly update product quality and safety regulations to ensure product development and supply chain sources meet standards. Provide necessary product quality and safety certifications before shipment, including non-toxic, food-safe packaging, packaging safety, and toy safety certifications.</li> <li>Strengthen customer service through annual satisfaction surveys and maintain close partnerships through regular visits and communication, creating win-win strategies.</li> <li>Publish annual corporate sustainability reports, showcasing concrete achievements in sustainability management to customers. Periodically confirm market demands and communicate environmentally friendly product design requirements with customers.</li> </ul> |

Continued on next page -

## Stakeholder Feedback Summary

Communication  
Platform and  
FrequencyKey  
Communication  
IssuesUNIVACCO's  
Response

Continued from previous page -

| Shareholders/Investors/Financial Institutions  | Suppliers   |
|--|---|
| <ul style="list-style-type: none"> <li>Investor Conferences (As needed)</li> <li>Market Observation Post System: Financial reports (Quarterly), material information announcements (As needed), and regular operational updates (Monthly/Quarterly)</li> <li>Annual General Meeting: Annual report preparation as required</li> <li>Corporate Website Investor Relations/ESG Sustainability Sections (As needed): Accessible information on operational performance, corporate governance, and sustainability initiatives</li> <li>Shareholder Contact Window and Mailbox (As needed)</li> <li>Designated Spokesperson/Financial Contact with deputy system to ensure timely responses to stakeholder inquiries</li> </ul> | <ul style="list-style-type: none"> <li>Corporate Official Website (Updated periodically)</li> <li>Supplier Conferences (As needed)</li> <li>Supplier Visits/Meetings (As needed)</li> <li>Supplier Audits and Interviews (As needed)</li> </ul>   |
| <ul style="list-style-type: none"> <li>Reasons for quarterly gross margin improvement</li> <li>Impact of inflation and geopolitical factors on regional sales</li> <li>Air pollution fee litigation progress and current situation</li> <li>ESG-related product development to meet market needs</li> </ul>  | <ul style="list-style-type: none"> <li>Sustainable Supply Chain Management</li> <li>Product Quality and Safety</li> <li>Integrity and Compliance</li> <li>Innovative Development and Intellectual Property Protection</li> </ul>  |
| <ul style="list-style-type: none"> <li>Gross margin benefited from strong North American orders, optimized product mix, favorable export exchange rates, and improved capacity utilization in H2</li> <li>Main markets in Europe and North America; North American orders stable with counter-trend growth; European market affected by inflation and conflicts</li> <li>Air pollution fee calculation dispute under court review; plants obtaining 100% enclosed collection approval, effectively reducing calculation disputes</li> <li>Hot stamping products certified by INGEDE for deinkability and EN 13432/ASTM D6400 for compostability, proving recyclability and environmental friendliness</li> </ul>           | <ul style="list-style-type: none"> <li>Annual supplier conferences and regular audits to communicate sustainable supply chain management strategies and goals. Encourage suppliers to develop innovative operational models reducing environmental impact. Strengthen cooperation through bilateral engagement for sustainable business development.</li> </ul> |

Continued on next page -

## Stakeholder Feedback Summary

Continued from previous page -

Communication  
Platform and  
FrequencyKey  
Communication  
IssuesUNIVACCO's  
Response

| Government Agencies  | Community and Local Residents  |
|--|--|
| <ul style="list-style-type: none"> <li>• Maintain good interactions with authorities and actively participate in official seminars (As needed)</li> <li>• Management system regulatory identification (As needed)</li> <li>• Official correspondence, project discussions, public information (As needed)</li> <li>• Industry association communication platforms (As needed)</li> </ul>   | <ul style="list-style-type: none"> <li>• Establish contact window and mailbox (As needed)</li> </ul>   |
| <ul style="list-style-type: none"> <li>• Enclosed collection improvements in plant areas</li> <li>• RTO installation subsidy explanations</li> <li>• Boiler carbon capture installation discussions</li> <li>• Explosion-proof electrical improvements in coating, mixing, and boiler areas after hazardous zone classification</li> <li>• Anti-entrapment improvements for coating and slitting machines</li> <li>• Changes and applications for hazardous materials storage areas</li> </ul>   | <ul style="list-style-type: none"> <li>• Integrity and Compliance</li> <li>• Social Engagement</li> </ul>  |
| <ul style="list-style-type: none"> <li>• VC1/VC2/VC3 plants approved for "100% enclosed collection"; ongoing communication with Environmental Protection Bureau for OP1 plant</li> <li>• RTO installation review meeting held on January 4, 2024; principle agreement obtained; supplementary information submitted on January 19, 2024; awaiting response</li> <li>• Collaborating with Tunghai University on boiler carbon capture for carbon reduction strategy; capture duration limited to one month with record-keeping</li> <li>• (1) Explosion-proof electrical improvements for coating and mixing areas (scales, etc.) to be completed by end of April 2024; FDS simulation by Chang Jung Christian University team for coating machine control boxes with increased positive pressure, expected completion July 2024</li> <li>• (2) Boiler area explosion-proof electrical improvements: ventilation assessment by NTUST team to reduce hazardous zone classification, expected completion July 2024, followed by reclassification</li> <li>• Anti-entrapment equipment for coating and slitting machines in plant areas contracted in July 2023, improvements expected to be completed by end of March 2024</li> <li>• (1) VC4 plant indoor storage area changes (increased solvent and dye storage) application submitted in December 2023, under review by Fire Department's Second Brigade</li> <li>• (2) General processing area applications for coating areas in each plant (existing facilities): Fire equipment engineer commissioned for VC3 plant improvement planning, improvements and applications expected in H2 2024</li> </ul> | <p>Actively participate in local activities and meetings, establish good communication channels and relationships, develop social feedback, and enhance positive corporate influence</p> |

05

Corporate Governance

UNIVACCO TECHNOLOGY INC.

# 05

## Corporate Governance

### Key Results

ESG REPORT 2023

#### 5.1 Key Results

- ★ Received FSEA Gold Leaf Awards(One gold and one silver). Recognized for 13 consecutive years.
- ★ Won the 32nd Taiwan Excellence Award
- ★ Successfully developed recyclable hot stamping film, achieving a closed-loop cycle
- ★ Passed IECQ QC 080000 Hazardous Substance Process Management System third-party verification

Consolidated revenue: **NT\$2,458,818 thousand**

**NT\$2.21**

Earnings per share:

**Top 20%**  
among OTC companies

Corporate Governance Performance:

**4.57%**

R&D expense ratio:



## 5.2 Governance structure

Strategy:

Strengthen board functions, focus on shareholder rights, integrate relevant departments to establish corporate governance regulations and systems. Assist in completing and implementing internal control systems, uphold integrity, provide customer-oriented services, emphasize stakeholder rights and concerns, ensure transparent information disclosure and legal compliance.

| 2023   |  | 2024   | 2025   | 2030  |
|--|--|--|--|---|
| Implementation of Corporate Governance 3.0 - Established corporate governance guidelines, committed to continuously optimizing shareholder rights protection, strengthening board functions, respecting stakeholder rights, and enhancing information transparency to improve corporate governance effectiveness |  |  |  |   |
| Goal   | Outcome  | Goal   |  |   |
| Promote internal performance evaluations of functional committees  | Objective achieved   | <ul style="list-style-type: none"> <li>Functional committee internal performance evaluation scores improved compared to 2023</li> <li>English versions of annual/quarterly reports, meeting handbooks, and shareholder meeting reports released within timeframes meeting corporate governance evaluation requirements</li> <li>Hold at least one investor conference annually</li> <li>Upload Sustainability Report to Market Observation Post System by end of August</li> <li>Corporate governance performance score for market cap &lt;5 billion TWD category: 2%-10%</li> </ul> | <ul style="list-style-type: none"> <li>External board performance evaluation conducted every three years</li> <li>TCFD framework used to assess energy transition impacts</li> <li>Internal regulations for directors' and insiders' securities transactions disclosed on company website</li> <li>More than half of independent directors' consecutive terms not to exceed three terms</li> <li>Hold at least two investor conferences annually</li> <li>Upload Sustainability Report to Market Observation Post System by end of August</li> <li>Corporate governance performance score for market cap &lt;5 billion TWD category: 2%-10%</li> </ul> | <ul style="list-style-type: none"> <li>Board members diverse with ESG promotion expertise</li> <li>Board supervises climate-related decision-making at least annually</li> <li>Established ESG-linked compensation and incentive system</li> <li>Engaged with key stakeholders on at least two strategic ESG issues</li> <li>Aim to maintain top 20% ESG governance evaluation ranking among OTC companies (expected to launch in 2024)</li> <li>Hold at least two investor conferences annually</li> <li>Corporate governance performance score for market cap &lt;5 billion TWD category: 2%-10%</li> </ul> |
| Added English versions of annual financial reports, meeting handbooks, and sustainability reports  | Target achieved; sustainability report key points annotated in English |  |  |   |
| Quarterly financial reports released at least one week earlier than required; annual financial reports released at least one month earlier, all approved by the Audit Committee  | All targets met except for 2023 Q3                                     |  |  |   |
| Hold at least one investor conference annually   | Online investor conference held on October 26, 2023                    |  |  |   |
| Sustainability report third-party verified and timely disclosed as per corporate governance evaluation requirements  | Objective achieved   |  |  |   |
| Maintained top 20% ranking among OTC companies   | Target achieved, 2%~10% for companies with market cap <NT\$5 billion   |  |  |   |

### 5.2.1 About UNIVACCO

UNIVACCO based on 33 years of industry experience, possesses three core technologies: "unique chemical formulations," "high-spec vacuum metallization technology," and "precision coating technology." We focus on providing decorative hot stamping films and optoelectronic film materials, establishing a high-quality leading brand image deeply rooted in the market, long favored by international customers.

### Board member nationalities: All Taiwanese

Board member nationalities: All Taiwanese

#### Tsai, Kuo-Lung

Chairman

Male / Age: 71 - 80

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis management
- International market perspective
- Industry knowledge • Risk management

##### Experience / Education

- Bachelor of Chemical Engineering, Tamkang University
- Vice President of TONG-HO VACUUM METALLIZING CO., LTD.

##### Position in other companies at present:

- Director of VICOME CORP. (Note 1)

#### Lee, Hsien-Chang

Director

Male / Age: 51 - 60

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis management
- International market perspective
- Industry knowledge • Risk management

##### Experience / Education

- Bachelor of Mechanical Engineering, National Taiwan University
- Vice President of the Vacuum Evaporation Division
- General Manager of UNIVACCO (Wuxi) Co., Ltd.

##### Position in other companies at present:

- CEO and General Manager of the Company (Note 2)

### 5.2.2 Enhancing Board Functions

UNIVACCO's highest governance body - the Board of Directors - comprises nine directors with rich corporate management or academic experience. On May 26, 2022, the 12th Board of Directors was elected at the Annual General Meeting, with members from diverse professional backgrounds aligning with the diversity policy. Of the nine directors, three are independent, and one is female. Directors serve three-year terms. Board Member Profiles and Educational/Professional Backgrounds are disclosed as follows:

#### Tsai, Yi-Chung

Director

Female / Age: 41 - 50

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis management
- International market perspective
- Industry knowledge • Risk management

##### Experience / Education

- Master of Business Administration, National Chung Hsing University
- Planning Administrator of ITRI College
- Chairman of Dingri Investment Co., Ltd.

##### Note 1:

The Chairman of the Board, Tsai, Kuo-Lung, also currently holds a position in the following companies: Chairman of UNIVACCO (M) SDN.BHD, MATERIALS COATING TECHNOLOGY CORPORATION ; Director of TAI LENG INDUSTRY INC., UNIVACCO FOILS CORPORATION, UNIVACCO (CAYMAN) INC., UNIVACCO (HONG KONG) LIMITED. , UNIVACCO EUROPE SP. Z O.O..

##### Note 2:

Director, Lee, Hsien-Chang also currently holds a position in the following companies: Director of UNIVACCO FOILS CORPORATION, UNIVACCO FOILS EAST CORPORATION, UNIVACCO (M) SDN.BHD.; General Manager of MATERIALS COATING TECHNOLOGY CORPORATION.

# 05

## Corporate Governance

### Governance structure

ESG REPORT 2023

#### Tai Chang Resin Industrial Co., Ltd

Representative /

**Tsai, Ming-Zhe**

Corporate Director

Male / Age: 61 - 70

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis management
- International market perspective
- Industry knowledge • Risk management

##### Experience / Education

- Bachelor of Computer Science, Soochow University
- General Manager of Tai Chang Resin Industrial Co., Ltd

##### Position in other companies at present:

- Chairman of Tai Chang Resin Industrial Co., Ltd
- COO of Syndyne Industrial Co. Ltd.

#### Chuan Yao Investment Co., Ltd.

Representative /

**Chen, Pin-Chuan**

Corporate Director

Male / Age: 21 - 30

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis Management
- International Market Perspective • Industry Knowledge
- Risk Management • Financial Investment

##### Experience / Education

- Bachelor of Information Engineering, Fu Jen Catholic University
- Information Engineer of Yonsoon Technology Corporation

##### Position in other companies at present:

- Information Engineer of Yonsoon Technology Corporation
- Director of Yonsoon Technology Corporation
- Director of Chuan Yao Investment Co., Ltd
- Director of Tzih Dar Construction Co., Ltd.

#### Xin Sheng Investment Co., Ltd.

Representative /

**Hsiao, Chia-Tzu**

Corporate Director

Male / Age: 51 - 60

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis Management
- International Market Perspective
- Industry Knowledge • Risk Management
- Financial Investment

##### Experience / Education

- Master of Mathematics, National Central University
- Researcher of Xin Sheng Investment Co., Ltd.

##### Position in other companies at present:

- Director of Global Material Science Co., Ltd.
- CEO of Xin Sheng Investment Co., Ltd.

**Liu, Jung-Chin**

3 - 9 years  
Independent Director

Male / Age: 61 - 70

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis Management
- International Market Perspective
- Risk Management • Accounting and Financial Analysis

##### Experience / Education

- Bachelor of Accounting, Chinese Culture University
- Partner at Jiang Xing & Co., CPAs
- Partner at Yangtze CPAs and Co.

##### Position in other companies at present:

- CPA at Jiang Sheng & Co. CPAs
- Independent Director of Franbo Lines Corp
- Audit Committee and Remuneration Committee Member of UNIVACCO Technology Inc.

**Huang, Liang-Chih**

3 - 9 years  
Independent Director

Male / Age: 61 - 70

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making • Crisis management
- International market perspective • Risk Management

##### Experience / Education

- Ph.D. of Industrial Education and Technology, Iowa State University, USA
- Associate Professor/Head/Director/Professor of the Department of Industrial Engineering and Management, I-Shou University

- Professor/Head/Director of the Department of Labor Relations, National Chung Cheng University
- Adjunct Professor of the Institute of Human Resource Management, National Sun Yat-Sen University

##### Position in other companies at present:

- Professor of the Department of Labor Relations, National Chung Cheng University
- Audit Committee/ Remuneration Committee/ Sustainability Development Member of UNIVACCO Technology Inc.

**Tai, Chih-Yen**

3 - 9 years  
Independent Director

Male / Age: 41 - 50

##### Diversification status

- Operational judgment • Business management
- Leadership decision-making
- Crisis Management • Industry Knowledge
- International Market Perspective
- Risk Management • Financial Investment
- Accounting and Financial Analysis

##### Experience / Education

- Ph.D., Department of Business Management (Management Accounting and Strategy), National Sun Yat-Sen University
- Researcher/Research Manager of Industrial Technology Research Institute
- Researcher/Deputy Director of Commerce Development Research Institute
- Adjunct Assistant Professor, College of Management, National Sun Yat-Sen University

##### Position in other companies at present:

- Associate Research Fellow at Chung-Hua Institution for Economic Research
- Audit Committee/ Remuneration Committee/ Sustainability Development Member of UNIVACCO Technology Inc.

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## Corporate Governance

### Governance structure

ESG REPORT 2023

UNIVACCO Technology's Board appointed a senior executive as CEO and General Manager, leading the management team in executing duties authorized by the Chairman and Board, reporting directly to the Board.

Since June 25, 2015, UNIVACCO has adopted the candidate nomination system under Article 192-1 of the Company Act for director elections. Director nominations undergo a rigorous selection process, considering contributions to long-term stable operations and ethical reputations. Independent director candidates must meet the requirements of the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." Shareholders holding over 1% of issued shares may submit candidate lists, allowing shareholder participation in the nomination process.

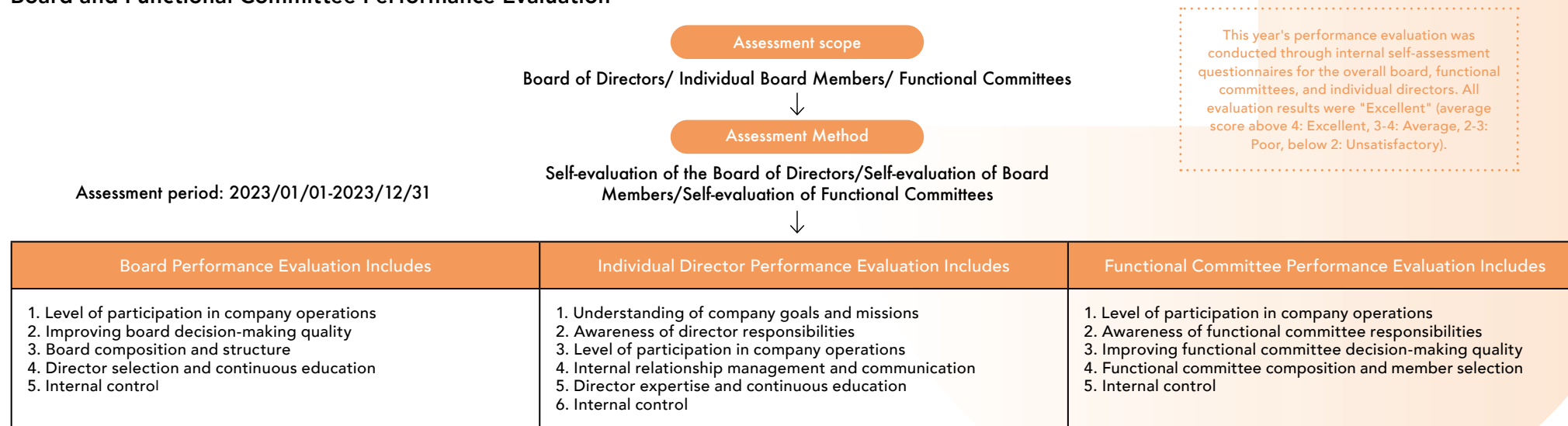
All director candidates are elected at the Annual General Meeting for three-year terms, with the possibility of re-election.

To avoid conflicts of interest, directors must obtain shareholder approval to be exempted from non-compete restrictions, as per the Company Act. Regarding conflicts of interest, the Board Meeting Rules and Corporate Governance Guidelines stipulate that for agenda items where directors or their represented legal entities have potential conflicts of interest that may harm the company's interests, they may express opinions and answer questions but must recuse themselves from discussions and voting. They also cannot exercise voting rights on behalf of other directors.

On December 26, 2022, UNIVACCO established "Board and Functional Committee Performance Evaluation Regulations." In February 2024, the 2023 director and functional committee self-evaluation questionnaires were completed and reported to the Board on February 23, 2024, with results disclosed on the company website.

The most recent (2024) board performance evaluation results are as follows:

### Board and Functional Committee Performance Evaluation



Evaluation Frequency: Annually

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## Corporate Governance

### Governance structure

ESG REPORT 2023

To establish good corporate governance and an independent director system, enabling independent directors to fulfill their functions in the board and company operations, UNIVACCO has established "Rules Governing the Scope of Duties of Independent Directors" with reference to Article 26, Paragraph 1 of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies. These rules were approved by the board on March 25, 2021, without objection from attending directors.

Regarding board operations, in addition to following shareholder resolutions, UNIVACCO complies with relevant regulations including the Company Act, Securities and Exchange Act, Articles of Incorporation, and Board Meeting Rules. The company has also established "Ethical Conduct Guidelines for Directors and Managers" and "Rules Governing the Scope of Duties of Independent Directors," requiring relevant personnel to adhere to ethical standards when performing duties and prevent actions that may harm the company's and shareholders' interests.

#### Main Responsibilities of the Board

- Ensure implementation of operational strategies [Operational Strategy Issues]
- Timely disclosure of important operational information [Operational Information Disclosure Issues]
- Ensure regulatory compliance [Regulatory Compliance Issues]
- Appointment and governance of senior management [Key Talent Issues]
- Performance evaluation of the management team [Operational Management Issues]
- Assessment and control of operational risks [Risk Management Issues]

The Board of Directors receives quarterly reports on the group's operational performance and, when necessary, urges the management team to make adjustments. Starting in 2020, the Board has proposed six medium-term sustainability strategies within the strategic planning report, focusing on the group's risk management policies and procedures. These strategies are primarily based on the principle of materiality, conducting risk assessments related to environmental, social, and governance (ESG) issues relevant to the company's operations. In 2023, 11 significant risk items were identified, for which relevant risk management policies or strategies were formulated to enhance control procedures. After improvements, 82% of these significant risks were effectively downgraded, demonstrating notable progress. The company continues to adjust risk item controls annually in response to changes in internal and external environments, ensuring predictable operational stability. The management team maintains smooth communication with the Board, focusing on executing the Board's instructions and business operations to maximize shareholder value.

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## Corporate Governance

### Governance structure

ESG REPORT 2023

Summary of key issues communicated with the highest governance body - the Board of Directors - in 2023: All discussion items and resolutions were announced as material information on the Market Observation Post System on the day of the meeting. Important resolutions can be found in the 2023 Annual Report.

#### 2023 Key Issue Discussions and Resolutions

| Operational Strategy Issues |   | Operational Information Disclosure Issues |   | Regulatory Compliance Issues |   |
|-----------------------------|---|---|---|------------------------------|---|
| Number of Discussion Items  | 5 cases   | Number of Discussion Items                | 6 cases   | Number of Discussion Items   | 4 cases   |
| Resolution:                 | Board resolutions passed unanimously without objection from attending directors | Resolution:                               | Board resolutions passed unanimously without objection from attending directors | Resolution:                  | Board resolutions passed unanimously without objection from attending directors |

| Key Talent Issues          |   | Operational Management Issues |   | Risk Management Issues     |   |
|----------------------------|---|-------------------------------|---|----------------------------|---|
| Number of Discussion Items | 8 cases   | Number of Discussion Items    | 7 cases   | Number of Discussion Items | 15 cases  |
| Resolution:                | All directors approved without objection, except for compensation issues where some directors recused themselves due to conflicts of interest | Resolution:                   | Board resolutions passed unanimously without objection from attending directors | Resolution:                | Board resolutions passed unanimously without objection from attending directors |

To respond to rapidly changing global economic conditions, business operations, and regulatory shifts, while developing and enhancing the overall knowledge of the highest governance body - the Board of Directors - on economic, environmental, and social issues, UNIVACCO appointed a Corporate Governance Officer on August 10, 2022, as approved by the Board. This officer assists directors in executing corporate governance-related affairs. Additionally, the company organizes annual director training programs, inviting external lecturers or arranging for directors to attend external professional development courses. Recent board education topics include International Financial Reporting Standards, insider trading, corporate governance and corporate social responsibility, and financial fraud detection techniques. The 2023 collective board education topics were "Material Information Disclosure and Insider Trading Prevention" and "Geopolitical Strategies and Sustainability Disclosure Standards Directors Should Understand."

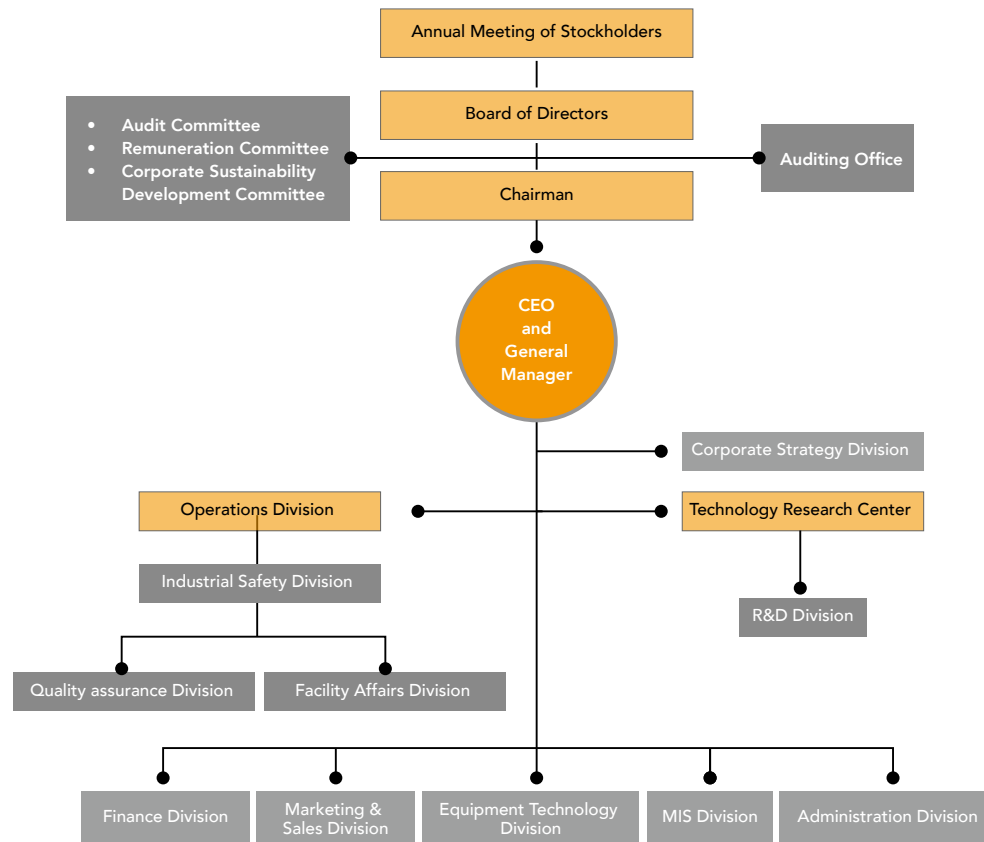
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## Corporate Governance

### Governance structure

ESG REPORT 2023

#### UNIVACCO Organizational Structure



#### Corporate Sustainability Development Committee

On March 25, 2021, UNIVACCO's Board of Directors resolved to establish a Corporate Sustainability Committee to strengthen the board's function in promoting and enhancing corporate sustainability and social responsibility governance. Committee members are appointed by board resolution, with no fewer than three members, comprising senior executives and independent directors. At least one independent director must participate in supervision. The General Manager is designated as the committee chair. The committee meets at least twice a year, with additional meetings as needed.

#### Committee Functions

The committee primarily consists of four units: Environmental Safety and Health Committee, Corporate Governance Committee, Social Responsibility Committee, and Supply Chain Management Committee. Its main functions include:

- 01 Formulating corporate sustainability policies
- 02 Developing sustainability goals, strategies, and implementation plans for governance, ethical management, environmental, and social aspects
- 03 Reviewing, tracking, and revising sustainability implementation and effectiveness, with regular reports to the board
- 04 Addressing stakeholder concerns (shareholders, customers, suppliers, employees, government, non-profit organizations, communities, media) and supervising communication plans
- 05 Other matters assigned by the board



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## Corporate Governance

### Governance structure

ESG REPORT 2023

#### Committee Operations

In 2023, the Corporate Sustainability Committee met twice. Independent director attendance and communication summaries are as follows:

##### Lee, Hsien-Chang

General Manager

Attendance Rate(%) 100%  
Attendance in person 2 times  
Attendance by Proxy 0 times

##### Huang, Liang-Chih

Independent Director

Attendance Rate(%) 100%  
Attendance in person 2 times  
Attendance by Proxy 0 times

##### Tai, Chih-Yen

Independent Director

Attendance Rate(%) 100%  
Attendance in person 2 times  
Attendance by Proxy 0 times

Actual attendance rate = Number of actual attendances / Number of meetings

#### Meeting Communication Topics

- 2022 Corporate Sustainability Report issuance
- 2023 first-half ESG key work item results report
- Corporate Sustainability Report disclosure standards report: Global Reporting Initiative Standards (GRI 2021), Task Force on Climate-related Financial Disclosures (TCFD), Sustainability Accounting Standards Board (SASB)

Meeting Date:  
2023/08/01

Resolution:  
Unanimously approved by all committee members

- 2023 risk outcome review and 2024 risk target planning
- Implementation of amended "Risk Management Policy and Procedures"
- 2023 ESG key work item results report
- Information security operational risk management performance evaluation

Meeting Date:  
2023/12/21

Unanimously approved by all committee members  
Reported to the Board of Directors on December 28, 2023

#### Audit Committee

UNIVACCO established an Audit Committee to replace supervisors after the full re-election at the Annual General Meeting on May 24, 2019, strengthening board functions. The Audit Committee comprises all independent directors. Independent directors are elected through the candidate nomination system under Article 192-1 of the Company Act, with shareholders electing from the list of independent director candidates. The convener is Independent Director Mr. Liu, Jung-Chin.

#### Committee Functions

The committee is responsible for overseeing the fair presentation of financial statements, appointment/dismissal and independence of certified public accountants, effective implementation of internal controls, compliance with relevant laws and regulations, and management of existing or potential risks.

Regular communication is maintained with the Internal Audit Manager and external auditors. The Internal Audit Department submits monthly audit reports to each independent director for review, and the Audit Manager reports significant audit findings to the Audit Committee. In addition to reporting on the audit or review of financial statements to independent directors, the company's certified public accountants conduct at least one legal compliance seminar annually, updating knowledge on financial and tax regulations and addressing related impacts and response measures.

#### Committee Operations

In 2023, the Audit Committee met five times. Independent director attendance was as follows:

##### Liu, Jung-Chin

Independent Director

Attendance Rate(%) 100%  
Attendance in person 5 times  
Attendance by Proxy 0 times

##### Huang, Liang-Chih

Independent Director

Attendance Rate(%) 100%  
Attendance in person 5 times  
Attendance by Proxy 0 times

##### Tai, Chih-Yen

Independent Director

Attendance Rate(%) 100%  
Attendance in person 5 times  
Attendance by Proxy 0 times

Actual attendance rate = Number of actual attendances / Number of meetings

I.No significant anomalies were found in the 2023 audit results, and independent directors had no objections. A total of four communications occurred, summarized as follows:

| Meeting Date | Nature and Communication Topics   |
|--------------|---|
| 2023/02/23   | <ul style="list-style-type: none"> <li>Q4 2022 internal audit execution report</li> <li>2022 "Internal Control System Effectiveness Evaluation" and "Statement on Internal Control System"</li> </ul> |
| 2023/05/08   | <ul style="list-style-type: none"> <li>Q1 2023 internal audit execution report</li> </ul>   |
| 2023/08/08   | <ul style="list-style-type: none"> <li>Q2 2023 internal audit execution report</li> </ul>   |
| 2023/11/09   | <ul style="list-style-type: none"> <li>Q3 2023 internal audit execution report</li> <li>Review of 2024 audit plan</li> </ul>  |

II.2023 communications between independent directors and accountants are summarized as follows:

| Meeting Date   | Key Communication Points   |
|--|--|
| 2023/02/23   | Explanation of key audit matters for 2022 consolidated and individual financial reports, with discussions on questions raised by attendees |
| Resolution: Approved by the Audit Committee, then submitted to the Board of Directors for resolution, announcement, and reporting to competent authorities on schedule |  |

| Meeting Date   | Key Communication Points  |
|--|---|
| 2023/05/08   | Explanation of review findings and results for Q1 2023 consolidated financial report, with discussions on questions raised by attendees |
| Resolution: Approved by the Audit Committee, then submitted to the Board of Directors for resolution, announcement, and reporting to competent authorities on schedule |   |

| Meeting Date   | Key Communication Points  |
|--|---|
| 2023/08/08   | Explanation of review findings and results for Q2 2023 consolidated financial report, with discussions on questions raised by attendees |
| Resolution: Approved by the Audit Committee, then submitted to the Board of Directors for resolution, announcement, and reporting to competent authorities on schedule |   |

| Meeting Date   | Key Communication Points  |
|--|---|
| 2023/11/09   | Explanation of review findings and results for Q3 2023 consolidated financial report, with discussions on questions raised by attendees |
| Resolution: Approved by the Audit Committee, then submitted to the Board of Directors for resolution, announcement, and reporting to competent authorities on schedule |   |

## Remuneration Committee

|                       |   |
|-----------------------|---|
| Purpose and basis     | To ensure a sound remuneration system for directors and executives of UNIVACCO , this Remuneration Committee Charter is established in accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter."  |
| Committee Functions   | The primary function of this committee is to professionally and objectively evaluate the remuneration policies and systems for directors and executives of the company, and to provide recommendations to the Board of Directors as a reference for their decision-making.  |
| Committee Composition | UNIVACCO Technology established the Remuneration Committee on November 10, 2011, as approved by the Board of Directors. The term of the fifth Remuneration Committee is from June 8, 2022, to May 25, 2025.<br>In accordance with Articles 5 and 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee, the committee comprises three independent directors appointed by the Board.<br>For detailed information on Remuneration Committee members, please refer to the Independent Director section of this report. |

### Scope of Responsibilities

Committee members shall faithfully perform the following duties with the care of a good administrator and submit their recommendations to the Board of Directors for discussion.

- I. Regularly review this Charter and propose amendments as necessary.
- II. Establish and periodically review the performance targets, remuneration policies, systems, standards, and structure for directors, supervisors, and executives.
- III. Regularly assess the achievement of performance targets for directors, supervisors, and executives, and recommend individual remuneration content and amounts. In fulfilling these duties, the committee shall adhere to the following principles:

1. Ensure that the company's remuneration arrangements comply with relevant laws and regulations and are sufficient to attract top talent.
2. Performance evaluations and remuneration for directors, supervisors, and executives should consider industry norms, time invested, responsibilities, goal achievement, other positions held, recent compensation for equivalent positions within the company, and the reasonableness of individual contributions in relation to business objective achievement, financial condition, operational performance, and future risks.
3. Avoid incentivizing directors and executives to engage in behaviors that exceed the company's risk appetite in pursuit of remuneration.
4. Consider industry characteristics and the nature of the company's business when determining the ratio of short-term performance bonuses and the timing of variable compensation payments for directors and senior executives.

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### Committee Operations

In 2023, the Remuneration Committee held two meetings. The attendance of independent directors was as follows:

| Convener   | Huang, Liang-Chih            | Liu, Jung-Chin               | Tai, Chih-Yen                |
|--|------------------------------|------------------------------|------------------------------|
|  | Independent Director         | Independent Director         | Independent Director         |
|  | Attendance Rate(%) 100%      | Attendance Rate(%) 100%      | Attendance Rate(%) 100%      |
|  | Attendance in person 2 times | Attendance in person 2 times | Attendance in person 2 times |
|  | Attendance by Proxy 0 times  | Attendance by Proxy 0 times  | Attendance by Proxy 0 times  |
| Actual attendance rate = Number of actual attendances / Number of meetings |                              |                              |                              |

### Internal Audit Mechanism

TUNIVACCO Technology has established an Internal Audit Office reporting directly to the Board of Directors. The full-time internal auditors, appointed by Board resolution, are required to participate in relevant professional training courses annually to continuously enhance their expertise. To ensure the accuracy, reliability, and timeliness of financial, managerial, and operational information, as well as employee compliance with relevant policies, guidelines, procedures, and regulations, the Internal Audit Office conducts various audits according to the Board-approved annual audit plan. Audit results and subsequent improvement plans are reported to the Board of Directors and management to ensure audit effectiveness and departmental implementation of self-inspections.

#### The scope of internal audits includes

- Reviewing the reliability and integrity of financial and operational information
- Examining existing systems to ensure compliance with policies, plans, procedures, contracts, and laws
- Evaluating methods for safeguarding assets
- Assessing the efficiency and effectiveness of resource utilization
- Reviewing operations or project plans to determine if results align with established objectives

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### 5.3 Business performance

UNIVACCO's economic performance for 2023 is presented based on consolidated financial statements and the direct economic value generated and distributed.

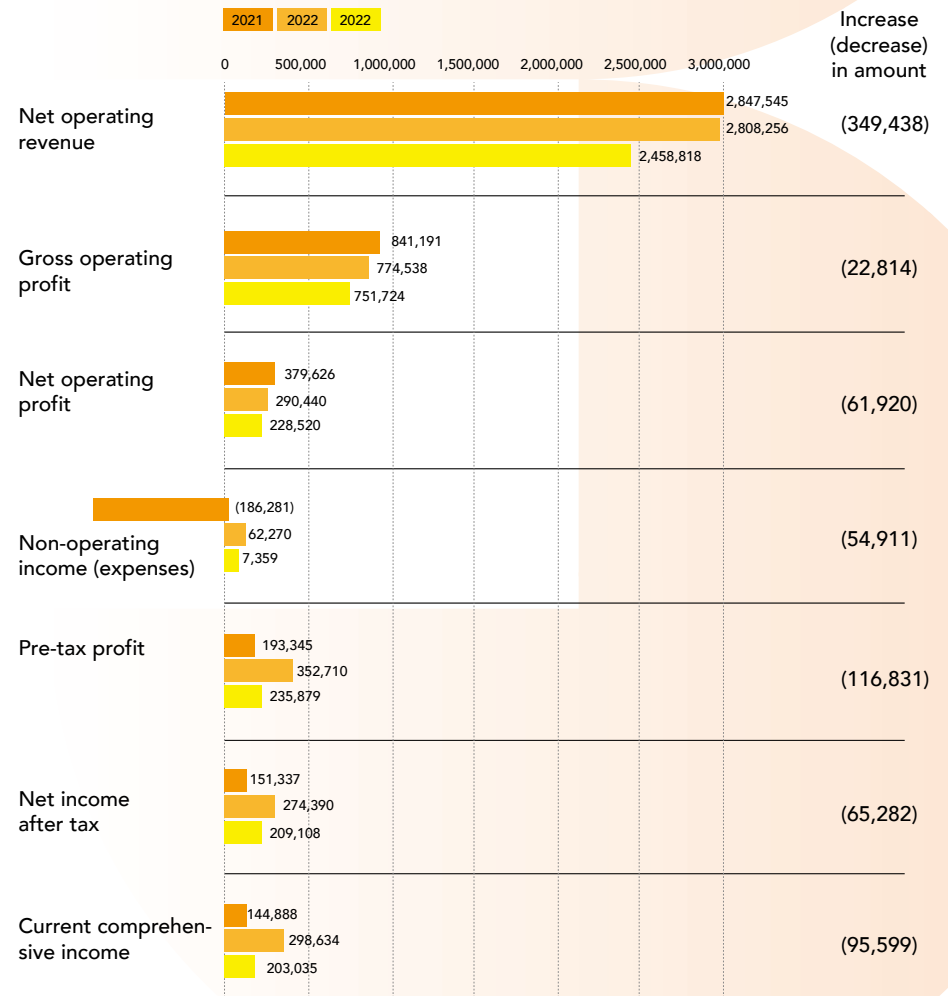
#### (I) Consolidated financial statements in accordance with IFRS

According to International Financial Reporting Standards (IFRS), UNIVACCO's consolidated revenue for 2023 was NT\$2,458,818 thousand, with a consolidated after-tax profit attributable to the parent company of NT\$208,287 thousand. Earnings per share were NT\$2.21. For detailed information, please refer to the Consolidated Financial Statements and Independent Auditors' Report available at:

Market Observation Post System: <http://mops.twse.com.tw>

UNIVACCO website: <https://www.univacco.com>

#### (I) Consolidated financial statements in accordance with IFRS



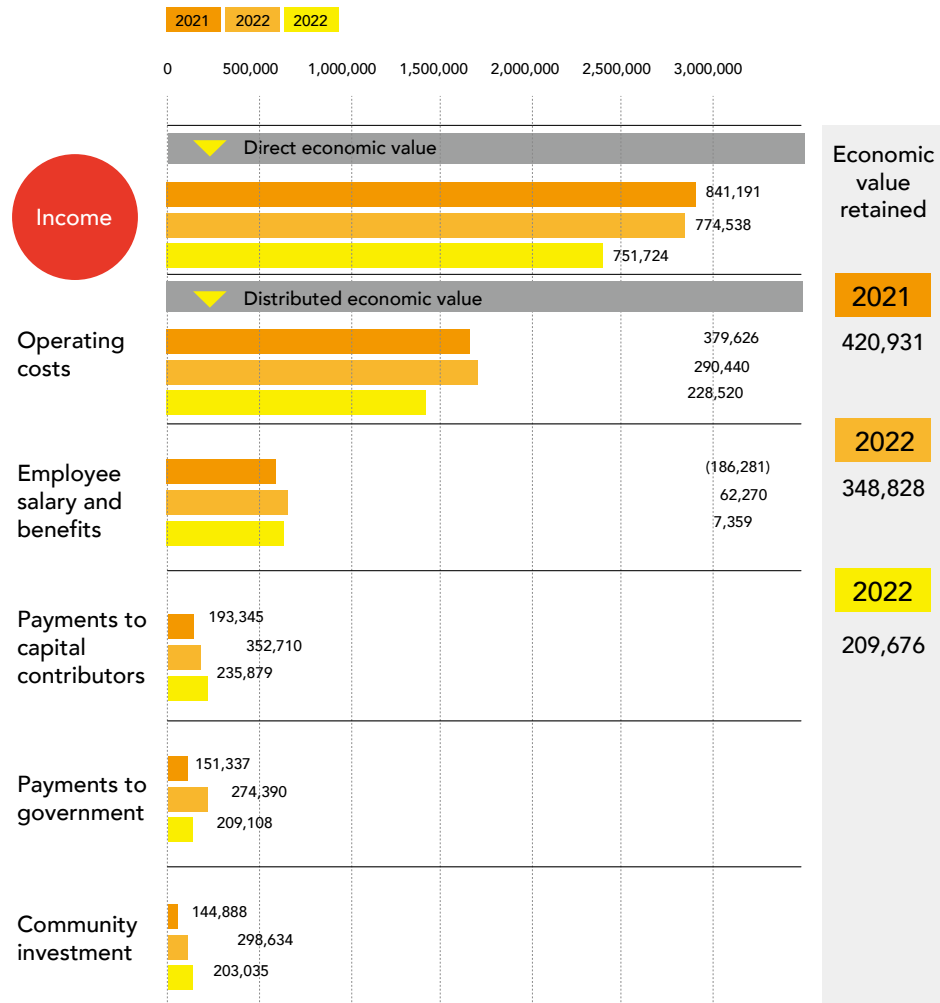
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#### (II) Direct economic value produced and distributed



#### (III) Financial subsidies received from the government in 2023

|   |                                |
|---|--------------------------------|
| • Action Plan for Welcoming Overseas Taiwanese Businesses to Invest in Taiwan   | Amount <b>36</b> Thousand NTD  |
| • ITRI-Power and Utility Equipment Subsidies  | Amount <b>37</b> Thousand NTD  |
| • Yunlin-Chiayi-Tainan Regional Branch, Workforce Development Agency, Ministry of Labor : Enterprise Human Resource Enhancement Program | Amount <b>611</b> Thousand NTD |
| • Paternity Leave and Prenatal Check-up Subsidies   | Amount <b>20</b> Thousand NTD  |
| • (Bureau of Labor Insurance, Ministry of Labor)Overseas Exhibition Subsidy   | Amount <b>23</b> Thousand NTD  |

### 5.3.1 Market Development

To serve a wide range of printing house customers, UNIVACCO has subsidiaries in Wuxi, China; Selangor, Malaysia; Massachusetts, USA; and Massachusetts and California, USA, in addition to its headquarters and subsidiaries in Taiwan. Through exclusive distributors in France and Japan and over 60 global distribution partners, UNIVACCO markets to 70 countries and regions, serving more than 4,000 customers with products of stable quality at competitive prices and localized services.

#### UNIVACCO Global Locations



#### Subsidiaries

Taiwan, China, Malaysia, USA

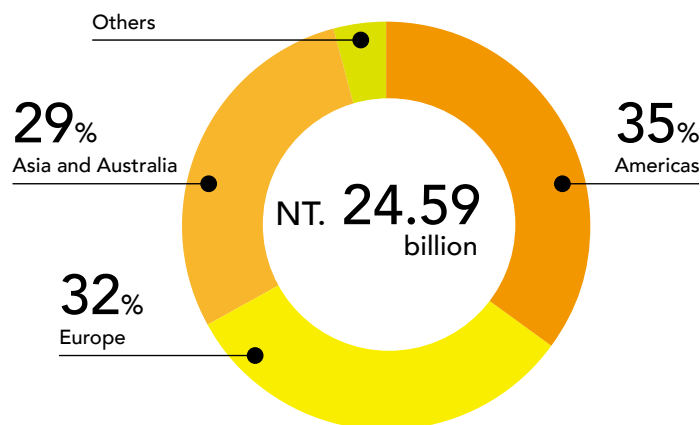
#### Distributors:

Taiwan, Japan, Thailand, Indonesia, India, Australia, New Zealand, Netherlands, France, United Kingdom, Italy, Spain, Hungary, Bulgaria, Moldova, Romania, Ukraine, Belarus, Dubai, South Africa, Brazil, Chile, Argentina, Colombia and 70 other countries

### 5.3.1.1 Regional Development Strategy

Since entering the international market in 2003, nearly 90% of UNIVACCO Group's revenue has come from exports. UNIVACCO Technology's high-quality hot stamping foils are favored by many renowned brands for alcoholic beverages, cosmetics, and pharmaceutical packaging. The company has particularly focused on the American and European markets, with over 60% of hot stamping foil sales coming from these regions. UNIVACCO Technology will continue to focus on increasing market share, targeting Europe and North America as key markets. Through subsidiaries and distributors' local market cultivation, complemented by the accumulation and refinement of European market products, industry applications, and core technologies, the company will continue to invest marketing resources to enhance brand image. Combined with technical services providing necessary hot stamping foil products, UNIVACCO aims to penetrate the market and continue to gain exposure through exhibitions, provide samples for testing, and offer technical services in China, South America, and other emerging markets to increase market share. UNIVACCO aims to penetrate the market and continue to gain exposure through exhibitions, provide samples for testing, and offer technical services in China, South America, and other emerging markets to increase market share.

#### 2023 Global Regional Sales



### Customer Management and Expansion

UNIVACCO provides hot stamping films and services, including product design and development, precision manufacturing, technical support, and high-quality brand image creation. Using subsidiaries and distributors as local operation centers, the company serves regional printing house customers. In addition to regional printing house customers, UNIVACCO actively develops Global Printing House (GPH) clients, targeting their supply chain systems and collaborating to develop customized products, creating economies of scale in purchasing.

As the global technical core, our headquarters continuously enhances distributors' technical knowledge and problem-solving capabilities through education, training, and technical exchanges. By leveraging distributors' market understanding and feedback, we cultivate their product development and testing capabilities. We maintain close partnerships with distributor customers to create win-win situations. In 2023, there were no incidents of non-compliance with marketing communication regulations.





### 5.3.1.2 Sustainable Packaging Trends

In response to the EU's new plastics economy commitments and circular economy action plan, end-brand manufacturers are increasingly prioritizing the environmental friendliness and recyclability of packaging materials. UNIVACCO is actively developing the use of recycled PET base films as raw materials and employing water-based solvents in formulations while maintaining a conflict mineral-free approach. The company continues to expand its green manufacturing scope and reduce process waste. The hot stamping films produced pass non-toxic inspections, and with an ultra-thin aluminum layer design, the stamped packaging is plastic-free and directly recyclable without interfering with recyclability. Post-use waste films can also be used as fuel or recycled into plastic pellets, re-entering the sustainable production cycle.

Our hot stamping films are safe and non-toxic for packaging applications, certified by the following standards (see table on right for details):



A-01



A-02



A-03



B-01



B-02



B-03



B-04



C-01



C-02

| Category                                 | Certification  | Certification mark |
|--|--|--------------------|
| Safe and Hazard-Free                     | • RoHS (Restriction of Hazardous Substances Directive)   | A-01               |
|  | • REACH SVHC List (1907/2006/EC)<br>List of Substance of Very High Concern (SVHC)<br>No PFOA / PFOS<br>No BPA  | A-02               |
|  | • California Proposition 65  | A-03               |
|  | • Halogen Free IEC 61249-2-21  |                    |
| Film Application<br>Safe and Hazard-Free | <b>Packaging Directive</b><br>• EU Packaging Directive 94/62/EC<br>• US Packaging Regulation CONEG<br>• France MOSH MOAH Free Regulation Arrete du 13 Avril 2022 | B-01               |
|  | <b>Food Contact Material Safety</b><br>• European Union 10/2011/EU   |                    |
|  | • U.S. FDA: 21 CFR 175.300   | B-02               |
|  | • Switzerland SR 817.023.21  | B-03               |
|  | <b>Consumer Goods, Toys, and Children's Product Safety</b><br>• EU EN71/3:2019 Toy Safety Standard   |                    |
|  | • Consumer Product Safety Improvement Act (CPSIA)  | B-04               |
| Environmentally Friendly                 | <b>Recyclable</b><br>• INGEDE certification from the International Deinking Association  | C-01               |
|  | <b>Compostable</b><br>• DIN CERTCO compostable certification<br>• Covering the European standard EN 13432 and the North American standard ASTM D640              | C-02               |

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#### 5.3.1.3 Participating organizations

UNIVACCO actively participates in industry associations related to hot stamping, printing, and packaging. Through these engagements, we gain access to industry market analysis data and expand market opportunities. By participating in associations, annual meetings, and exhibitions, we exchange industry experiences with upstream, midstream, and downstream supply chain partners while focusing on significant issues such as technological innovation, corporate governance, and sustainable operations.

##### UNIVACCO's Association Memberships in 2023

| USA   | EUROPE  | TAIWAN  | TAIWAN   | TAIWAN  |
|---|---|---|--|---|
| FSEA American Hot Stamping Association  | FINAT European Label Association  | Taiwan Packaging Association  | Taiwan Printing Machinery Materials Manufacturers Association  | Taiwan Regional Association of Adhesive Tape Manufacturers  |
| A decorative packaging industry exchange platform founded in 1992, including hot stamping, plate-making, laser, and more. With over 300 members, it regularly holds seminars, exhibitions, and the Gold Leaf Awards competition for hot stamping. | A representative label association in Europe, founded in 1958, with over 500 members from more than 50 countries. | A product packaging and technology exchange platform founded in 1965, with members from packaging design, packaging machinery, and packaging materials sectors. | Founded in 1948, with approximately 400 members from printing, plate-making and color separation, special printing, and other related industries (such as transfer printing and flocking). | Founded in 1976, bringing together Taiwanese adhesive tape manufacturers and upstream raw material suppliers. |
| Hot stamping  | Labels  | Packaging   | Printing   | Coating   |

#### 5.3.1.4 Awards and Industry Recognition

UNIVACCO Technology's products continue to gain recognition in the international hot stamping market. In 2023, the company received one gold and one silver award at the 30th FSEA Gold Leaf Awards, a global recognition in the hot stamping industry for innovation in foil application and design. UNIVACCO has been honored with FSEA awards for 13 consecutive years.



FSEA Golden Leaf Award  
USA: 30th Annual Gold Award Winner



FSEA Golden Leaf Award  
USA: 30th Annual Silver Award Winner



## 5.4 Innovative Development and Intellectual Property Protection Strategy

Applying core technologies, fostering innovation, and promoting environmentally friendly product R&D to create a leading advantage in green technology.

| 2023   |  | 2024   | 2025   | 2030  |
|--|--|--|--|---|
| <b>Environmentally Friendly Product Design and Regulatory Compliance</b> - Based on a life-cycle approach, we commit to reducing the environmental impact of raw materials and effectively managing product-related environmental substances, continuously complying with domestic and international regulations and meeting all stakeholder expectations, providing customers with low environmental impact, environmentally friendly products. |  |  |  |   |
| Goal   | Outcome                                | Goal   |  |   |
| Cumulative number of environmentally friendly products developed: 14 (2023 baseline year)  | Cumulative number<br><b>15</b> items   | <ul style="list-style-type: none"> <li>Cumulative number of environmentally friendly products developed: 22 (2023 baseline year)</li> <li>Zero incidents of non-compliance with regulations concerning the health and safety impacts of products and services</li> <li>6 environmentally friendly products certified</li> <li>Environmentally friendly product sales ratio increased to 70%</li> </ul> | <ul style="list-style-type: none"> <li>Cumulative number of environmentally friendly products developed: 29 (2023 baseline year)</li> <li>Zero incidents of non-compliance with regulations concerning the health and safety impacts of products and services</li> <li>7 environmentally friendly products certified</li> <li>Environmentally friendly product sales ratio increased to 80%</li> </ul> | <ul style="list-style-type: none"> <li>Cumulative number of environmentally friendly products developed: 56 (2023 baseline year)</li> <li>Zero incidents of non-compliance with regulations concerning the health and safety impacts of products and services</li> <li>Obtained certifications related to circular reuse for products</li> <li>Environmentally friendly product sales ratio increased to 90%</li> </ul> |
| Zero incidents of non-compliance with regulations concerning the health and safety impacts of products and services  | Number of violations<br><b>0</b> cases |  |  |   |
| 5 environmentally friendly products certified  | Certified<br><b>4</b> items            |  |  |   |
| Environmentally friendly product sales ratio 25%   | Sales ratio<br><b>41</b> %             |  |  |   |

### 5.4.1 Research and Development Capabilities

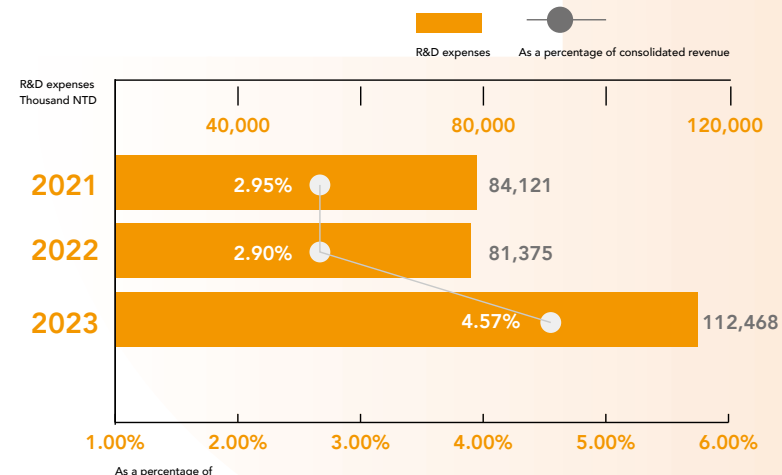
#### Successfully developed recyclable hot stamping film, achieving a closed-loop cycle

Facing global green and low-carbon trends and implementing sustainable development, UNIVACCO has integrated the industry chain to form a sustainable technology platform, incorporating circular economy concepts into product design. We have successfully developed recycled stamping films made from waste foil and applied for patents, becoming the world's first stamping film manufacturer to complete a closed-loop cycle for stamping foils. Waste stamping foil is no longer industrial waste. The waste foil undergoes recycling, pre-treatment, chemical depolymerization, then molecular design and polymerization into resin materials, which are incorporated into stamping film coating formulations to produce recycled stamping films, forming an industrial cycle. This not only effectively reduces the carbon footprint but also improves resource use efficiency, allowing limited Earth resources to be used continuously and regeneratively.

#### Increased R&D Investment

UNIVACCO places great emphasis on enhancing R&D capabilities and technical prowess. To optimize R&D efficiency, we restructured our R&D organization in 2023. After adjustment, the R&D units include three departments: the Technology Research Center, R&D Division, and Equipment Technology Division. The Technology Research Center integrates resources from industry, government, and academia to build precision instrument identification techniques and technology platforms. It utilizes advanced instruments for identification, analysis, interpretation, and derivation of feasible molecular structure designs, linking these to product development and cultivating a foundation in eco-friendly materials. The R&D Division engages in product and formulation technology development, combining practical techniques with instrumental analysis results to shorten development timelines and establish technical knowledge. The Equipment Technology Division, comprising equipment and process technology departments, enhances and improves equipment capabilities, introduces new equipment, and specializes in process technology development. It serves as a liaison between R&D and manufacturing units, effectively reducing new product introduction times and implementing Design of Experiments (DOE) to optimize process parameters, achieving an optimal balance between stable product quality and cost.

Additionally, UNIVACCO is actively pursuing PET substrate weight reduction to decrease carbon emissions. The number of trial productions and test runs for R&D products has also increased compared to previous years. Consequently, the proportion of R&D expenses in 2023 has significantly increased.



## 5.4.2 Environmentally Friendly Product Responsibility

### 5.4.2.1 Cumulative Development of Environmentally Friendly Products

In response to rising global environmental awareness and carbon reduction issues, and to evaluate sustainable development performance, UNIVACCO reassessed environmental trends from three perspectives in 2023 and redefined environmentally friendly products as: 1. Developing low-carbon products, 2. Reducing or eliminating the use of hazardous substances, 3. Developing products with low environmental and health impacts, which are incorporated into hot stamping film coating formulations to produce recycled hot stamping films, forming an industrial cycle. This not only effectively reduces the carbon footprint but also improves resource use efficiency, allowing limited Earth resources to be used continuously and regeneratively.

The target for environmentally friendly product development in 2023 was 14 items, with an actual completion of 15 items. While the overall goal was achieved, the development of products with low environmental and health impacts fell short of the target, primarily due to differences in internal development project allocation.

### 2023 Environmentally Friendly Product Development Count

|   | Goal | Outcome |
|---|------|---------|
| Developing low-carbon products                                | 5    | 7       |
| Reducing or eliminating the use of hazardous substances       | 6    | 7       |
| Developing products with low environmental and health impacts | 3    | 1       |
| Cumulative count of environmentally friendly products         | 14   | 15      |

### 5.4.2.2 Moving Towards Reduced Virgin Plastic Usage

UNIVACCO is actively pursuing the thinning of PET film carriers. Many product lines, especially major ones, have gradually adopted thinner PET films to replace original PET film materials as planned.

Simultaneously, UNIVACCO continues to reduce the use of virgin plastics by developing films made from 100% recycled PET as carriers for hot stamping films, achieving the goal of zero virgin plastic usage and significantly reducing carbon emissions.

### Environmentally Friendly Technology

UNIVACCO deeply understands that protecting the earth's ecological environment is the core mission of sustainable business operations. Throughout our operational processes, actively reducing our impact on the natural environment has always been our focus. We begin with strict management of raw materials and extend our concern to the potential environmental and human health hazards of our products. We continuously track global environmental regulatory dynamics, ensuring that these requirements are integrated into formulations and designs from the earliest stages of product development. This enhances the technical value and market competitiveness of our products. In 2023, there were no incidents of violations of product and service health and safety regulations.

In the future, UNIVACCO will continue its unremitting efforts towards the dual goals of environmentally friendly products and technological innovation, providing domestic and international customers with more fully certified product choices.

Number of violations of product and service health and safety regulations

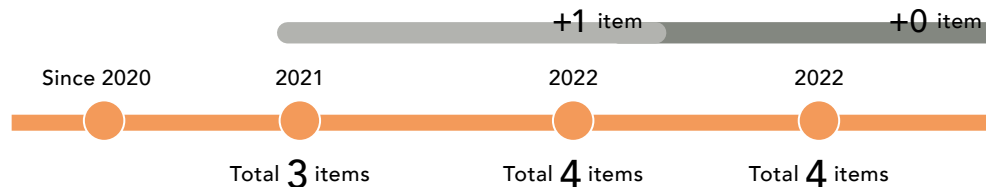
2021/2022/2023

0 case

### 5.4.2.4 Environmentally Friendly Product Certifications

The target for environmentally friendly product certifications in 2023 was 5 items, with an actual completion of 4 items.

Due to customer requirements being confirmed only in the second half of 2023, followed by evaluation and testing, the official certificate was obtained in April 2024. As a result, the certification timeline was delayed by half a year.



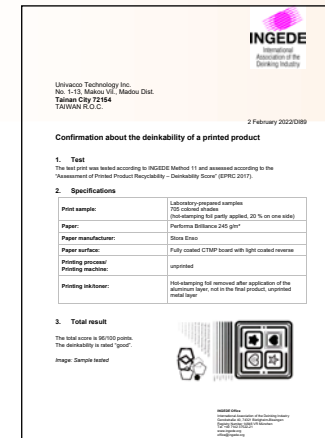
#### Development and Certification of Environmentally Friendly Hot Stamping Films

Recyclable and Deinkable Paper After Hot Stamping and Cold Transfer

UNIVACCO's products have received certification from the International Association of the Deinking Industry (INGEDE), passing de-inking tests with the highest rating. Paper that is hot stamped or cold transferred with UNIVACCO products can be successfully separated from the film during the recycling process. This allows the paper fibers to be converted into pulp, which can be used to manufacture new paper or cardboard, thereby promoting environmental sustainability.

Compostable and Biodegradable Paper After Hot Stamping and Cold Transfer

UNIVACCO products have obtained DIN CERTCO compostability certification, meeting both the European standard EN 13432 and the North American standard ASTM D6400. This certification confirms that the films are free from plant toxicity and heavy metals, ensuring that the transferred coating (additive) on paper or packaging does not negatively impact compostability or the environment.



INGEDE (International Association of the Deinking Industry) Certification



DIN CERTCO Compostability Certification

### Product De-inking Verification Scores

Hot Stamping Gold

93/100 Deinking verification score

Hot Stamping Black

96/100 Deinking verification score

Sheet-Fed Offset Cold Transfer

100/100 Deinking verification score

\*De-inking verification scores between 70 and 100 are considered "Good"

As a global leader in hot stamping and cold transfer film manufacturing, UNIVACCO is committed not only to providing high-quality films but also to intensifying research and development efforts. We actively develop environmentally friendly formulations to reduce the environmental impact of our hot stamping and cold transfer products.



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## Corporate Governance

### Innovative Development and Intellectual Property Protection

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#### Hazardous Substance Management

IECQ QC 080000 : The Hazardous Substance Process Management (HSPM) system, implemented in 2017, is built upon the ISO 9001:2015 Quality Management System: Both systems emphasize a "process-oriented" management approach. Using the existing ISO 9001 quality management system as a foundation, we have implemented systematic and effective management of hazardous substances throughout our raw material procurement and production processes.

In 2021, UNIVACCO began implementing the QC 080000 HSPM system to establish a comprehensive hazardous substance management protocol. This system covers everything from raw material selection to product design, ensuring compliance with international regulations and customer requirements regarding environmentally impactful prohibited substances. We obtained certification in 2022 and expanded it to cover all of the group's Taiwan Tainan facilities in 2023.

We listen to our customers' voices and incorporate common requirements including REACH SVHC, EU RoHS, Packaging Directive (EU 94/62/EC & US CONEG), food contact regulations (EU 10/2011, US FDA), and mineral oils (MOSH/MOAH) into our product tracking and confirmation items. We continuously monitor the latest global environmentally friendly product regulations through the International Chemical Policy Promotion Network of the Industrial Development Administration, Ministry of Economic Affairs, and simultaneously revise UNIVACCO's internal management standards.

Based on a product lifecycle approach, we are committed to reducing the environmental impact of our raw materials. Using the QC 080000 management framework, we require our suppliers to work towards reducing hazardous substances in the raw materials provided to UNIVACCO. For newly developed products, we conduct third-party laboratory testing during the development phase to ensure they meet hazardous substance-free requirements.



IECQ QC 080000 Hazardous Substance Process Management System Verification Statement

### 5.4.3 Intellectual Property

|                       |  |
|-----------------------|--|
| Policy and Commitment | UNIVACCO progressively establishes procedures for the acquisition, maintenance, and utilization of intellectual property. We aim to control losses, defend against disputes, integrate operations, and ultimately maximize the value of our intellectual property. |
| Actions               | We are establishing and strengthening our intellectual property management system to continuously enhance our competitiveness and bolster our defensive capabilities.  |
| Grievance Mechanism   | The Business Planning Unit is responsible for handling intellectual property-related disputes.   |
| Evaluation Mechanism  | The acquisition, maintenance, and utilization of intellectual property are incorporated into our internal control system. We implement necessary control measures to mitigate potential risks.   |

Intellectual property rights are a crucial asset for UNIVACCO. Based on our intellectual property and trade secret management needs and objectives, UNIVACCO plans to implement an "Intellectual Property Rights Management Policy" in 2024. Through this intellectual property management system, we aim to create intangible asset value from our intellectual property rights, enhance our corporate image, protect our operational freedom, and strengthen our key competitive advantages in technology and products. This will be a critical factor in maintaining the group's long-term competitiveness.

Additionally, confidential information and trade secrets are vital assets for both UNIVACCO and our clients, directly linked to our competitive edge. Unauthorized disclosure or use of such information could severely impact UNIVACCO or our clients. To address this, we will implement daily management processes for information and document classification through the "Intellectual Property Rights Management Policy." We will also continue to raise employee awareness of intellectual property risks to reduce the risk of confidential information and trade secret leaks.

#### 5.4.3.1 Intellectual Property Rights Policy





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## Corporate Governance

### Innovative Development and Intellectual Property Protection

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#### Action Plan

|  |  |
|--|--|
| Trademark Management   | <ul style="list-style-type: none"> <li>•Global Deployment: Trademark registrations span five continents.</li> <li>•Regular Maintenance: We conduct trademark registrations based on the company's future plans and development, reviewing the usage of registered trademarks.</li> </ul>   |
| Copyright Management   | <ul style="list-style-type: none"> <li>•Copyright Ownership: Employees sign an "Integrity, Confidentiality, and Intellectual Property Agreement" stipulating that copyrights for works completed during employment belong to the company. For development projects in collaboration with clients, copyright ownership of the outcomes is predetermined by contract.</li> </ul>   |
| Patent Management  | <ul style="list-style-type: none"> <li>•Incentive System: We have established innovation and invention rewards to encourage innovation and R&amp;D.</li> </ul>   |
| Trade Secret Protection  | <ul style="list-style-type: none"> <li>•The "Integrity, Confidentiality, and Intellectual Property Agreement" signed by employees stipulates that during and after employment, employees must maintain strict confidentiality regarding technical information and data obtained through their duties, and must not disclose such information without authorization.</li> <li>•Information Security Management: We implement various security measures in accordance with our cyber security policy to ensure the physical security of our information environment, as well as the security of our information systems and data.</li> <li>•Document Control: The "Intellectual Property Rights Management Policy" sets usage permissions for different levels of confidential documents.</li> <li>•Access Control: Visitors must register at the security office to enter our facilities and are restricted to public areas. Photography and videography are prohibited throughout the facility to protect operational secrets and prevent data theft.</li> </ul> |
| Enhance Intellectual Property Awareness and Risk Consciousness | <ul style="list-style-type: none"> <li>•We plan to conduct intellectual property rights education and training to enhance employee awareness of intellectual property protection and associated risks.</li> </ul>  |

## 5.4 .4 Marketing and Promotion of Environmentally Friendly Products

UNIVACCO is committed to the continuous development and promotion of environmentally friendly hot stamping and cold transfer products,

Since 2018, we have focused on using water-based resins and obtaining relevant environmental certifications. By 2022, over half of our sales area (m<sup>2</sup>) consisted of products formulated with water-based resins. While maintaining this environmentally friendly formulation strategy, UNIVACCO continues to progress towards low-carbon and plastic reduction goals. From 2023, we are committed to three innovative R&D directions: developing low-carbon products, reducing hazardous substance use, and developing products with low environmental and health impacts to meet increasing customer demand for environmentally friendly products.

In 2023, our target for the sales proportion of environmentally friendly products using low-carbon PET carriers was 25%, and we surpassed this goal, achieving 41%. Additionally, product lines utilizing 100% recycled r-PET film from recycled PET bottles as carriers—completely free from virgin plastic—have successfully passed both internal and external testing.

### Environmentally Friendly Products for Hot Stamping and Cold Transfer

**2018**

Formula Adjustment:  
Water-based resins

**2023**

Low-carbon PET film  
100% recycled r-PET film, free  
from virgin plastic

## 5.5 Product Quality Management

We continuously improve internal yield rates and achieve external quality targets to create competitive advantages and increase customer satisfaction.

| 2023  |  | 2024   | 2025   | 2030   |
|---|--|--|--|--|
| <b>Enhancing Quality Culture and Capabilities</b> - We implement continuous improvement activities to strengthen our internal quality culture and enhance quality inspection techniques to improve product inspection identification. |  |  |  |  |
| Goal  | Outcome  | Goal   |  |  |
| Increased participation in CIT projects to 9 major departments  | Involvement of departments<br><b>8</b> Major Divisions | Increased participation in CIT projects to 9 major departments | Increased participation in CIT projects to 9 major departments | Increased participation in CIT projects to 9 major departments |

### 5.5.1 Strengthening Quality Culture

UNIVACCO's Continuous Improvement Team (CIT) aims to reinforce our internal quality culture. Through cross-departmental collaboration, we enhance product quality and customer satisfaction. Since 2016, the implementation and evolution of CIT has brought structured improvement processes to the company, demonstrating our commitment to continuous improvement.

From the introduction phase in 2016 to the implementation phase post-2021, CIT has deepened and expanded across the entire organization, emphasizing our core DNA - customer orientation and teamwork. Through training, practical activities, and internal incentive mechanisms, CIT has become an integral part of our organizational culture. This process has not only strengthened employees' project management and problem-solving skills but also fostered peer-to-peer motivation, creating a learning organization culture that continuously pursues excellence.

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## Corporate Governance

### Product Quality Management

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#### CIT Implementation Evolution Blueprint (8th Year)

| 2016   | 2017   | 2018  | 2019   | 2020   | 2021   |
|--|--|---|--|--|--|
| Introduction Phase<br>Concept  | Development Phase<br>Internal lectures/experts   | Implementation Phase<br>Realization   | Deepening Phase<br>Rooting   | Diffusion Phase<br>DNA implantation  | Grounding Phase<br>Passionate action   |
| <ul style="list-style-type: none"> <li>CIT basic training</li> <li>8D, QC tools, CIT improvement tools, TRIZ, project topic evaluation, etc.</li> <li>CIT project activities</li> <li>CIT system planning</li> </ul> | <ul style="list-style-type: none"> <li>Advanced CIT training</li> <li>CIT project activities</li> <li>CIT internal training development</li> <li>CIT facilitator training</li> </ul> | <ul style="list-style-type: none"> <li>CIT project activities</li> <li>CIT team leader development</li> <li>Advanced facilitator training</li> <li>CIT internal training development</li> <li>Company-wide mini 8D</li> </ul> | <ul style="list-style-type: none"> <li>CIT/CIR project activities</li> <li>CIT team leader training</li> <li>Facilitator case study deepening</li> <li>Counselor Guidance Project</li> <li>Company-wide mini 8D application</li> </ul> | <ul style="list-style-type: none"> <li>Core DNA - Customer-Oriented</li> <li>CIT/CIR project activities</li> <li>IE on-site audit countermeasures</li> <li>Counselor Guidance Project</li> <li>Integration of 8D management thinking</li> <li>CIT Knowledge Management Awards</li> <li>Self-operating CIT</li> </ul> | <ul style="list-style-type: none"> <li>Core DNA - Customer-Oriented</li> <li>Core DNA - Teamwork</li> <li>CIT project activities</li> <li>Audit countermeasure implementation on-site</li> <li>Facilitator project involvement</li> <li>Integration of training and application e - 8D, QC tools, process improvement, project management, benchmarking (cross-industry exchange)</li> </ul> |



#### Return to Fundamentals (Source Management): Steadily and Continuously Doing the Right Things

It's more than just 8D logic and QC tools – it's a mindset and work attitude. It's not just an activity; it's a team-driven action.

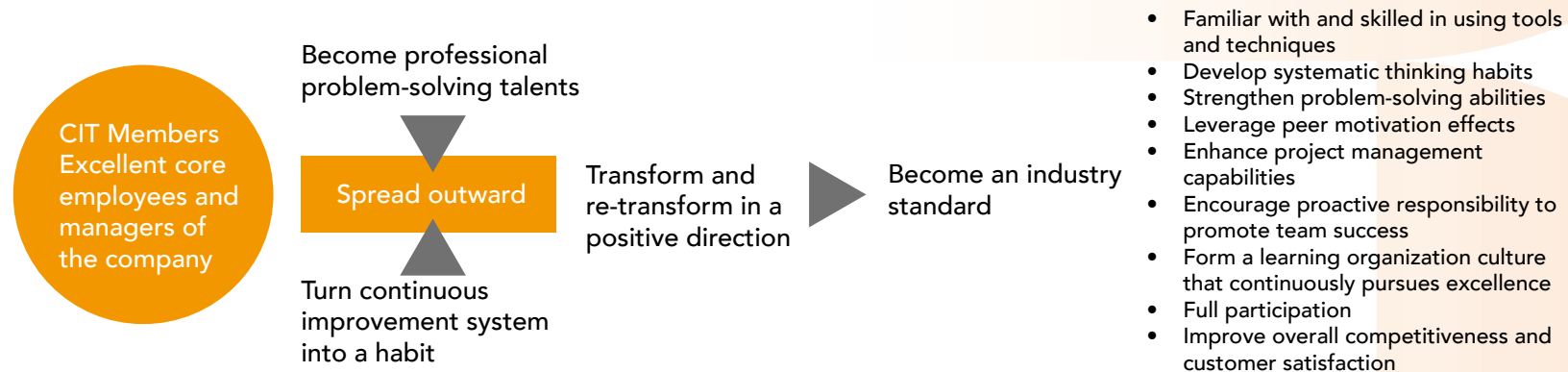
# 05

## Corporate Governance

### Product Quality Management

ESG REPORT 2023

#### CIT Vision and Mission



In 2023, the CIT (Continuous Improvement Team) completed four improvement projects. Excluding the Safety and Health Department, which conducts regular monthly safety committee meetings for review and improvement, 10 departments (eight major units) participated in CIT, bringing significant benefits to the company and customers. Moreover, the economic benefits of CIT have been substantial, increasing from 8.14 million NTD in 2021 to 8.46 million NTD in 2023. This demonstrates that CIT has not only improved internal operational efficiency but also brought tangible economic benefits to the company.

#### Departments Number of Divisions Participating in CIT

Unit: Divisions  
Departments



The future goal of CIT is to continue deepening this culture, ensuring that every department can participate in and benefit from the continuous improvement process. Simultaneously, we aim to consistently reduce the annual customer complaint rate, achieving higher quality management standards.

#### Annual CIT Benefits

Unit: 10,000 NTD



We believe that through CIT's ongoing efforts and company-wide participation, we can achieve these goals, providing higher quality products and services to customers, ultimately enhancing our overall competitiveness and customer satisfaction.

# 05

## Corporate Governance

### Product Quality Management

ESG REPORT 2023

#### 5.5.2 CIT Process Management and Effectiveness Evaluation

##### Topic selection and evaluation

- Select appropriate topics
- Identify suitable personnel
- Evaluate benefits

##### Process management

- Project control
- Mid-term sharing
- Countermeasure implementation
- Teamwork

##### Strategy verification

- Document review
- On-site review
- Verify countermeasures
- Benefit calculation

##### Effectiveness assessment

- Final presentation
- Review benefits
- Annual recognition



Topic selection and evaluation



Strategy verification



Process management



Effectiveness assessment

#### CIT Participant Feedback

| Mao,* - Hsiang<br>Team Leader   |   | Song,* - Chun<br>Quality Assurance Department   |  | Wang,* - Hung<br>Manufacturing Department  |   | Chan,* - Chung Chen,* - Feng<br>R&D Department  |  | Lin,* - Hsuan<br>Product Management Department   |   |
|---|---|---|--|--|---|---|--|--|---|
| Leadership and Responsibility   | Satisfaction  | Challenges and Learning   | Sense of accomplishment  | Practical Impact   | Teamwork  | Innovation and Improvement  | Professional Growth  | Detail Management  | Solution Confirmation   |
| As the team leader, learned how to make decisions under pressure and how to motivate and lead the team to overcome challenges<br>Satisfaction | Felt great satisfaction and sense of achievement seeing the team collaborate to overcome difficulties and ultimately achieve expected goals | Felt pressure and challenges in problem analysis and root cause investigation, but also learned how to analyze data more meticulously and improve quality control processes<br>Sense of Achievement | Proud of the positive customer feedback resulting from significantly improved product quality after improvements | Directly participated in implementing improvement measures, experiencing increased production efficiency and reduced incidents, leading to higher job satisfaction | Strengthened understanding of internal company processes and improved cross-departmental communication through collaboration with other departments | Felt fulfilled in applying professional knowledge and innovative thinking to find and implement technical solutions | Increased confidence in professional abilities by practically applying research results to solve production issues | Learned how to more effectively control project progress and resource allocation throughout the project management process | Each step of confirmation and adjustment from planning to execution made the results more precise, which was crucial to overall project success |

## 5.6 Cybersecurity and personal data protection Strategy

UNIVACCO is progressively constructing an information security management framework based on Information Security Management System (ISMS) requirements to ensure information security in company operations.

Using information security as a foundation, we aim to ensure the confidentiality, integrity, availability, and compliance of information to achieve sustainable corporate development.

| 2023  |              | 2024   |  | 2025  |  | 2030   |  |
|---|--------------|--|--|---|--|--|--|
| Strengthening Information Security Resilience - We set objectives for confidential information protection and, through our information security management organization, continuously improve risk control mechanisms and enhance protective measures to strengthen the company's information security. |              |  |  |   |  |  |  |
| Goal  |              | Outcome  |  | Goal  |  |  |  |
| Zero annual incidents of customer information leakage due to cybersecurity events   | 0 cases/year | <ul style="list-style-type: none"><li>Zero annual incidents of customer information leakage due to cybersecurity events</li><li>Major cybersecurity incidents affecting operations: 0 per year</li></ul> |  | <ul style="list-style-type: none"><li>Zero annual incidents of customer information leakage due to cybersecurity event</li><li>Major cybersecurity incidents affecting operations: 0 per year</li></ul> |  | <ul style="list-style-type: none"><li>Zero annual incidents of customer information leakage due to cybersecurity events</li><li>Major cybersecurity incidents affecting operations: 0 per year</li></ul> |  |
| Major cybersecurity incidents affecting operations: 0 per year  | 0 cases/year |  |  |   |  |  |  |

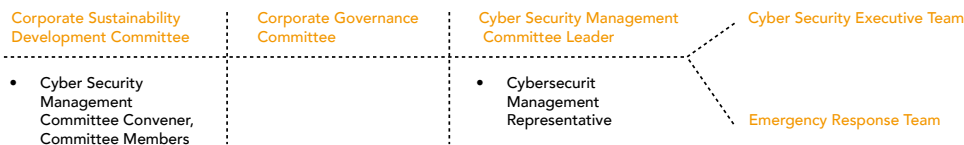
# 05

## Corporate Governance

### Cybersecurity and personal data protection

ESG REPORT 2023

UNIVACCO places high importance on corporate sustainability. To provide uninterrupted service to customers and key stakeholders, ensuring information security is a crucial aspect of sustainable operations. In 2021, UNIVACCO obtained ISO 27001 Information Security Management certification and established an "Information Security Policy" as the basis for information security management. Through the information security organization, the company promotes information security-related work, continuously introduces new security management tools, and strengthens information security management mechanisms to advance information security management, product tracking, and confirmation items. We continuously monitor the latest global environmentally friendly product regulations through the International Chemical Policy Promotion Network of the Industrial Development Administration, Ministry of Economic Affairs, and simultaneously revise UNIVACCO's internal management standards. The Cyber Security Team, under the Corporate Sustainability Committee, is responsible for implementing information security protection, responding to security incidents, and managing post-incident recovery. This aims to prevent security incidents and minimize losses. In 2023, no major security incidents affecting operations occurred, and there were no instances of customer information leakage due to security incidents.



UNIVACCO implements various security measures based on its information security policy, focusing on antivirus, anti-hacking, and timely anomaly detection. We manage server rooms, network equipment, personal information devices, accounts, and permissions to ensure physical security of the information environment, information system and data security, and compliance with internal control procedures. We also raise security awareness to increase protection.

#### Enhancing Physical Information Security

- Establishing multi-layered protection mechanisms, controlling visitor-brought IT equipment, explaining security requirements to vendors, updating information equipment software, and implementing antivirus and anti-hacking measures
- Installing fire protection equipment in server rooms and implementing access control
- Conducting annual vulnerability scans with reinforcement and repairs

#### Information System and Data Security

- Implementing off-site backup and virtual standby systems
- Conducting annual operational continuity drills according to plan

#### Information Security Compliant with Regulations and Stakeholder Needs

- Annually updating the information security regulation list and taking actions to comply with information security regulatory requirements
- Obtaining annual ISO 27001 Information Security certification

#### Raising Information Security Awareness

- Providing information security education for new employees
- Conducting annual information security training for all employees
- Performing periodic social engineering phishing drills
- Annual information security promotion and on-site visits for suppliers



## 5.7 Customer Relationship Management Strategy

Continuously enhancing customer service quality and deepening partnerships.

| 2023  |  | 2024  |  | 2025   |   | 2030  |  |
|---|--|---|--|--|---|---|--|
| Precise Understanding of Customer Needs - Proactively understand and actively respond to customer needs and feedback, providing optimized customer service and sustainable solutions. |  |   |  |  |   |   |  |
| Goal  |  | Outcome   |  | Goal   |   |   |  |
| Strengthening quality control points<br>Annual customer complaint rate target < 0.33%   |  | Customer Complaint Rate<br>1.44 %   |  | <ul style="list-style-type: none"><li>•Strengthening quality control points</li><li>• Annual customer complaint rate target &lt; 0.33%</li><li>•</li><li>•Consistently maintaining high customer satisfaction scores above 80 points</li><li>•</li><li>•Providing comprehensive technical services/education and training to distributors with a 100% completion rate</li><li>•</li><li>•Achieving 100% coverage through integrated marketing across various communication channels, keeping customers informed of UNIVACCO Technology's latest developments</li></ul> | <ul style="list-style-type: none"><li>•Strengthening quality control points</li><li>• Annual customer complaint rate target &lt;0.30%</li><li>•</li><li>•Consistently maintaining high customer satisfaction scores above 80 points</li><li>•</li><li>•Providing comprehensive technical services/education and training to distributors with a 100% completion rate</li><li>•</li><li>•Achieving 100% coverage through integrated marketing across various communication channels, keeping customers informed of UNIVACCO Technology's latest developments</li></ul> | <ul style="list-style-type: none"><li>•Strengthening quality control points</li><li>• Annual customer complaint rate target &lt;0.27%</li><li>•</li><li>•Consistently maintaining high customer satisfaction scores above 80 points</li><li>•</li><li>•Providing comprehensive technical services/education and training to distributors with a 100% completion rate</li><li>•</li><li>•Achieving 100% coverage through integrated marketing across various communication channels, keeping customers informed of UNIVACCO Technology's latest developments</li></ul> |  |
| Consistently maintaining high customer satisfaction scores above 80 points  |  | Customer Satisfaction<br>81 points  |  |  |   |   |  |
| Providing comprehensive technical services/education and training to distributors with a 100% completion rate   |  | Includes engagement through online seminars, exhibitions, and overseas customer visits.<br>Completion rate 100%   |  |  |   |   |  |
| Achieving 100% coverage through integrated marketing across various communication channels, keeping customers informed of UNIVACCO's latest developments                              |  | Comprehensive integration of marketing strategies through diverse media such as videos, social media posts, seminars, and e-newsletters for exhibition visitor lists.<br>Coverage rate has reached 100% |  |  |   |   |  |

# 05

## Corporate Governance

### Customer Relationship Management

ESG REPORT 2023

#### 5.7.1 Customer Service

UNIVACCO establishes long-term partnerships with customers. Each customer has a dedicated account manager. When customers raise issues or provide feedback, cross-departmental team members from product management, R&D, quality assurance, manufacturing, delivery, and finance are convened or informed to respond with timely solutions. The Cyber Security Team, under the Corporate Sustainability Committee, is responsible for implementing information security protection, responding to security incidents, and managing post-incident recovery. This aims to prevent security incidents and minimize losses. In 2023, no major security incidents affecting operations occurred, and there were no instances of customer information leakage due to security incidents.

##### 5.7.1.1 Customer Relationship Management (CRM) System

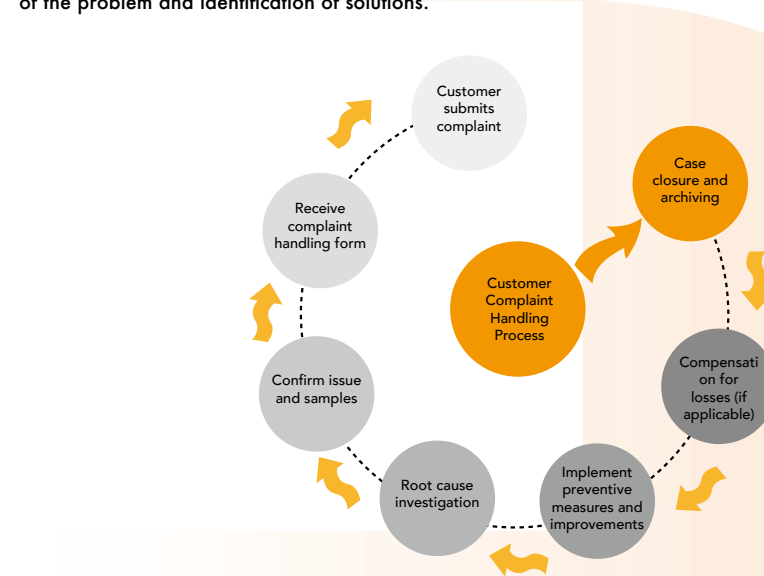
To cultivate long-term customer relationships and improve interaction and order processing efficiency, UNIVACCO built a "Customer Relationship Management (CRM) System" in 2018 based on our ERP system. This achieves systematic management of marketing and sales intelligence, reducing the risk of information gaps due to personnel changes, and establishing long-term stable company operations. Since the CRM system went live in 2019, connecting with internal company systems, we have continuously implemented optimization projects to increase the CRM system's benefits. This includes systematizing customer, country, and regional market information, providing quick and real-time information internally. Through the accumulation and analysis of big data, we assist management in making market strategy decisions.

##### Complaint Handling

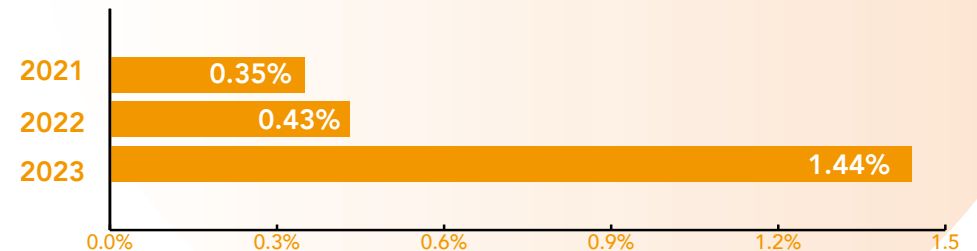
By integrating customer service with internal product production history, we systematize information flow to improve response speed. Customer complaints are directly communicated to the quality assurance customer service department for root cause investigation and preventive measures, with the handling process recorded. Supplemented by monitoring reports, this forms part of our corporate quality management, establishing effective and timely quality control monitoring and handling.

In 2023, the company's customer complaint rate was 1.44%, approximately 1% higher than the historical average. After the issue arose, the company immediately formed a cross-functional team, employing the CIT (Continuous Improvement Team) problem-solving methodology for improvement.

The formation of this team demonstrates the company's sensitivity to customer feedback and emphasis on product quality. By introducing the CIT method, the company further emphasized the importance of continuous improvement and problem-solving. This approach of organizing cross-functional teams helps to gather expertise and experience from different departments, enabling a more comprehensive understanding of the problem and identification of solutions.



##### Annual Customer Complaint Rate



### 5.7.1.2 Product and Development Trends

#### Technical Services and Training:

UNIVACCO not only meets the order requirements of distributor clients but also provides online and face-to-face technical services and training for downstream global printing plant customers. Our product technology team offers professional services including product knowledge, product usage, machine compatibility conditions, and consumables recommendations, providing more comprehensive solutions.

#### Understanding Customer Sustainability Requirements:

In 2023, UNIVACCO continued to focus on understanding evolving customer sustainability needs, integrating multi-faceted research and development efforts to maintain its leadership position in sustainable development.

Through stakeholder sustainability strategy research, UNIVACCO gained detailed insights into customer sustainability requirements and analyzed stakeholder actions to ensure responsiveness to market demands. In response to customer demand for environmentally friendly products for hot stamping and cold transfer, UNIVACCO actively developed and validated products using low-carbon PET carrier films and 100% recycled r-PET films, effectively meeting customer requirements for eco-friendly products. Additionally, by understanding customer concerns regarding mineral oil aromatic hydrocarbons (MOAH) and mineraloil saturated hydrocarbons (MOSH), UNIVACCO made product adjustments and provided the necessary certifications. In 2023, there were no incidents of non-compliance concerning product and service information or labeling.

UNIVACCO also focused on assessing overseas customers' needs regarding waste management and investment to ensure that the company's products and business models comply with local environmental regulations and trends. In terms of waste foil recycling and remanufacturing, UNIVACCO collaborated with recycling partners to process waste foils into plastic pellets. Beyond remanufacturing into plastic products, the company leveraged Taiwan's excellent textile industry supply chain technology. Working with Global Recycled Standard (GRS) certified textile mills, UNIVACCO initiated a project to upcycle these materials into textile products such as polo shirts and tote bags, scheduled for 2024.

This not only demonstrates the company's innovation capabilities but also realizes UNIVACCO's commitment to environmental sustainability. These efforts will help UNIVACCO maintain a leading position in meeting customer sustainability requirements and promote long-term cooperation and mutual growth with clients.

### 5.7.1.3 Diverse Marketing Resources

#### Marketing and Promotion Support:

UNIVACCO markets to 70 countries globally. In addition to comprehensive brand exposure through online marketing support such as official websites and social media, the company actively invests resources in international exhibitions, advertisements in industry-leading magazines, seminars, and technical exchanges with downstream printing customers in the regions where distributors operate. UNIVACCO also provides samples and color cards to support distributors in their sales efforts.

#### Multi-faceted Sustainability Communication:

UNIVACCO employs diverse communication channels for marketing and promotion. Through website introductions, press releases, sustainability handbooks and videos, online seminars, global exhibitions, educational training, and customer visits, the company introduces its sustainability strategies and initiatives to distributors and printing customers.

#### Sustainability Exhibition Area

In 2023, UNIVACCO participated in 8 global exhibitions and seminars, showcasing recycled applications made from waste foil. We also amplified our sustainability message through our website and social media platforms, reaching a broader audience.

These channels help customers understand the environmental impact of UNIVACCO's products post-use. For instance, after hot stamping, the paper remains de-inkable, recyclable, and compostable, allowing it to re-enter the recycling loop without harming the ecosystem. This reflects our commitment to environmental protection and sustainable development, shared with our customers.



## Sustainability Communication Framework

## Closed-Loop Recycling

★ Used Films → Resins →  
The Coating Formula of Hot Stamping  
and Cold Transfer

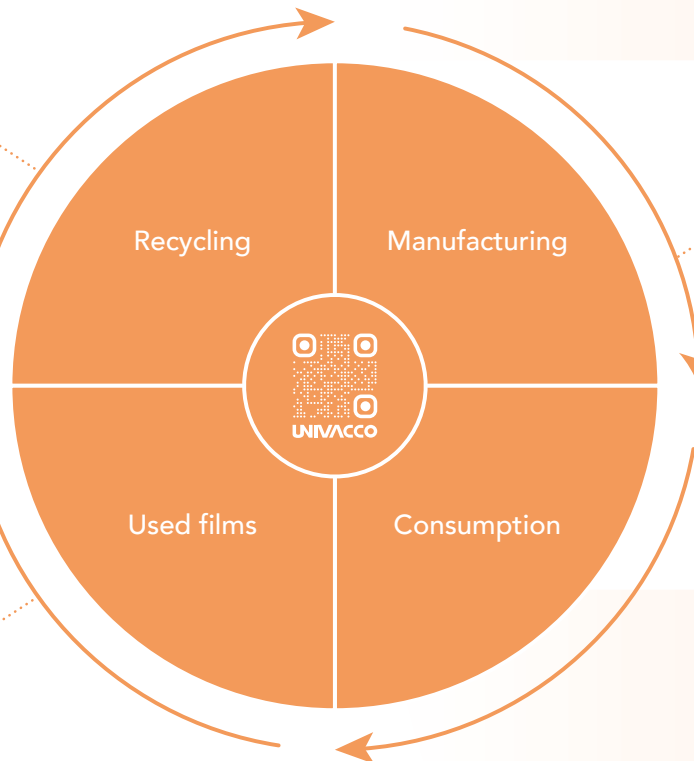
## PET as a Valuable Raw Material!



★ Combustible Fuel Pellets ★ Plastic Application, Core Plug



★ Recycled PET Chips ★ Textiles and Clothes



Advancing Carbon Emission Reduction

## Hot Stamping / Cold Transfer Film

- ★ Low-carbon PET film
- ★ 100% recycled r-PET film

The Prints Are Decorated By  
Hot Stamping / Cold Transfer Film

- ★ No Hazardous
- ★ No Plastic Residue
- ★ Incredibly Thin Aluminum
- ★ Fully Recyclable & Deinkable
- ★ Fully Compostable



Sustainability Drives Innovation

★ UNIVACCO has earned IECQ QC 080000 certification for international hazardous substance process management. Our hot stamping and cold transfer products have received multiple international certifications, guaranteeing product safety, non-toxicity, halogen-free, and mineral oil-free status. They also comply with packaging safety and food contact material regulations.





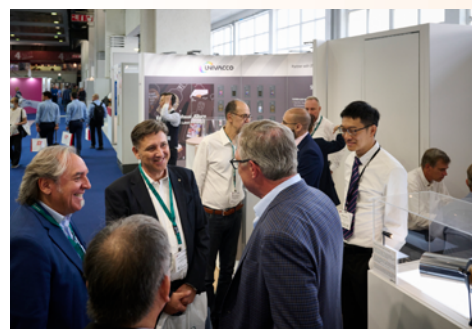
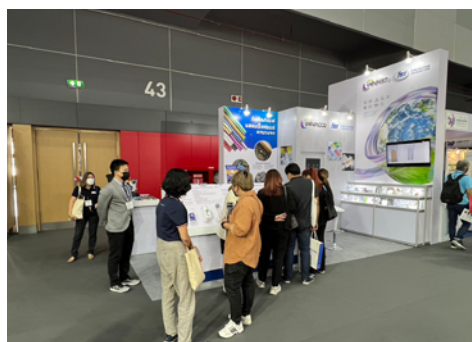
# 05

## Corporate Governance

### Customer Relationship Management

ESG REPORT 2023

## Global Exhibitions and Seminars 2023



First Half of 2023

Second Half of 2023



Sustainability introduction sections were integrated into all global exhibition designs, incorporating a sustainable image

All global exhibitions featured dedicated sustainability sections, integrating sustainable imagery into exhibition designs. Sustainability showcase areas were planned to display recycled applications made from waste foil.

# 05

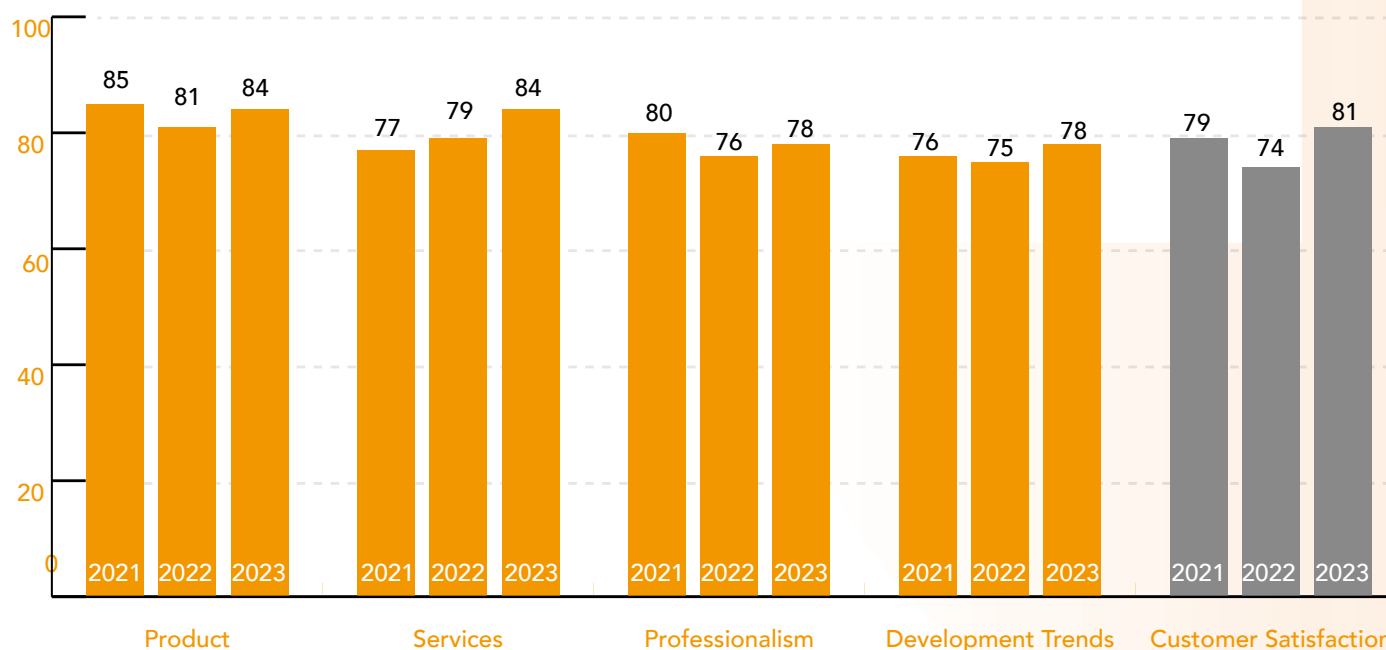
## Corporate Governance

### Customer Relationship Management

ESG REPORT 2023

#### 5.7.2 Customer Satisfaction

Customer satisfaction is a crucial basis for UNIVACCO continuous improvement of products and services. It is evaluated across four dimensions: "Product," "Service," "Professionalism," and "Development Trends." These encompass sales and support, order fulfillment, quality, complaint handling, technical services, marketing support, product performance, and overall performance. Each dimension is further broken down into specific items to obtain comprehensive customer feedback. In addition to the existing questionnaire, an open-ended sustainability survey was introduced for the first time in 2022. The sustainability survey was retained in 2023, including both five-point scale questions and open-ended responses. In 2023, the overall customer satisfaction score was 81 points. The "Product" and "Service" dimensions each scored 84 points, while "Professionalism" and "Development Trends" each scored 78 points. Moving forward, we will strengthen the product functionality and comprehensiveness within the "Development Trends" dimension, enhance environmentally friendly products, improve the speed and quality of complaint responses in the "Professionalism" dimension, and provide knowledge training support for the product marketing department. These efforts aim to comprehensively meet customer expectations.





### 5.8 Sustainable Supply Chain Management

Adopting an approach of advocacy, sharing, and guidance to co-create a CSR ecosystem with suppliers.

| 2023  |   | 2024   | 2025  | 2030   |
|---|---|--|---|--|
| Effective management of supply chain disruption risks - Gain in-depth understanding of supplier operations to effectively manage supply disruption risks and develop effective countermeasures. |   |  |   |  |
| Goal  | Outcome                                 | Goal   |   |  |
| Continued development of diversified sources of supply  | Develop diverse sourcing<br>6 cases     | <ul style="list-style-type: none"> <li>Continued development of diversified sources of supply</li> <li>Zero supply disruptions for key materials; assist the top two high-risk critical suppliers in establishing risk management mechanisms.</li> </ul> | <ul style="list-style-type: none"> <li>Continued development of diversified sources of supply</li> <li>Zero supply disruptions for key materials; assist the top five critical suppliers in establishing risk management mechanisms.</li> </ul> | <ul style="list-style-type: none"> <li>Continued development of diversified sources of supply</li> <li>Zero supply disruptions for key materials; assist the top ten critical suppliers in establishing risk management mechanisms.</li> </ul> |
| Establish risk management mechanisms for uninterrupted supply plans for four key materials, with zero supply disruption incidents.  | Number of Supply Disruptions<br>0 cases |  |   |  |

Continued on next page -



Continued from previous page -

| 2023   |  | 2024   |  | 2025   |  | 2030 |  |
|--|--|--|--|--|--|------|--|
| Compliance with Supplier Sustainability Guidelines - Require suppliers to sign and comply with the "Supplier Social Responsibility and Code of Ethics Commitment" and restricted hazardous substance regulations, continuing to implement green partnership and green procurement operational plans. |  |  |  |  |  |      |  |
| Goal   |  | Outcome  |  | Goal   |  |      |  |
| Require suppliers to continuously reduce hazardous substances.   | Commitment to Non-Use of Environmentally Hazardous Substances (including updates on legally restricted substances)<br>100% return rate | <ul style="list-style-type: none"><li>Assist suppliers in establishing hazardous substance management mechanisms</li><li>100% return rate of signed "Supplier Social Responsibility and Ethical Standards Commitment" from critical suppliers</li><li>100% green procurement ratio for IT hardware equipment and general office supplies</li></ul> | <ul style="list-style-type: none"><li>Assist suppliers in establishing hazardous substance management mechanisms</li><li>100% return rate of signed "Supplier Social Responsibility and Ethical Standards Commitment" from critical suppliers</li><li>100% green procurement ratio for IT hardware equipment and general office supplies</li></ul> | <ul style="list-style-type: none"><li>Assist suppliers in establishing hazardous substance management mechanisms</li><li>100% return rate of signed "Supplier Social Responsibility and Ethical Standards Commitment" from critical suppliers</li><li>100% green procurement ratio for IT hardware equipment and general office supplies</li></ul> | <ul style="list-style-type: none"><li>Assist suppliers in establishing hazardous substance management mechanisms</li><li>100% return rate of signed "Supplier Social Responsibility and Ethical Standards Commitment" from critical suppliers</li><li>100% green procurement ratio for IT hardware equipment and general office supplies</li></ul> |      |  |
| 100% return rate of signed "Supplier Social Responsibility and Ethical Standards Commitment" from critical suppliers   | 100% return rate   |  |  |  |  |      |  |
| 100% green procurement ratio for IT hardware equipment and general office supplies   | Green Procurement Ratio<br>100%  |  |  |  |  |      |  |

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# 05

## Corporate Governance

### Sustainable Supply Chain Management

ESG REPORT 2023



Continued from previous page -

| 2023  |   | 2024   | 2025   | 2030   |
|---|---|--|--|--|
| Enhance suppliers' sustainability management capabilities - Enhance local suppliers' sustainability management capabilities, strengthening supplier resilience. |   |  |  |  |
| Goal  | Outcome   | <ul style="list-style-type: none"> <li>6 hours of supplier sustainability management education and training</li> <li>Overall ESG assessment deficiency improvement rate for top 10 critical and high-risk suppliers: 100%</li> </ul> | <ul style="list-style-type: none"> <li>6 hours of supplier sustainability management education and training</li> <li>Overall ESG assessment deficiency improvement rate for top 10 critical and high-risk suppliers: 100%</li> </ul> | <ul style="list-style-type: none"> <li>6 hours of supplier sustainability management education and training</li> <li>Overall ESG assessment deficiency improvement rate for top 10 critical and high-risk suppliers: 100%</li> </ul> |
| 6 hours of supplier sustainability management education and training  | Conduct supplier conferences.<br>3 hours<br>One-on-one discussions with major suppliers.<br>3 hours |  |  |  |
| Overall ESG assessment deficiency improvement rate for top 10 critical and high-risk suppliers: 100%  | Improvement rate: 88%   |  |  |  |
| Assist the top two critical suppliers in completing carbon inventories and setting carbon reduction targets.  | Complete carbon inventories for the top two critical suppliers                                      |  |  |  |

# 05

## Corporate Governance

### Sustainable Supply Chain Management

ESG REPORT 2023

#### Supplier Sustainability Management Framework

UNIVACCO views suppliers as long-term partners. While competitive quality, technology, delivery, and cost are essential supplier prerequisites, we will increasingly focus on environmental, social, and governance (ESG) risk management across our supply chain. Our goal is to exert a positive influence on the supply chain, fostering responsible procurement practices, encouraging suppliers to reduce environmental impacts, and growing together with our suppliers. We aim to establish a sustainable business model that meets customer satisfaction. UNIVACCO Technology's supplier sustainability management is divided into three main frameworks: effective management of supply chain disruption risks, compliance with supplier sustainability standards, and enhancement of suppliers' sustainability management capabilities. After setting basic sustainability standards for supply chain members to follow, we use risk identification tools to identify high-risk factors and high-risk suppliers, and then employ various sustainability management mechanisms to comprehensively manage the supply chain.



#### 5.8.1 Effective management of supply chain disruption risks



##### Identify key suppliers

UNIVACCO views supply chain risk management as part of its competitive advantage. To implement more effective supplier management, suppliers are categorized based on different characteristics. In 2023, considering company products and processes, "critical suppliers" were identified as the basis for focused management. The main criteria are as follows, with suppliers meeting all three conditions being included:

- Regular transactions (annual transaction amount of NTD 200,000 or more)
- Supply of critical raw materials: "Critical raw materials" are categorized into four types: base films, resins, solvents, and dyes
- Provide raw materials for critical product items

In 2023, 52 "critical suppliers" were identified based on these principles, accounting for 64% of total procurement expenditure.

### Identification and Management of High-Risk Critical Suppliers

The foundation of supply chain risk assessment is built on UNIVACCO's business relationships with supplier partners. Initial assessments and potential risk analyses are conducted by examining product categories, supply source countries, and supplier locations. To gain a deeper understanding of supply chain sustainability risks, a "Sustainability Management Self-Assessment Questionnaire" is designed based on relevant issues in the economic, environmental, and social dimensions to assess suppliers' risks in these three aspects of sustainability.

The main high-risk sustainability factors and high-risk supplier categories for 2023 are shown in the table below, with corresponding strategies developed for different risk factors.

| Economic Aspect   | Environmental aspect  | Social Aspect  |
|---|---|--|
| <ul style="list-style-type: none"> <li>★Quality, cost, delivery, service and technical capability</li> <li>★Sole or Key Supplier</li> <li>★Source country analysis</li> <li>★Business Ethics and Ethical Corporate Management</li> <li>★Production capacity and inventory management</li> </ul> | <ul style="list-style-type: none"> <li>★Environmental regulatory compliance</li> <li>★Environmental Management System</li> <li>★Water resource management</li> <li>★Waste and Air Pollution Management</li> </ul> | <ul style="list-style-type: none"> <li>★Health and Safety</li> <li>★Human Rights</li> <li>★Labor working hours</li> <li>★Labor Conditions</li> </ul> |

| Risk factors   |   |  |
|--|---|--|
| Economic risk factors  | Environmental risk Factors  | Social risk factors  |
| <ul style="list-style-type: none"> <li>• Sole Supplier</li> <li>• Excessive concentration in source countries</li> </ul>   | <ul style="list-style-type: none"> <li>• Environmental regulatory compliance</li> <li>• Air, water and waste management</li> <li>• Climate Change Management</li> </ul> | <ul style="list-style-type: none"> <li>• Employee health and safety</li> <li>• Labor Conditions</li> </ul> |
| High-Risk Supplier Category  |   |  |
| PET Film   | Resin   | Solvent/Dye  |
| Countermeasures  |   |  |
| <ul style="list-style-type: none"> <li>• New supplier development, diversification of source countries</li> <li>• Supplier ESG training</li> <li>• Tracking improvement effectiveness for critical and high-risk suppliers</li> <li>• Assist suppliers in enhancing supply chain risk management capabilities</li> </ul> |   |  |

# 05

## Corporate Governance

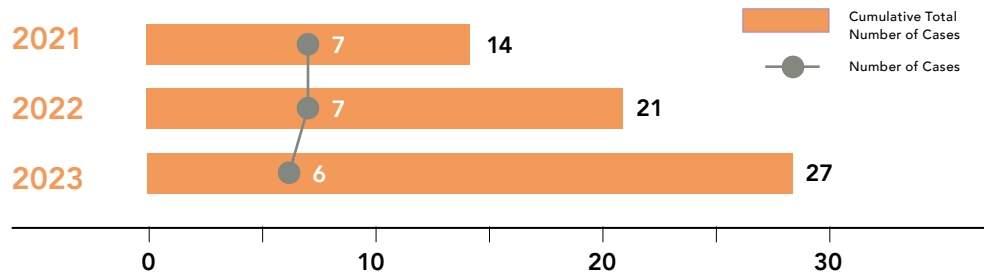
### Sustainable Supply Chain Management

ESG REPORT 2023

#### Develop diverse sourcing

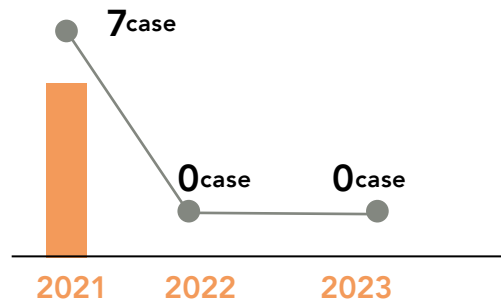
Continue to diversify production bases and develop new suppliers to reduce operational disruption risks due to supply chain breaks. In 2023, six new diverse sources for raw materials were developed. As of 2023, a total of 27 diverse sources for critical raw materials have been developed (with 2018 as the base year). We will continue to develop new suppliers and diversify production source countries in the future.

#### Number of Diverse Sources Developed



#### Establish Risk Management Mechanisms

Established risk management mechanisms for uninterrupted supply plans for four key materials. In 2023, the number of supply disruptions was 0. We will continue to monitor suppliers' sustainability risks to ensure uninterrupted supply in the future.

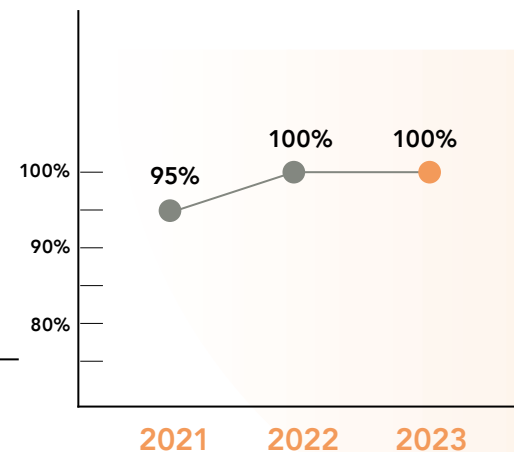


#### 5.8.2 Compliance with Supplier Sustainability Guidelines

##### Supplier Sustainability Commitment

To commit to the three major principles of corporate sustainability, environmental friendliness, and social prosperity, UNIVACCO refers to sustainability guidelines such as the "United Nations Sustainable Development Goals (SDGs)," "ISO 20400 Sustainable Procurement Guidance," and Taiwan's "Corporate Sustainability Best Practice Principles for TWSE/TPEX Listed Companies." To engage supply chain partners in sustainability efforts, we initiated the signing of the "Supplier Social Responsibility and Ethical Standards Commitment" (CSR Commitment) by suppliers in 2018, with critical suppliers as the priority signatories in the first phase. As of the end of 2023, 100% of critical suppliers signed and returned commitments. For new critical suppliers, 100% signed CSR commitments, completed sustainability management self-assessment questionnaires, and underwent on-site audits. In 2024, we plan to introduce supplier sustainable procurement guidelines, establishing green procurement management for UNIVACCO Technology and its supply chain system, gradually strengthening suppliers' commitment to and awareness of sustainability management.

##### CSR commitment letter return rate



##### CSR Commitment Return Rate for New Critical Suppliers



### Supplier-Related Hazardous Substance Management

In response to global product sales and to comply with the latest international environmental protection regulations, such as EU RoHS, REACH SVHC, HF, FDA, EU, and other recently regulated substances, and in line with the group's strategy for environmentally friendly product development, UNIVACCO Technology introduced the IECQ QC 080000:2017 Hazardous Substance Process Management System in 2021. In response to global product sales and to comply with the latest international environmental protection regulations, such as EU RoHS, REACH SVHC, HF, FDA, EU, and other recently regulated substances, and in line with the group's strategy for environmentally friendly product development, UNIVACCO Technology introduced the IECQ QC 080000:2017 Hazardous Substance Process Management System in 2021. This system supports the establishment of the UNIVACCO Group's environmental hazardous substance reduction policy.

- Sustainable Management, Regulatory Compliance, Environmental Protection
- Proactively implement hazardous substance reduction activities and develop environmentally friendly products

Under the aforementioned hazardous substance reduction policy, suppliers of raw materials, components, packaging materials, and related processing tools that could affect end products are identified and included in the hazardous substance management assessment scope. These suppliers are required to sign the "Environmental Hazardous Substance Non-Use Commitment." This approach manages issues from the source, educating suppliers to fully understand and comply with the environmental hazardous substance reduction policy, aiming to achieve the company's ultimate goal of environmentally friendly products. As of 2023, 100% of suppliers have signed the "Environmental Hazardous Substance Non-Use Commitment." When new items are added to the hazardous substance list (RoHS, REACH), suppliers are confirmed to still comply with the signed commitment, with a 100% response rate for new additions to the hazardous substance list, jointly supporting UNIVACCO's environmentally friendly product hazardous substance reduction policy.

For some raw materials containing hazardous substances, product risk is assessed by inventorying the proportion of raw materials used in finished products. High-risk finished products undergo third-party verification, with 100% of products complying with RoHS and REACH regulations.

When introducing new suppliers, compliance with related hazardous substance regulations is included as one of the evaluation criteria, ensuring that sources for environmentally friendly products comply with international environmental regulations from the initial product design stage.

Note:

RoHS: Restriction of Hazardous Substances Directive

REACH: Registration, Evaluation, Authorization, and Restriction of Chemicals

HF: Halogen Free

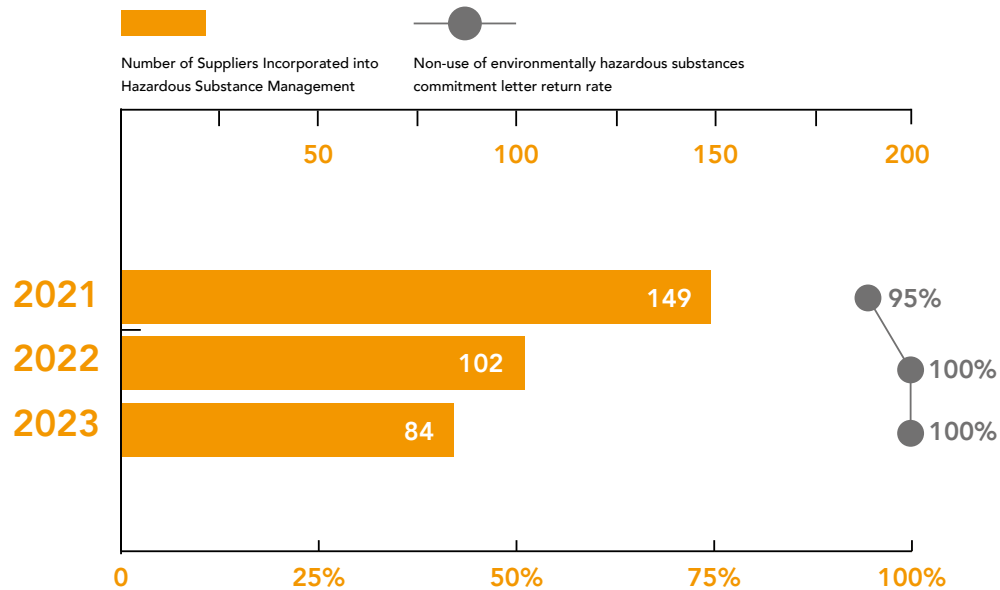
# 05

## Corporate Governance

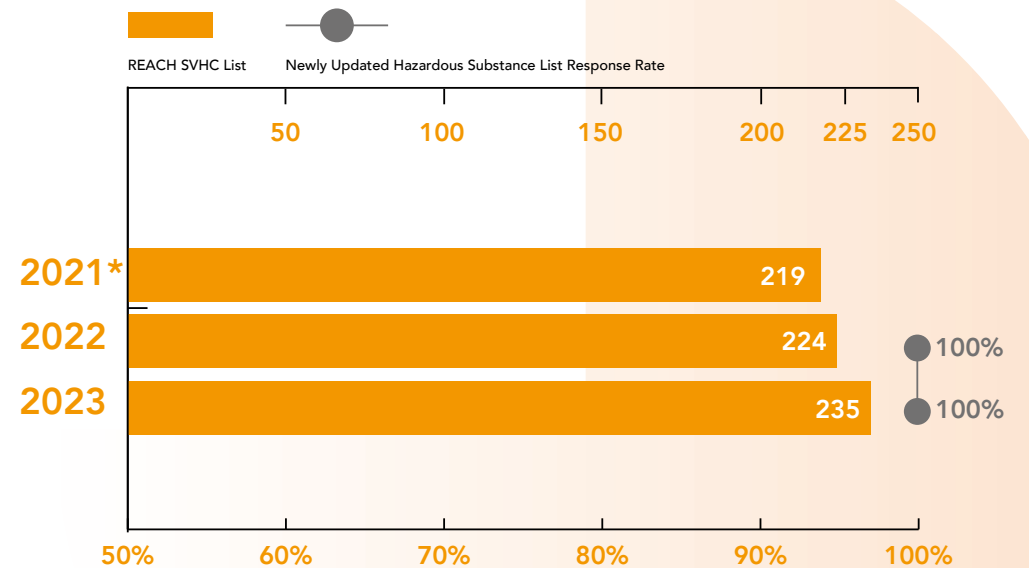
### Sustainable Supply Chain Management

ESG REPORT 2023

#### Rate of Signed Environmental Hazardous Substance Non-Use Pledge



#### Newly Updated Hazardous Substance List Response Rate



2021 marked the first year of implementing the IECQ QC 080000 Hazardous Substance Process Management System

### Implementation of Sustainable Procurement Management Mechanism

UNIVACCO is committed to developing environmentally friendly products and implementing sustainable operations, adhering to the belief that corporate growth should coexist and prosper alongside the ecological environment. In 2021, we began introducing a green procurement management system, which includes the following framework:

- Sustainable Procurement Implementation Commitment
- Formulation of Sustainable Procurement Strategies and Objectives
- Implementation of Sustainable Procurement Focus and Self-Review for Improvement
- Sustainable Supply Chain Management

Through the above management framework, we implement sustainable procurement, transitioning UNIVACCO's procurement model from a linear to a circular approach. We require internal departments and relevant suppliers to adhere to energy-efficient procurement principles and reduce the procurement of single-use items, with the aim of advancing sustainable development goals and progressively moving toward a circular economy and sustainable procurement.

To align with global trends and support the United Nations Sustainable Development Goal 12, "Ensure sustainable consumption and production patterns," UNIVACCO's procurement team follows the "Procurement Management Procedure" guidelines. They prioritize products certified as eco-friendly by domestic or international organizations or government agencies, ensuring these products adhere to principles of low energy consumption, non-toxicity, recyclability, and environmental sustainability throughout their lifecycle. This compliance principle is incorporated into the individual performance evaluations of procurement staff. In 2023, 100% of IT products (computers, monitors, imaging devices, laptops) and general office supplies (stationery, cleaning products, electrical appliances, consumables) were procured through environmentally responsible purchasing, demonstrating concrete support for the development of sustainable industries. As a result, UNIVACCO was recognized as an outstanding eco-conscious procurement enterprise in its locality in 2023.

### 5.8.3 Enhance suppliers' sustainability management capabilities

#### Conducting Supplier Sustainability Management Awareness Sessions

To raise suppliers' awareness of sustainable supply chains, the 2023 education and training topics were divided into three main directions to assist suppliers in enhancing their sustainability management capabilities. Suppliers were evaluated on environmental and social aspects, with outstanding performers to be publicly recognized at the supplier conference.

- Building a Sustainable Supply Chain
- Promotion of Supplier Management Systems and Supply Chain Partner Cooperation Requirements
- Sharing Practical Experiences in Climate Change, Loss Prevention Management, and Cybersecurity Management



90% participation rate among the top ten suppliers by procurement value

#### Sustainable Supply Chain Education and Training

In addition to conveying UNIVACCO's concepts of a sustainable value chain and ESG performance requirements to suppliers, we continuously provide education and training to enhance the sustainability awareness and capabilities of our procurement staff. We communicate the company's annual supplier management objectives and focus on cultivating procurement personnel to effectively implement sustainable procurement practices in their daily operations. In 2023, the training completion rate for procurement staff was 100%. Training topics included:

- Sustainable Product Awareness and Procurement Strategies
- Climate Change Regulations and International Development Trends
- Promotion of Labor, Human Rights, and Business Ethics
- Training on Occupational Safety, Environmental Protection, and Fire Safety Regulations

# 05

## Corporate Governance

### Sustainable Supply Chain Management

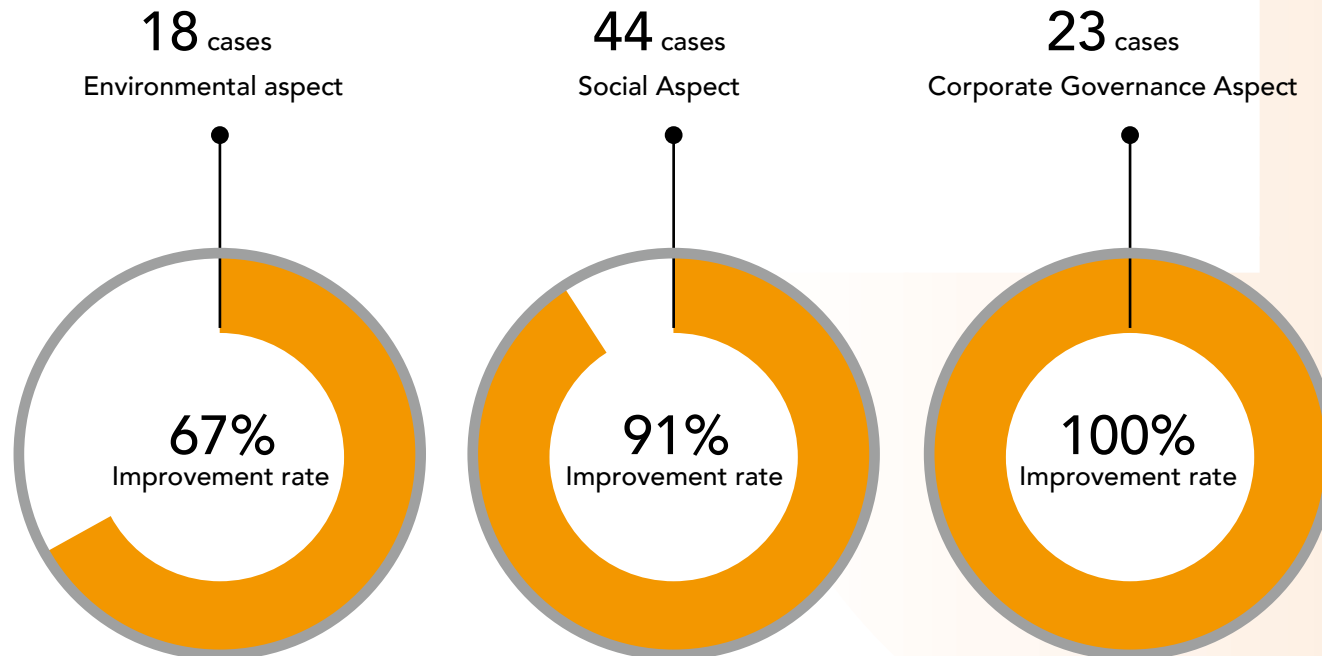
ESG REPORT 2023

#### Supplier ESG Sustainability Risk Audit

UNIVACCO has constructed a supply chain sustainability audit form based on the Responsible Business Alliance (RBA) Code of Conduct to manage and address supplier risks in environmental, social, and governance (ESG) sustainability aspects. In 2023, on-site risk management audits were conducted for seven critical suppliers, resulting in 85 audit recommendations with an improvement completion rate of 88%. Through effective management of improvement measures and continuous tracking, we aim to reduce their risk levels.

Additionally, to strengthen supply chain resilience, we implemented a low-carbon supply chain project. In 2023, we assisted the top two critical suppliers in completing carbon emission inventories and setting carbon reduction targets.

In the future, we will continue to align with supply chain management strategies and global sustainability management trends. We will organize both in-person and online sustainability management training courses for suppliers, providing more learning channels and resources to promote joint growth in sustainability management capabilities among our global supplier partners.





## 5.9 Risk management

Strategy: Focus on global risk trends, establish structured risk management processes, reduce operational impacts, and identify business opportunities.

| 2023  |   | 2024   | 2025   | 2030   |
|---|---|--|--|--|
| Implement and Promote Risk Management<br>Continuously adjust and improve risk management best practices to protect stakeholders' interests and achieve optimal resource allocation principles |   |  |  |  |
| Goal  | Outcome   | Goal   |  |  |
| Zero major risk events causing operational disruption in Taiwan facilities  | Business Interruption<br>0 cases                              | <ul style="list-style-type: none"> <li>Zero major risk events causing operational disruption in Taiwan facilities</li> <li>Improvement rate for major risk factors &gt; 80%</li> </ul> | <ul style="list-style-type: none"> <li>Zero major risk events causing operational disruption in global group facilities</li> <li>Improvement rate for major risk factors &gt; 80%</li> </ul> | <ul style="list-style-type: none"> <li>Zero major risk events causing operational disruption in global group facilities</li> <li>Improvement rate for major risk factors &gt; 80%</li> </ul> |
| Improvement rate for major risk factors >30%  | Improvement rate<br>82%                                       |  |  |  |
| Strengthen company risk control by formulating "Risk Management Policy and Procedures" and submitting to the Board of Directors   | Approved by the Board of Directors and officially implemented |  |  |  |

UNIVACCO follows its established management organizational system and internal control procedures to identify and manage potential risks that may affect corporate sustainability across economic (including corporate governance), environmental, and social dimensions. Through appropriate risk transfer, reduction, and avoidance strategies, complemented by risk management mechanisms with clearly defined functions and responsibilities, the company establishes supervisory accountability, authority delegation, and performance reward systems. This effectively constructs UNIVACCO's risk management protection network, minimizing potential risks and transforming them into operational opportunities.

# 05

## Corporate Governance

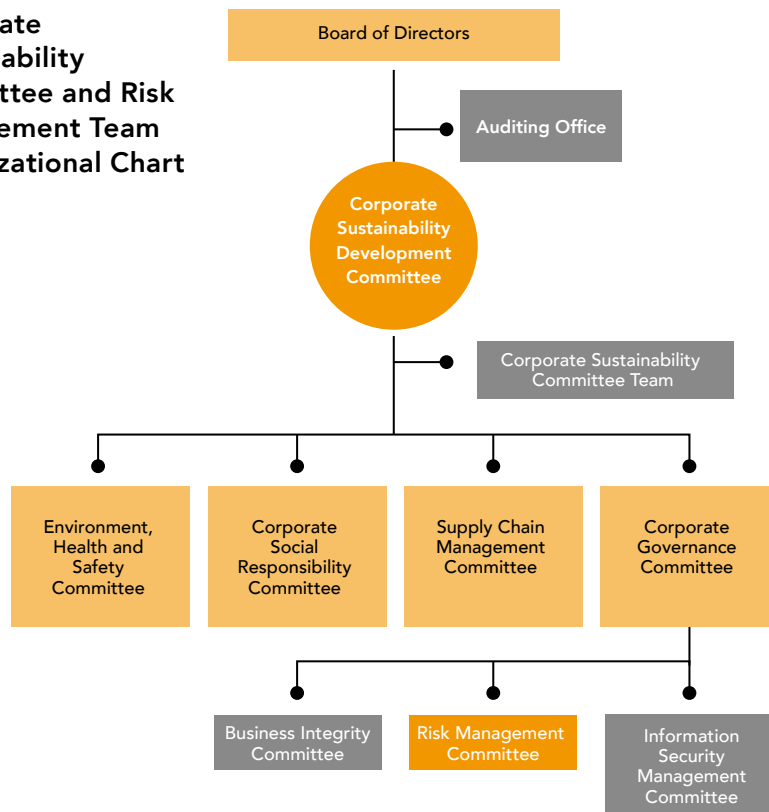
### Risk management

ESG REPORT 2023

#### Risk Management Organization and Execution:

The Risk Management Team, established under the Corporate Sustainability Development Committee, is responsible for executing risk management. It reviews risk control reports from various team units, tracks implementation and improvement progress, and regularly reports the risk management execution status of each unit to the Corporate Sustainability Development Committee.

#### Corporate Sustainability Committee and Risk Management Team Organizational Chart



#### Risk management execution operates according to a three-tier risk management structure:

##### First-Line Responsibility

Unit managers or business handlers are the Risk Owners for their respective business operations. They must execute business according to relevant internal control systems and internal regulations, serving as the primary unit for risk identification, assessment, and control.

##### Second-Line Responsibility

The company's Risk Management Team must review the completeness of major risk management mechanisms related to hazards, operations, finance, strategy, and compliance for the company and important subsidiaries. It should monitor the relevant risks of each unit in accordance with risk management policies and related risk management measures.

##### Third-Line Responsibility

The Internal Audit serves as an independent evaluator, responsible for continuously reviewing internal processes, strengthening internal control mechanisms, and risk management. It ensures that decision-making and process operations at all levels of the Team are executed in compliance with relevant management measures.

**Risk Management Process:**

A comprehensive risk management system and operation is the crucial foundation for ensuring UNIVACCO's stable operations and sustainable management. UNIVACCO is committed to establishing a comprehensive risk management system. In 2023, the risk management policy and procedures were presented to the Board of Directors and incorporated into the company's first-tier management regulations and implementation. Appropriate policies and procedures for risk management have been established in accordance with relevant regulations, effectively identifying and controlling risk factors, achieving prevent prevention and timely response to incidents.

In 2023, the overall customer satisfaction score was 81 points. The "Product" and "Service" dimensions each scored 84 points, while "Professionalism" and "Development Trends" each scored 78 points. Moving forward, we will strengthen the product functionality and comprehensiveness within the "Development Trends" dimension, enhance environmentally friendly products, improve the speed and quality of complaint responses in the "Professionalism" dimension, and provide knowledge training support for the product marketing department. These efforts aim to comprehensively meet customer expectations.

The company's risk management process includes: risk identification, risk measurement, risk response, risk monitoring, risk reporting and disclosure.



# 05

## Corporate Governance

### Risk management

ESG REPORT 2023

|    |                                      |   |
|----|--------------------------------------|---|
| 01 | <b>Risk identification</b>           | The Risk Management Team, established under the Corporate Sustainability Development Committee, identifies and assesses risks related to the company's operations in economic (including corporate governance), environmental, and social aspects based on the principle of materiality. The risks and opportunities faced are categorized into seven types: market, operations, investment, legal compliance, environment, operations, and human resources. A total of 35 risks and opportunities were ultimately identified and inventoried.                                      |
| 02 | <b>Risk Assessment</b>               | Quantify and analyze the identified risks and opportunities using rigorous statistical analysis methods and techniques where possible. For risks that are currently difficult to quantify, qualitative methods are used for measurement. Qualitative risk measurement refers to describing the likelihood and severity of risk occurrence through text. UNIVACCO prioritized the 35 identified risk factors based on qualitative and quantitative analysis of the likelihood and severity of risk occurrence, resulting in 11 major risk factors requiring high attention.          |
| 03 | <b>Risk response</b>                 | After identifying and assessing risks, each functional unit can adopt appropriate risk strategies such as risk avoidance, risk transfer, risk mitigation, and risk acceptance to take appropriate measures for the risks faced. Through appropriate risk responses from various functional units, the number of risk factors was successfully reduced from 35 to 18, an improvement of 49%. The number of major risk factors decreased from 11 to 2, an improvement of 82%, exceeding the improvement target of >30%. No major incidents causing operational interruption occurred. |
| 04 | <b>Risk monitoring</b>               | Each functional unit should monitor the risks of its business, and relevant departments should propose countermeasures. The risks and countermeasures should be provided to the Risk Management Team and reported at routine meetings of the Corporate Sustainability Development Committee.  |
| 05 | <b>Risk reporting and disclosure</b> | To fully document the risk management procedures and their implementation results, the Risk Management Team reports on the risk status twice a year to the Corporate Sustainability Development Committee and once a year to the Board of Directors for management reference.   |

# 05

## Corporate Governance

### Risk management

ESG REPORT 2023

#### Long-Term Emerging Impacts

The main risk mitigation measures and control mechanisms for the identified and analyzed impacts are as follows:

| Emerging Impact    | Declining Birth Rates   | Continuous Electricity Price Increases   | Increasing Cybersecurity Threats  |
|--------------------|---|--|---|
| Impact Description | <p>The phenomenon of a gradually decreasing proportion of young population due to declining birth rates may lead to a trend of decreasing working-age population in the future, potentially having significant impacts on social structures, economic development and other aspects.</p> <p>This could further cause population shortages, making declining birth rates a major concern for many countries.</p> | <p>In response to the national goal of achieving net zero emissions by 2050, the current national power development will continue to transition towards low-carbon electricity, leading to subsequent electricity price adjustments.</p> | <p>According to the 2023 mid-year cybersecurity report, due to the emergence of new ransomware groups, cyberattacks intensified in the first half of this year. On average, each Taiwanese enterprise faced 3,245 attacks in the first half of the year, a 10% increase compared to the same period last year. Consequently, requirements for related software and hardware protection measures need to be updated accordingly.</p>   |
| Potential Impacts  | <p>Future labor shortages or difficulties in recruiting local employees for entry-level positions may create gaps in junior management and increase challenges in cultivating future talent.</p>  | <p>It is estimated that electricity prices will increase by 50% per kWh by 2025.</p>   | <p>Cyber intrusions causing operational issues for the company</p>  |
| Response Measures  | <ol style="list-style-type: none"> <li>1. Develop junior management talent</li> <li>2. Introduce foreign workers</li> <li>3. Train and develop foreign workers</li> <li>4. Hire foreign worker management specialists to assist with communication and management</li> <li>5. Maintain sound talent management systems, gender equality, and diversity and inclusion practices</li> </ol>                       | <ol style="list-style-type: none"> <li>1. Improve energy efficiency</li> <li>2. Adopt energy-saving facilities</li> <li>3. Implement renewable energy sources</li> </ol>   | <ol style="list-style-type: none"> <li>1. Install antivirus software and enhance endpoint protection for critical servers; implement USB control on computer equipment to prevent data leakage</li> <li>2. Strengthen network firewalls and network management to prevent virus spread</li> <li>3. Enhance cybersecurity education and training to improve employee awareness of information security and phishing email identification skills</li> <li>4. Adhere to ISO 27001 information security standards, review and implement information security management principles and systems</li> </ol> |

# 05

## Corporate Governance

### Risk management

ESG REPORT 2023

#### Risk Management Operations:

UNIVACCO actively promotes and implements risk management mechanisms, reporting their operations to the Board of Directors annually. The main operations in 2023 were as follows:

| Meeting Date | Meeting Contents   |
|--------------|--|
| 2023/07/28   | Held the first regular meeting of the Corporate Sustainability Development Committee, where the Risk Management Team representative reported on the progress of risk management-related work in 2023   |
| 2023/10/19   | The Risk Management Team convened the company's annual risk meeting, confirming that the number of risk factors in 2023 decreased from 35 to 18, and proposed emerging impact factors for 2024 (such as declining birth rates, continuous electricity price increases, increasing cybersecurity threats, etc.)                           |
| 2023/12/21   | Held the second regular meeting of the Corporate Sustainability Development Committee, where the Risk Management Team representative reported on the team's risk management implementation results for 2023 and the risk management goals planning for 2024. The Board of Directors approved the "Risk Management Policy and Procedures" |

## 5.10 Legal Compliance

Strategy: Implement regulatory compliance and ethical management, establish governance structure and practical guidelines

| 2023   |  | 2024  | 2025  | 2030   |
|--|--|---|---|--|
| <b>Strengthening Regulatory Compliance</b> - Deeply ingrain a culture of regulatory compliance through the establishment of regulatory systems, education and training promotion, and regulatory inventory updates to achieve zero violations, zero penalties, and zero litigation goals |  |   |   |  |
| Goal   | Outcome  |   |   |  |
| Major compliance violations: 0 incidents   | 0 cases  | <ul style="list-style-type: none"> <li>Major compliance violations: 0 incidents</li> <li>Major internal/external audit findings related to internal control systems: 0 per year</li> <li>In-person training on internal control systems at least twice per year; additionally, 100% completion rate for applicable digital courses</li> </ul> | <ul style="list-style-type: none"> <li>Major compliance violations: 0 incidents</li> <li>Major internal/external audit findings related to internal control systems: 0 per year</li> <li>In-person training on internal control systems at least twice per year</li> <li>At least one internal auditor holds an International Computer Auditor certification</li> </ul> | <ul style="list-style-type: none"> <li>Major compliance violations: 0 incidents</li> <li>Major internal/external audit findings related to internal control systems: 0 per year</li> <li>Comprehensive review of the effectiveness of written systems</li> </ul> |
| Major internal/external audit findings related to internal control systems: 0 per year   | Ethical Business Operations<br>Internal Deficiencies<br>1 case           |   |   |  |
| Conduct physical internal control system training at least once per year; additionally, ensure a 100% completion rate for applicable digital courses   | In-Person Training<br>1 case<br>Digital courses Training completion rate |   |   |  |

UNIVACCO commits to complying with international norms and local government regulations in its operating locations, prohibiting any illegal or non-compliant activities. The company has established UNIVACCO's Legal Compliance Management Measures, timely updating various legal amendments within the compliance scope, including corporate governance, insider trading, securities regulations, subsidiary supervision, document management and preservation, environmental regulations, occupational safety, labor regulations, intellectual property, confidential data protection, personal data protection, and export control, to ensure legal compliance. Furthermore, following the three lines of defense - "self-assessment", "risk management and regulatory compliance", and "internal audit" - responsible units regularly and systematically conduct regulatory identification, amendments, promotion, and implementation to ensure full regulatory compliance. No major regulatory violations occurred in 2023.

Note: Definition of a major regulatory incident: A single incident resulting in a fine exceeding NT\$1 million

### 5.10.1 Regulatory Identification and Standard Setting

#### First Line of Defense: "Self-Assessment"

Designated personnel from each department conduct regulatory identification, amendments, promotion, and implementation semi-annually. These employees must undergo annual training to continuously strengthen their understanding of regulatory compliance and grasp of professional field developments, integrating this knowledge into daily business activities. For example, in addition to the finance department regularly holding educational training on "insider trading" and "securities regulations", the CPA also provides regulatory update reports at quarterly board meetings, reminding the company to take responsive measures. The Environmental Health and Safety unit assesses the impact on the company based on changes in listed regulations, and provides detailed explanations of the changes and the company's response plans at monthly safety committee meetings to preemptively prevent or adapt to the effects of new regulations. In 2023, the self-assessment implementation rate was 100%, and internal control-related education, training, and digital courses were completed for legal promotion. Two in-person legal education training sessions and online courses are planned for 2024 to expand coverage of employee promotion across various plant areas.

## 01

2023 In-Person Internal  
Control System Education  
Results: One session

|   |                                    |
|---|------------------------------------|
| Course title:<br>Practical Discussion on Internal Control Management<br>of Sales and Collection Cycle |                                    |
| Course duration:<br>2023/04/26  | Training completion rate:<br>100 % |

#### 2023 Internal Control-Related Education and Training Results

## 02

Digital courses  
Completion rate: 96%

|   |  |  |
|---|--|--|
| Course title:<br>Introduction to ISO 45001 Occupational Health and<br>Safety Management Standards | Course title:<br>Introduction to IECQ QC 080000 Hazardous Substance<br>Process Management System | Course title:<br>Introduction to ISO 9001 Quality Management System                              |
| Course duration:<br>2023/08/23~2023/11/07   | Course duration:<br>2023/08/02~2023/12/27  | Course duration:<br>2023/08/04~2023/12/27  |
| Training completion rate:<br>100 %  | Training completion rate:<br>91 %  | Training completion rate:<br>90 %  |
| Course title:<br>Introduction to ISO 27001 Information Security<br>Management                     | Course title:<br>Introduction to ISO 14064-1 Greenhouse Gas Inventory<br>Standards               | Course title:<br>Introduction to ISO 50001 Energy Management System<br>and Energy Management Law |
| Course duration:<br>2023/08/31~2023/11/03   | Course duration:<br>2023/08/18~2023/11/30  | Course duration:<br>2023/08/16~2023/11/07  |
| Training completion rate:<br>100 %  | Training completion rate:<br>94 %  | Training completion rate:<br>100 %   |



**Second Line of Defense: "Risk Management and Regulatory Compliance"**

Operated by the Legal Department and the Risk Management Team of the Corporate Sustainability Development Committee, this line focuses on risks and opportunities related to market, business operations, investments, compliance, environment, standard operations, and human resources. The highest responsible managers of each unit conduct risk and opportunity assessments and monitoring, reporting to the Corporate Sustainability Development Committee and the Board of Directors.

In 2023, a review of major regulations was completed, with a comprehensive regulatory inventory update planned for completion in 2024. In 2024, each unit is expected to first complete the detailed rules for implementing regulatory statutes. Subsequently, these rules will be updated monthly based on a list of regulatory changes to ensure they remain current. A regulatory inventory will be produced to confirm and ensure compliance with regulatory content.

| Detailed Rules for Implementing Regulatory Statutes | List of Regulatory Changes       | Regulatory Inventory             |
|---|----------------------------------|----------------------------------|
| Updated monthly based on changes                    | Updated monthly based on changes | Updated monthly based on changes |

**Third Line of Defense: "Internal Audit"**

The Internal Audit unit performs audit functions, assisting the Board of Directors and senior management in examining and evaluating the effectiveness of risk management and internal control systems. This includes assessing the effectiveness of risk monitoring by the first and second lines of defense, and providing timely improvement recommendations to reasonably ensure the continuous effective implementation of the internal control system and serve as a basis for reviewing and revising the internal control system. This year, we continue to comprehensively reintegrate all written systems according to current operational procedures to ensure the ongoing effectiveness of all internal control points. Ultimately, through the proper functioning of the three lines of defense, we ensure the implementation of the regulatory compliance system.

**Internal Control Implementation Results**

In 2023, there was one significant internal control deficiency related to violations of ethical business practices, which has been handled according to standard procedures.

Note :

Definition of significant internal control deficiency:

1. Violation of one of the three major policies: "Asset Acquisition and Disposal Management Policy", "Fund Lending Management Policy", or "Endorsement Guarantee Management Policy"
2. Violation of the Ethical Corporate Management Best Practice Principles
3. Ineffective management of major risk items

### 5.1.1 Business Ethics

Strategy: Implement regulatory compliance and ethical management, establish governance structure and practical guidelines

| 2023   |  | 2024   |  | 2025   |  | 2030   |  |  |  |
|--|--|--|--|--|--|--|--|--|--|
| Implementation of Ethical Business Practices - Established ethics-based codes of conduct, Ethical Corporate Management Best Practice Principles, and procedures for handling unethical or dishonest behavior cases |  |  |  |  |  |  |  |  |  |
| Goal   |  | Outcome  |  | Goal   |  |  |  |  |  |
| Annual integrity management/anti-corruption laws and company regulations promotion for parent company: Once per year   |  | Ethical corporate management and whistleblowing systems have been established, with plans to enhance employee promotion in 2024<br><div>0 incidents/year</div> |  | <ul style="list-style-type: none"><li>Annual integrity management/anti-corruption laws and company regulations promotion for parent company: Once per year</li><li>"Ethical Corporate Management Operating Procedures and Behavior Guidelines" were officially submitted to and approved by the Corporate Sustainability Development Committee for implementation</li><li>"Whistleblowing System Management Regulations" were officially submitted to and approved by the Corporate Sustainability Development Committee for implementation</li><li>Publish the company's ethical management implementation status on the Company's website</li><li>Annual summary reports on the implementation and promotion of ethical business practices are presented to the Board of Directors</li></ul> |  | <ul style="list-style-type: none"><li>Group-wide digital course on ethical business operations/anti-corruption laws and company regulations: once/year for all employees</li><li>Ethical business operations/anti-corruption education and training: &gt;300 person-times/year</li><li>Inclusion of a stock trading blackout period for directors and insiders 30 days before annual financial report announcements and 15 days before quarterly financial report announcements in the "Corporate Governance Code"</li><li>Inclusion of ethical business operations-related procedures and management regulations in routine audit plans: once/quarter</li></ul> |  | <ul style="list-style-type: none"><li>Group-wide ethical business operations/anti-corruption education and training coverage/ completion rate: 100%</li><li>Cases of violations of the Code of Ethical Conduct: 0</li><li>Completion of corruption risk assessment reports for all group operation sites and submission to the Board of Directors: once/year</li><li>Conduct "Corporate Corruption Self-Assessment" during quarterly compliance reviews and report to the Board of Directors</li></ul> |  |
| Formulated "Ethical Corporate Management Operating Procedures and Behavior Guidelines"   |  | Initial discussion completed, implementation plan to commence in 2024  |  |  |  |  |  |  |  |
| Established "Whistleblowing System Management Regulations" and incorporated them into the 2024 audit plan  |  | Initial discussion completed, implementation plan to commence in 2024  |  |  |  |  |  |  |  |
| Publish the company's ethical management implementation status on the Company's website  |  | Ethical corporate management and whistleblowing systems have been established, with full implementation of operations planned for 2024                         |  |  |  |  |  |  |  |

### Assessment and Review of Business Ethics

Since its establishment, UNIVACCO has upheld the business philosophy of "Integrity, Pragmatism, Gratitude, and Contentment". This business philosophy guides us to serve all customers with integrity, express gratitude for feedback from customers and suppliers, and continuously enhance the transparency of company operations, allowing shareholders to better understand the company's operations. The Ethical Corporate Management Team under the Corporate Governance Committee of the Corporate Sustainability Development Committee is the dedicated unit for promotion. In 2023, the main focus was on planning the process framework for the ethical management system (shown in the next page). Specific scenario regulations for the Code of Conduct will be gradually revised in 2024, and company-wide employee education and training will be uniformly implemented in 2024.

### Ethical Corporate Management Best Practice Procedures and Conduct Guidelines

UNIVACCO conducts business activities based on principles of fairness, honesty, trustworthiness, and transparency. To implement its integrity management policy and actively prevent unethical behaviors such as anti-competitive practices, the company has drafted operational procedures and behavioral guidelines in 2023 based on the "Ethical Corporate Management Best Practice Principles," "Corporate Social Responsibility Best Practice Principles," "Code of Ethical Conduct," and relevant laws in the locations where the company and group operate. These guidelines are expected to be approved by the Corporate Sustainability Committee and implemented in 2024, providing specific regulations for company personnel to follow during business operations.

The Corporate Sustainability Development Committee (Corporate Governance Committee - Ethical Corporate Management Team), a dedicated unit under the Board of Directors, is responsible for handling and promoting the following main tasks:

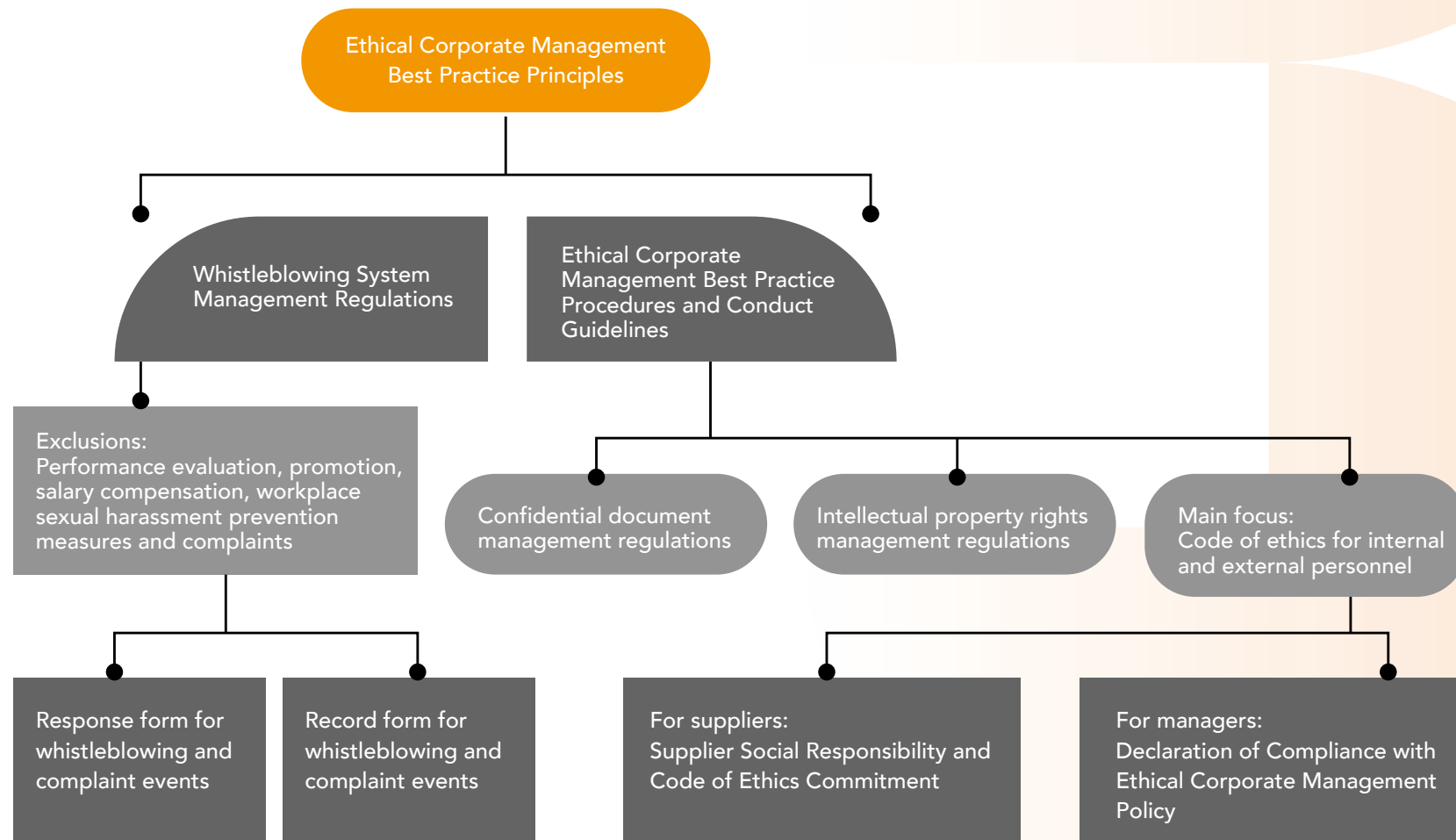
1. Assist in integrating integrity and ethical values into the company's business strategy, and establish relevant fraud prevention measures to ensure ethical business operations in compliance with legal systems.
2. Plan internal organization, staffing, and responsibilities, and establish mutual supervision and checks and balances mechanisms for business activities with higher risks of dishonest behavior within the business scope.
3. Promote and coordinate integrity policy promotion and training.
4. Plan the whistleblowing system and establish "Whistleblowing System Management Regulations" to ensure its effectiveness.
5. Assist the Board of Directors and management in examining and evaluating the effective operation of preventive measures established for ethical business operations, assess compliance with relevant business processes, and report to the Board of Directors regularly (at least once a year).
6. Produce and properly maintain documented information related to ethical business operations policies and their compliance statements, implementation commitments, and execution status.

# 05

## Corporate Governance

### Business Ethics

ESG REPORT 2023



### Whistleblowing System Management Regulations

To implement the ethical corporate management policy and prevent fraudulent behavior, in accordance with the company's "Code of Ethical Conduct" and Ethical Corporate Management Best Practice Principles", the "Whistleblowing System Management Regulations" were drafted in 2023 and are expected to be approved by the Corporate Sustainability Development Committee and implemented in 2024.

After implementation, whistleblowing cases will be transferred to members of the dedicated unit for review and handled according to the situation. The dedicated unit members include members of the Ethical Corporate Management Team under the Corporate Governance Committee, one independent director, and the head of internal audit. They should handle whistleblowing matters according to the following procedures:

1. Whistleblowing matters involving general employees should be reported to the unit supervisor; matters involving directors or senior executives should be reported to the Audit Committee.
2. The company's dedicated unit and the unit supervisor or personnel reported to in the previous article should immediately investigate the relevant facts, with assistance from the compliance department or other relevant units if necessary.
3. If it is verified that the reported person has indeed violated relevant laws or the company's ethical corporate management policies and regulations, the reported person should be immediately required to cease the relevant behavior, appropriate measures should be taken, and if necessary, reported to the competent authority, transferred to judicial authorities for investigation, or legal proceedings for damages should be initiated to protect the company's reputation and interests.
4. Written documents of the whistleblowing acceptance, investigation process, and investigation results should be retained and preserved for five years. The preservation may be done electronically. Prior to the expiration of the retention period, if litigation related to the whistleblowing content occurs, relevant information should continue to be retained until the conclusion of the litigation.
5. For whistleblowing matters that are verified to be true, the relevant departments of the Company should be instructed to review related internal control systems and operating procedures, and propose improvement measures to prevent the recurrence of similar incidents.
6. The Company's dedicated unit shall report the whistleblowing incidents, their handling methods, and subsequent review and improvement measures to the Corporate Sustainability Committee and the Board of Directors.

#### Whistleblowing and Grievance Channels:

**Mailing Address:** No. 383, Mayou Rd., Makou District, Madou Dist., Tainan City 721, Taiwan

**E-mail:** 3303@univacco.com

**Whistleblowing Hotline:** (06) 5703853 ext. 1030

**Whistleblowing System Reception Unit:** Auditing Office

UNIVACCO maintains confidentiality for both whistleblowers and the content of reports, and protects whistleblowers from any form of retaliation due to their reporting.

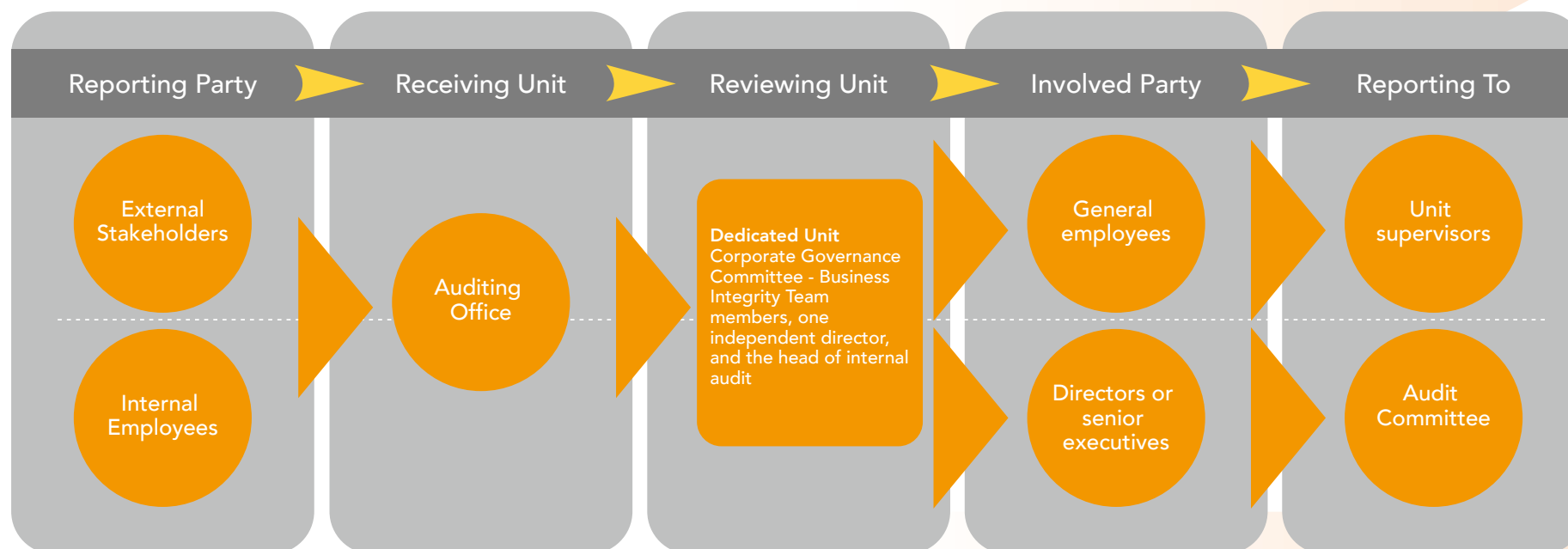
# 05

## Corporate Governance

### Business Ethics

ESG REPORT 2023

#### Whistleblowing and Grievance Process:



#### Results of Business Integrity Implementation

1. UNIVACCO Technology has always emphasized ensuring the accuracy and completeness of its financial reporting processes and controls. The company has designed relevant internal control systems for operational procedures with potentially higher risks of dishonesty. Internal audits are conducted based on the annual audit plan formulated from risk assessment results, and audit results and subsequent improvement plans are reported to the Audit Committee, Board of Directors, and management to implement audit effectiveness. After reporting the audit results to the Board of Directors annually, an effective internal control system statement is issued.
2. The electronic version of the "Ethical Corporate Management Best Practice Principles" is disclosed on the official website for access by internal employees and external stakeholders.
3. On May 24, 2023, the "Ethical Corporate Management Best Practice Principles" was communicated to all directors, and a course on "Material Information Disclosure and Insider Trading Prevention" was arranged. The attendance and completion rate for all directors was 100%.
4. In 2023, the Company received no internal or external whistleblowing cases related to business ethics violations or corruption incidents.

06

Green Production and Environmental Protection

UNIVACCO TECHNOLOGY INC.



# 06

## Green Production and Environmental Protection

ESG REPORT 2023

### Key Results

#### 6.1 Key Results

- We continue to analyze and control internal energy use, actively reducing greenhouse gas emissions to address climate change challenges.
- We implement sustainable production by setting source reduction and reuse targets to minimize the environmental impact of our products.

100%

All production sites in Taiwan have obtained third-party verification for ISO 14064-1.

100%

All production sites in Taiwan have obtained third-party verification for ISO 50001.

9.71%

Water intensity reduced compared to 2020.

18.21%

Waste film output per unit production area decreased compared to 2020.

3.13%

Electricity savings rate

8.38%

Waste recycling rate increased compared to 2020.

NTD 81,015 thousand

Environmental protection expenditure

1,825.88 tCO<sub>2</sub>e

Reduction of GHG Emissions



## 6.2 Strategy

We continually analyze and manage our internal energy use, striving to reduce greenhouse gas emissions and meet the challenges of climate change.

| 2023  |                                    | 2024   |   | 2025   |  | 2030  |  |
|---|------------------------------------|--|---|--|--|---|--|
| Promoting low-carbon manufacturing - Continuously adopting the best available technologies to reduce greenhouse gas emissions |                                    |  |   |  |  |   |  |
| Goal  |                                    | Outcome  |   | Goal   |  | Goal  |  |
| Total GHG Emissions Reduction (vs. 2020)<br><br>2 %   | 73,486.24 tCO2e<br>Reduced by 19 % | <ul style="list-style-type: none"><li>Total greenhouse gas emissions reduced by 8% compared to 2020</li><li>Greenhouse gas emissions per unit production area reduced by 10% compared to 2020</li><li>Completed ISO 14064-1 third-party verification for Yoto subsidiary</li></ul>   | <ul style="list-style-type: none"><li>Total greenhouse gas emissions reduced by 10% compared to 2020</li><li>Greenhouse gas emissions per unit production area reduced by 15% compared to 2020</li><li>Completed ISO 14064-1 third-party verification for Wuxi subsidiary</li></ul> | <ul style="list-style-type: none"><li>Total greenhouse gas emissions reduced by 20% compared to 2020</li><li>Greenhouse gas emissions per unit production area reduced by 30% compared to 2020</li><li>Complete ISO 14064-1 third-party verification for entire group including subsidiaries (USA/ Malaysia) by 2027</li></ul> |  |   |  |
|   |                                    |  |   |  | GHG Emissions Reduction per Unit Production Area (vs. 2020)<br><br>20 %              | 181.76 gCO2e/m2<br>Reduced by 6.2 %   |  |
|   |                                    |  |   |  | Completed initial greenhouse gas emissions calculations for subsidiaries (Wuxi&Yoto) | Wuxi &Yoto:<br>Completed annual internal inventory of Scope 1 and Scope 2 emissions |  |
| Renewable Energy Use - Continue installing solar power generation systems to increase renewable energy usage                  |                                    |  |   |  |  |   |  |
| Goal  |                                    | Outcome  |   | Goal   |  | Goal  |  |
| Annual self-built renewable energy: 268,200 kWh   | Total production<br>424,500 kWh    | <ul style="list-style-type: none"><li>Annual power generation from self-built renewable energy sources: 353,600 kWh</li><li>Completed evaluation of renewable energy certificates and self-built solar power generation benefits</li><li>Completed specification assessment for waste heat to power equipment in plant areas</li></ul> | <ul style="list-style-type: none"><li>Annual power generation from self-built renewable energy sources: 353,600 kWh</li><li>Completed installation of waste heat to power generator in VC3 plant</li></ul>  | <ul style="list-style-type: none"><li>Annual green energy generation: 1,718,700 kWh</li><li>Completed installation of waste heat to power generator in VC2 plant</li></ul>   |  |   |  |

# 06

## Green Production and Environmental Protection

Climate Change Strategy and Energy Management

ESG REPORT 2023



| 2023  |  | 2024   | 2025  | 2030   |
|---|--|--|---|--|
| Improving Energy Efficiency - Continuously optimize manufacturing processes and improve plant operations to effectively enhance energy conservation across all facilities |  |  |   |  |
| Goal  | Outcome  |  | Goal  |  |
| Electricity intensity reduced by 6% compared to 2020  | 59.13 kWh/k.m2<br>Reduced by <b>1.27</b> %   | <ul style="list-style-type: none"> <li>Electricity intensity reduced by 7.5% compared to 2020</li> <li>Annual electricity reduction rate: 1.0%</li> <li>Water consumption per unit production area reduced by 7.5% compared to 2020</li> <li>Upholding the ISO 50001 Energy Management System Certification</li> <li>Implement smart power monitoring systems across all plants</li> <li>Activate energy-saving chillers in VC3 plant</li> <li>Replacement of old chillers in VC1 and VC2 plants</li> <li>Replacement of boiler pump motors across all plants</li> </ul> | <ul style="list-style-type: none"> <li>Electricity intensity reduced by 9% compared to 2020</li> <li>Annual electricity reduction rate: 1.0%</li> <li>Water consumption per unit production area reduced by 9% compared to 2020</li> <li>Replace IE1 motors with IE3 or above in all plants (VC2, VC3)</li> <li>Replace fixed-speed chillers with variable-speed chillers in all Taiwan plants</li> </ul> | <ul style="list-style-type: none"> <li>Electricity intensity reduced by 12% compared to 2020</li> <li>Annual electricity reduction rate: 1.0%</li> <li>Water consumption per unit production area reduced by 12% compared to 2020</li> <li>Replace IE1 motors with IE3 or above in all plants (VC1, OP1)</li> <li>Replacement of air compressors with magnetic levitation variable frequency air compressors across all Taiwan facilities</li> </ul> |
| Annual electricity reduction rate: 1.0%   | <b>3.13</b> %  |  |   |  |
| Water consumption per unit production area reduced by 6% compared to 2020   | 0.1107 kWh/k.m2<br>Reduced by <b>9.71</b> %  |  |   |  |
| All production sites passed ISO 50001 third-party verification  | All production sites successfully obtained ISO 50001 Energy Management System certification in December 2023 |  |   |  |

Climate change is a critical global issue. Under the goal of limiting global temperature rise to below 2°C and facing opportunities and risks brought by future changes in industry supply-demand dynamics, UNIVACCO has been conducting internal assessments based on the TCFD climate-related financial disclosure guidelines since 2022. Following the four core elements of information disclosure - "Governance," "Strategy," "Risk Management," and "Metrics and Targets" - we have established an information framework to identify potentially significant risks and opportunities to our operations and proposed corresponding response strategies.

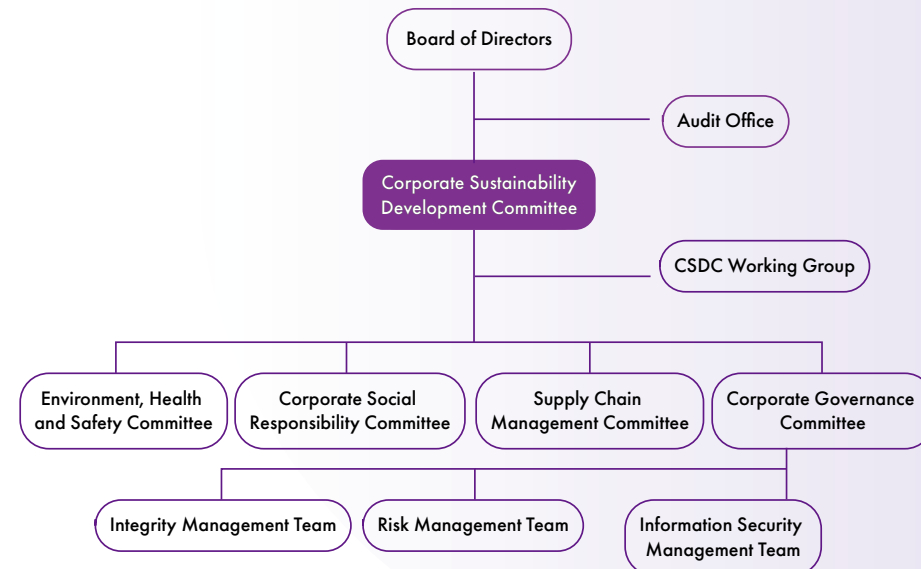
| Governance  | Strategy  | Risk management   | Metrics and Targets   |
|---|---|---|---|
| Disclosure of the organization's governance around climate-related risks and opportunities. | Disclosure of the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning. | Disclosure of how the organization identifies, assesses, and manages climate-related risks. | Disclosure of the metrics and targets used to assess and manage relevant climate-related issues where such information is material. |

### 6.2.1 Climate Governance

UNIVACCO has established a Corporate Sustainability Development Committee under the Board of Directors, with a Risk Management Team reporting to it. The highest-ranking officer of the Corporate Strategy Division serves as the convener. The Risk Management Unit is responsible for executing risk management, identifying and assessing eight major risk categories: market risk, operational risk, investment risk, compliance risk, environmental risk (climate change), operational hazard risk, human resource risk, and other risks. It regularly reviews risk control reports from various units, tracks implementation and improvement progress, and compiles reports on the risk management execution status of each unit for presentation at routine Corporate Sustainability Committee meetings.

The Corporate Sustainability Development Committee provides annual reports to the Board of Directors on the implementation of risk management policies, offers recommendations for necessary improvements, and sets priorities for risk control based on changes in internal and external environments as well as Board decisions.

### Corporate Sustainability Development Committee (CSDC) and Risk Management Team Organizational Chart



# 06

## Green Production and Environmental Protection

### Climate Change Strategy and Energy Management

ESG REPORT 2023

#### 6.2.2 Strategy

UNIVACCO closely monitors global climate change trends and international response strategies, incorporating this issue as a material topic in its corporate sustainability development. The company continuously analyzes and manages various strategic initiatives, which are briefly described below:

#### 01

##### Low-carbon Product Research and Design

In response to the low-carbon transition trend, our R&D unit is investing in the development of lightweight products, circular economy products, and other low-carbon products to actively reduce product carbon emissions.

#### 02

##### Supply Chain Collaboration

Leveraging our corporate influence to assist key suppliers in completing carbon inventories and setting carbon reduction targets.

#### 03

##### Enhancing Climate Resilience

Regularly maintaining flood prevention equipment, establishing SOPs for water use and rainfall emergency response to strengthen adaptive capacity.

#### 04

##### Continuous Implementation of Energy Management Systems

Through the ISO 50001 energy management system, we continue to integrate energy and implement energy-saving initiatives, procure energy-efficient equipment, improve energy efficiency, reduce energy consumption, and decrease carbon emissions.

#### 05

##### Introducing Renewable Energy Use

Planning to install rooftop solar power generation equipment at various plant sites, gradually promoting renewable energy development goals.

#### 06

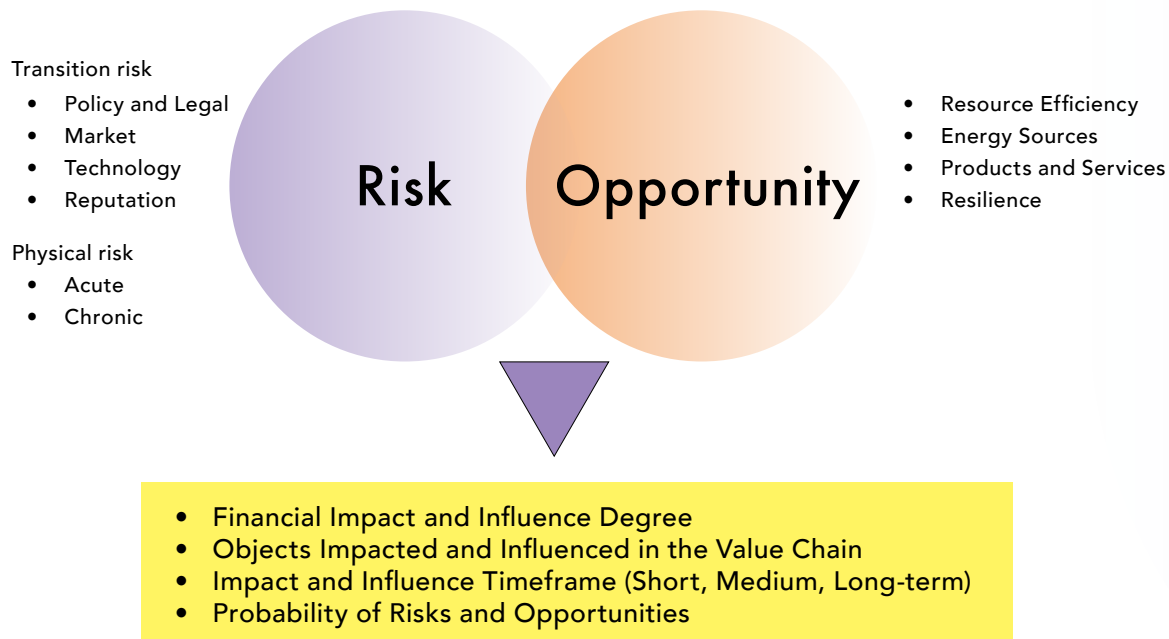
##### Application of Carbon Capture Technology

Seeking suitable carbon capture technologies through industry-academia collaboration.

## 6.2.3 Climate Risk Management

### 6.2.3.1 Risk and Opportunity Identification Process

UNIVACCO Technology's risk management team is responsible for collecting information on climate change and energy-related risks and opportunities, conducting annual reviews. We consider transition risks (policy and legal/market/technology/corporate reputation) and physical risks (chronic and acute), and conduct risk assessments for potential events, including the degree of financial impact, impact timing (short, medium, long-term), affected objects in the value chain, and likelihood of risks.

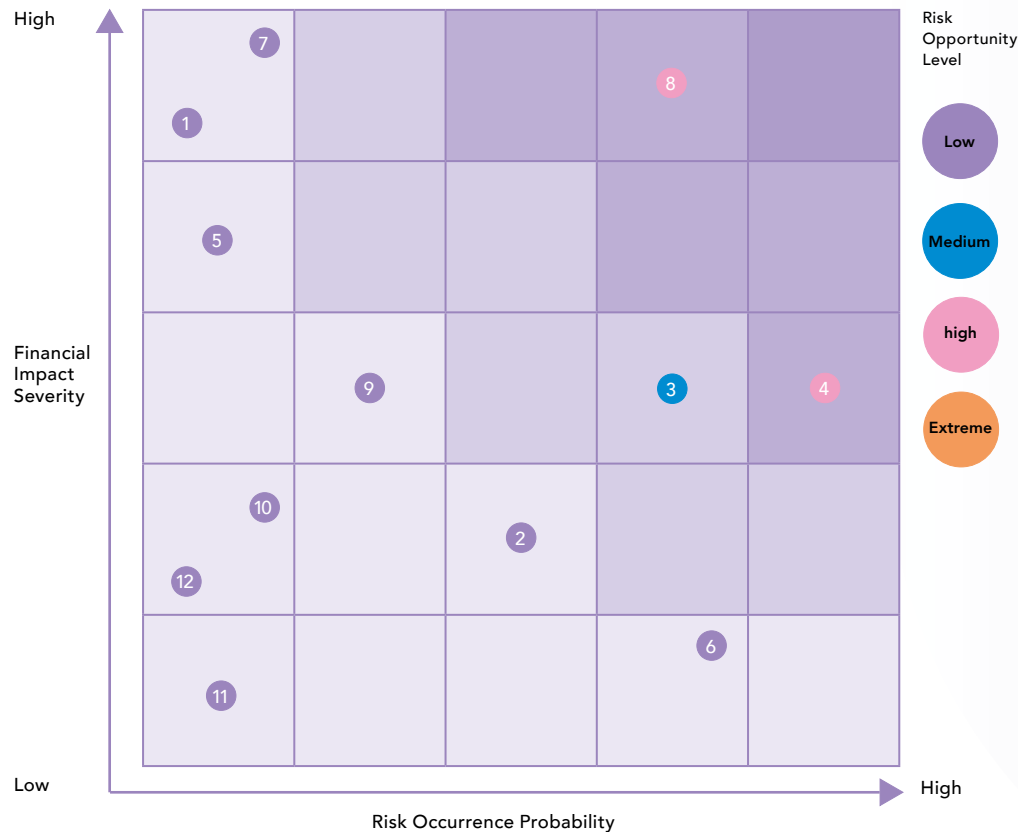


When formulating opportunity scenarios, we consider resource efficiency, energy sources, products and services, markets, and adaptability. We conduct opportunity assessments for potential events, including the degree of financial impact, impact timing (short, medium, long-term), affected objects in the value chain, and likelihood of opportunities.

|        |  |
|--------|--|
| STEP 1 | Background Data Collection   |
|        | The risk management team is responsible for information gathering and risk and opportunity identification.   |
| STEP 2 | Risk and Operational Assessment Scope  |
|        | Taiwan plants are used as the basis for risk assessment and scenario setting.  |
| STEP 3 | Risk and Operational Impact Analysis   |
|        | Using a matrix of financial impact severity and risk occurrence probability to determine significant risks.  |
| STEP 4 | Control measures and target setting  |
|        | Control measures and target setting.   |
| STEP 5 | Review and Optimization  |
|        | Annual review conducted, with third-party verification of greenhouse gas emissions (entity-level verification to be completed by 2028, subsidiary verification by 2029). |

### 6.2.3.2 Risk and Opportunity Assessment

A matrix of financial impact degree and probability of risks and opportunities is used to determine the level of risk and opportunity impact. The assessment indicators are divided into five levels, with results shown below:



#### Opportunity

1. Market - New environmentally friendly products
2. Energy Efficiency - Implementation of energy management systems

#### Transition risk

3. Policy and Legal - Carbon pricing (short-term)
4. Technology - Requirements from European and American customers
5. Market - Increase in raw material costs
6. Policy and Legal - Renewable energy legislation
7. Market - Brand net-zero emissions
8. Market - Taiwan net-zero emissions
9. Policy and Legal - Carbon pricing (long-term)

#### Physical risk

10. Chronic - Increase in average temperature
11. Acute - Heavy rainfall/flooding
12. Chronic - Drought



# 06

## Green Production and Environmental Protection

### Climate Change Strategy and Energy Management

ESG REPORT 2023

#### 6.2.3.3 Impact of Risks and Opportunities on UNIVACCO

##### Issues

##### Analysis of risks or opportunities

##### Category of issues

##### Impact timeframe

##### Risk/opportunity level

##### Response strategies

| New Environmentally Friendly Products  | Implementation of Energy Management System  | Carbon Pricing (Short-term)  | Requirements from European and American Customers  | Increase in Raw Material Costs  | Renewable Energy Legislation  |
|--|---|--|--|---|---|
| Based on the assumption of future carbon taxes or gradually strengthened carbon emission policy regulations, revenue may increase if new environmentally friendly products are developed to meet customer supply chain requirements. | Implementing energy management systems to improve energy efficiency and reduce operational electricity costs.   | Assuming future carbon pricing, there is a potential risk of increased operational costs.  | End customers prioritize recycling technologies in suppliers' products, influencing order decisions. | The EU's carbon border adjustment mechanism starting in 2027 is expected to drive up raw material costs.raw material costs. | Taiwan's "Renewable Energy Development Act" requires installation of renewable energy equipment, energy storage equipment, or purchase of renewable energy certificates based on contract capacity. |
| Opportunity Market   | Opportunity Resource Efficiency   | Transition Risk Policy and Legal   | Transition Risk Technology   | Transition Risk Market  | Transition Risk Policy and Legal  |
| Medium-term  | Medium-term   | Short-term   | Long-term  | Medium-term   | Short-term  |
| Low Potential Opportunity  | Low Potential Opportunity   | Low risk   | High risk  | Low risk  | Low risk  |
| R&D units are developing low-carbon products such as lightweight products and circular economy products to actively reduce product carbon emissions.   | Through the ISO 50001 energy management system evaluation mechanism, identify major energy use areas, formulate and control energy performance indicators and energy-saving programs. Annual PDCA cycles effectively save energy and reduce carbon emissions. | Enhance energy efficiency through ISO 50001 energy management assessment mechanisms, adopt energy-saving facilities to effectively conserve energy, and gradually install rooftop solar power generation equipment to effectively reduce carbon emissions from electricity use | Developing product and by-product recycling technologies and mechanisms.                             | Collaborate with suppliers to assist them in developing climate change management mechanisms.                               | Gradually install rooftop solar panels, with estimated total power generation of 1,718,702 kWh/year by 2025.  |

Continued on next page -

## Issues

## Analysis of current risks or opportunities (potential impact on the company)

## Category of issues

## Impact timeframe

## Risk/opportunity level

## Response strategies

| Brand Net-Zero Emissions  | Taiwan Net-Zero Emissions  | Carbon pricing (long-term)   | Rising average temperatures  | Heavy rainfall/flooding  | Drought   |
|---|--|--|--|--|---|
| Assuming major brands aim to achieve net-zero emissions by 2050, and stricter regulations on plastic materials in Europe and the United States, this could potentially impact the sales volume of existing products in these markets. | In response to the national commitment to net-zero goals, the shift toward low-carbon and renewable energy sources may lead to higher electricity prices and increased production costs.   | Assuming future implementation of carbon border taxes, there is a potential risk of increased operational costs. | Climate change will lead to higher average temperatures in the future. Increased heat loads will result in higher electricity consumption for chillers and air conditioning systems, leading to increased operational costs for the company. | Climate anomalies increase the probability of heavy rainfall and flooding impacts. Production facilities may face work stoppages due to flooding, resulting in revenue losses.   | In the RCP 8.5 scenario, the average drought duration is four months. Water shortages and reduced water supply are anticipated during drought periods, affecting the company's operations and production. |
| Transition Risk Market  | Transition Risk Market   | Transition Risk Policy and Legal   | Physical risk Chronic  | Physical risks Acute   | Physical risk Chronic   |
| Long-term   | Medium-term  | Long-term  | Long-term  | Long-term  | Long-term   |
| Low risk  | High risk  | Low risk   | Low risk   | Low risk   | Low risk  |
| Continuously monitor new technology developments in upstream raw material markets, and collaborate to develop new materials   | Enhance energy efficiency through ISO 50001 energy management assessment mechanisms, adopt energy-saving facilities to effectively conserve energy, and gradually install rooftop solar power generation equipment to effectively reduce carbon emissions from electricity use |  |  | 1. Establish rainfall monitoring and emergency response SOPs with regular drills<br>2. Install flood gates at entrance/exit points and external drainage systems<br>3. Set up rainwater pump systems at each facility<br>4. Develop SOPs for material handling and inter-facility transportation during rainy conditions | Establish emergency water usage SOPs to enhance response capabilities.  |

### 6.2.3.4 Climate Risk Scenario Analysis

Univacoco, following the recommendations of the TCFD guidelines, incorporates the analysis of the worst-case scenarios for both transition and physical risks into its strategy resilience assessment.

For transition risks, Univacoco references Taiwan's 2050 Net-Zero Emissions Pathway and Strategies, as well as the European Union's Carbon Border Adjustment Mechanism (CBAM). By integrating these scenarios, the analysis evaluates potential impacts on Univacoco's market, technology, reputation, finances, and operations in the future.

Physical risks are assessed based on data from the Taiwan Climate Change Projection Information and Adaptation Knowledge Platform (TCCIP), the National Science and Technology Center for Disaster Reduction, and the Carbon Brief website. Focusing on scenarios such as RCP 8.5, projections are made for the period 2021-2040 regarding changes in temperature rise, average drought duration, and the average annual number of days with rainfall exceeding 200 mm.

| RCP 8.5 Scenario   | Temperature rise<br>2021-2040 | Average drought<br>duration | Average change rate in the annual<br>total number of days with daily<br>rainfall exceeding 200mm |
|--------------------|-------------------------------|-----------------------------|--|
| Assessment factors | 1.46°C                        | 4 months                    | 97%  |

Note:

RCPs (Representative Concentration Pathways) represent concentration trajectories. In the IPCC Fifth Assessment Report, future change scenarios are redefined using "representative concentration pathways" (pathways referring to the historical process of concentration changes). They are distinguished by indicative values based on the difference in radiative forcing between 2100 and 1750. The scenario named RCP2.6 implies that radiative forcing increases by 2.6 watts per square meter by 2100, while RCP4.5, RCP6.0, and RCP8.5 represent increases of 4.5, 6.0, and 8.5 watts per square meter, respectively.

## 6.2.4 Environmental Indicators and Targets

### 6.2.4.1 Greenhouse Gas Emission Targets

UNIVACCO conducts its inventory based on the operational control approach. The operational boundary encompasses all production facilities located in Tainan, Taiwan. Since 2021, annual third-party verification of greenhouse gas inventories for all production facilities has been conducted in accordance with ISO 14064-1:2018 standards. This includes direct greenhouse gas emissions (Category 1), energy indirect greenhouse gas emissions (Categories 2 and 4). The primary greenhouse gases emitted are carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), and sulfur hexafluoride (SF<sub>6</sub>).

## Organizational Boundary

| Category1  | Direct GHG Emissions   | Category2       | Direct GHG Emissions  |
|--|--|-----------------|---|
| CO <sub>2</sub><br>CO <sub>4</sub><br>N <sub>2</sub> O | <ul style="list-style-type: none"> <li>RTO furnace (natural gas)</li> <li>Emergency generators (diesel)</li> <li>Forklifts, trucks, other heavy machinery (diesel)</li> <li>Company vehicles (gasoline)</li> </ul> | CO <sub>2</sub> | <ul style="list-style-type: none"> <li>Energy Indirect GHG Emissions</li> </ul>   |
| CO <sub>2</sub>  | <ul style="list-style-type: none"> <li>Fire extinguishers (CO<sub>2</sub>)</li> <li>Rust prevention lubricants (CO<sub>2</sub>)</li> </ul>   | Category4       | <b>Indirect GHG Emissions from Products Used by the Organization</b> <ul style="list-style-type: none"> <li>Emissions from purchased goods</li> <li>Emissions from capital goods</li> <li>Emissions from solid and liquid waste treatment</li> <li>Emissions from use of assets</li> <li>Emissions from services not described in the above subcategories (consulting, cleaning, maintenance, postal, banking, etc.)</li> </ul> |
| CH <sub>4</sub>  | <ul style="list-style-type: none"> <li>Septic tanks (CH<sub>4</sub>)</li> </ul>  |                 |   |
| HFC <sub>5</sub>                                       | <ul style="list-style-type: none"> <li>Refrigerants in air conditioning equipment, refrigerators, water dispensers, company vehicles, and trucks (R134a, R410a, R600a)</li> </ul>                                  |                 |   |
| SF <sub>6</sub>  | <ul style="list-style-type: none"> <li>High-voltage electrical insulation switches (SF<sub>6</sub>)</li> </ul>   |                 |   |

# 06

## Green Production and Environmental Protection

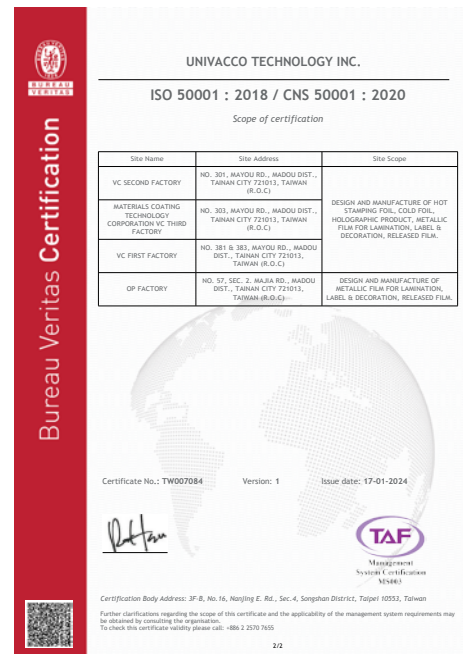
### Climate Change Strategy and Energy Management

ESG REPORT 2023

In 2023, all UNIVACCO production facilities obtained ISO 50001 Energy Management System certification. Moving forward, we will continue to operate cyclically through the basic framework and processes of the ISO 50001 system to achieve expected energy conservation and carbon reduction outcomes.



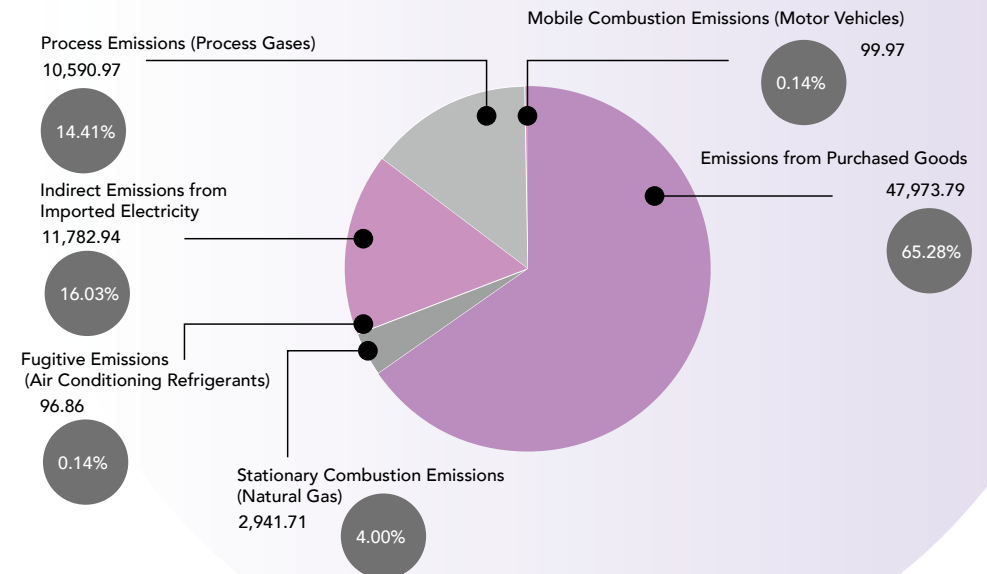
ISO 50001 Certificate



UNIVACCO primarily uses the emission factor method for greenhouse gas emission calculations. GWP values are based on the IPCC Fifth Assessment Report (2013). Greenhouse gas emissions and calorific value calculations reference the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table Version 6.0.4. The calculation formulas for various emission sources are as follows:

### 2023 Total Greenhouse Gas Emissions

Unit: Emissions (tCO<sub>2</sub>e/year)



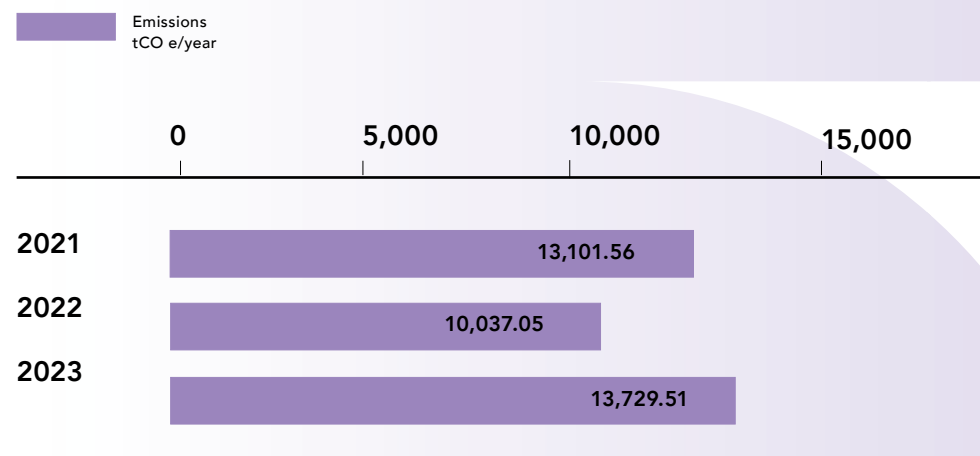
### Direct Greenhouse Gas Emissions (Category 1)

1. Definition: Emissions directly from sources owned or controlled by UNIVACCO.
2. Direct emission sources include the following:
3. The inventory results for direct emissions (Scope 1) show that greenhouse gas emissions

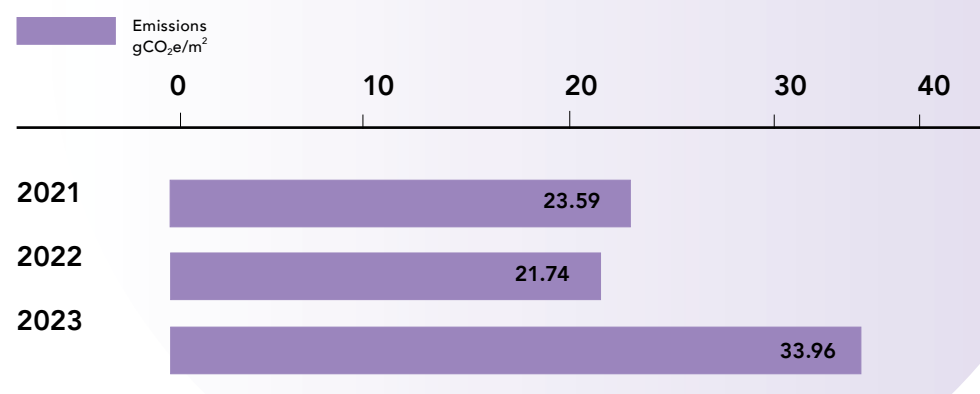
- Stationary combustion sources: Fuel combustion in stationary equipment, including RTO furnaces (natural gas) and emergency generators (diesel).
- Mobile combustion sources in transportation: Fuel combustion in transportation equipment, including forklifts, trucks, and other heavy machinery (diesel), and company vehicles (gasoline).
- Fugitive emission sources: Including septic tanks (CH<sub>4</sub>), refrigerants in air conditioning equipment, refrigerators, water dispensers, company vehicles, forklifts, trucks, CO<sub>2</sub> fire extinguishers, and rust prevention lubricants (CO<sub>2</sub>).

in 2023 were 13,729.51 tCO<sub>2</sub>e, an increase of 36.79% from 10,037.05 tCO<sub>2</sub>e in 2022, and a 3.72% increase from the 2020 baseline year. The 2023 greenhouse gas emissions per unit production area were 33.96 gCO<sub>2</sub>e/m<sup>2</sup>, an increase of 56.21% from 21.74 gCO<sub>2</sub>e/m<sup>2</sup> in 2022, and a 20.11% increase from the 2020 baseline year. Primarily due to inventory adjustments by customers in the first half of 2023, overall production did not reach economies of scale, resulting in decreased natural gas usage efficiency.

### Scope 1 Greenhouse gas emissions from 2021 to 2023



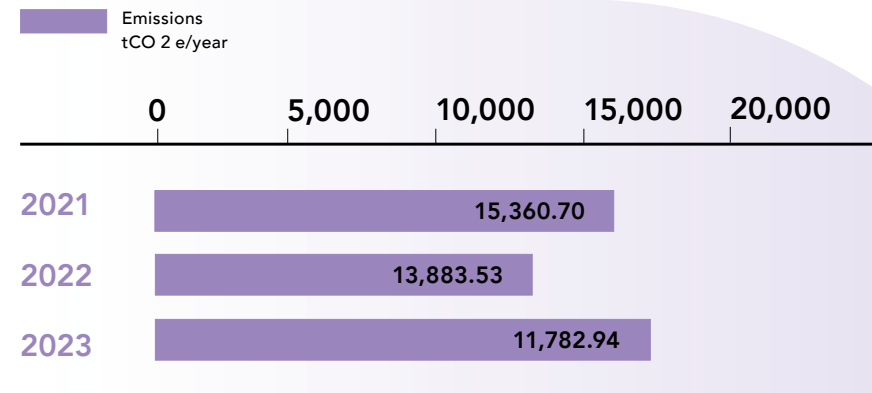
### Scope 1 Greenhouse gas emissions per unit of production area from 2021 to 2023



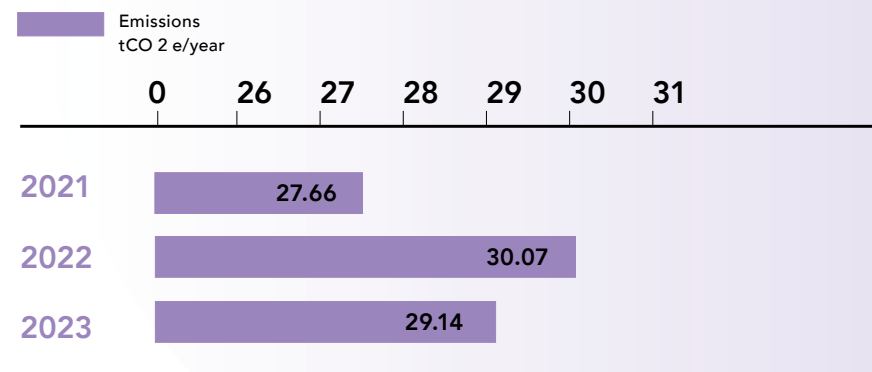
## Indirect Greenhouse Gas Emissions (Scope 2)

1. Definition: Indirect GHG emissions (Scope 2) calculated based on purchased electricity, heat or steam consumption related to indoor climate control.
2. Energy indirect emissions (Scope 2)  
UNIVACCO's 2023 Scope 2 greenhouse gas emissions from purchased electricity are primarily due to electricity demand.  
All externally purchased electricity for UNIVACCO is from Taiwan Power Company. The adopted electricity emissions factor is 0.495 KgCO<sub>2</sub>e/KWh (2022).
3. For indirect emissions (Scope 2), the inventory results show that greenhouse gas emissions in 2023 were 11,782.94 tCO<sub>2</sub>e, a decrease of 15.13% from 13,883.53 tCO<sub>2</sub>e in 2022, and an 18.81% reduction from the 2020 baseline year. The 2023 greenhouse gas emissions per unit production area were 29.14 gCO<sub>2</sub>e/m<sup>2</sup>, a decrease of 3.08% from 30.07 gCO<sub>2</sub>e/m<sup>2</sup> in 2022, and a 5.97% reduction from the 2020 baseline year.

## Scope 1 greenhouse gas emissions from 2021 to 2023



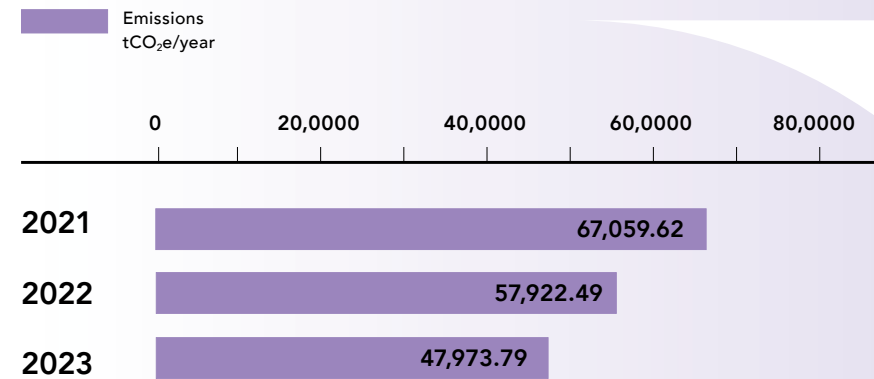
## Scope 2 Greenhouse gas emissions per unit of production area from 2021 to 2023



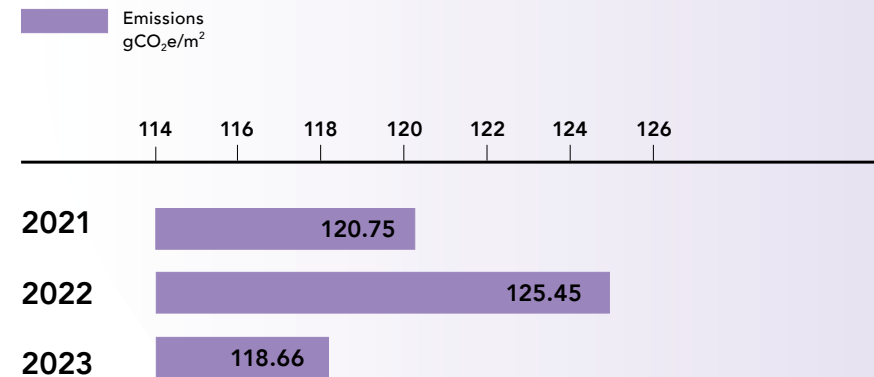
### Indirect Greenhouse Gas Emissions (Scope 4)

1. Definition: Indirect greenhouse gas emissions from the use of products manufactured by the organization.
2. Indirect emissions of raw materials (Scope 4)  
2023 emissions for each raw material = (usage amount) × (raw material emission factor), converted to greenhouse gas emissions per m<sup>2</sup>.
3. The inventory results for indirect emissions (Category4) show that greenhouse gas emissions in 2023 were 47,973.79 tCO<sub>2</sub>e, a 17.18% reduction from 57,922.49 tCO<sub>2</sub>e in 2022, and a 22.82% reduction from the 2020 base year.  
Greenhouse gas emissions per unit production area were 118.66 gCO<sub>2</sub>e/m<sup>2</sup>, a 5.41% reduction from 125.45 gCO<sub>2</sub>e/m<sup>2</sup> in 2022, and an 11.78% reduction from the 2020 base year. In 2023, we continued to reduce the use of base materials, resulting in a decrease in Scope 4 greenhouse gas emissions.

### Scope 4 Greenhouse gas emissions from 2021 to 2023



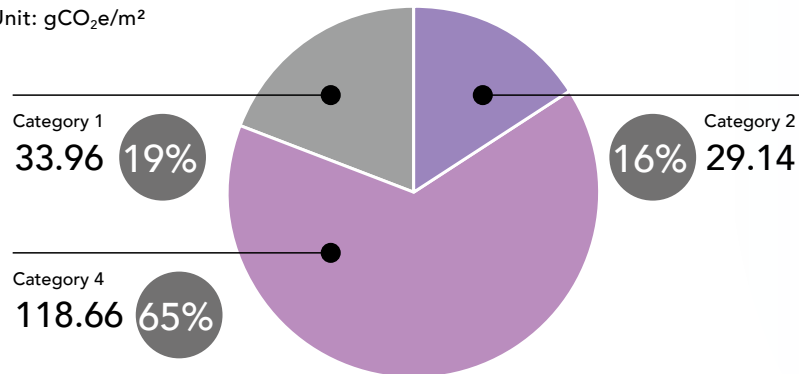
### Scope 4 Greenhouse gas emissions per unit of production area from 2021 to 2023



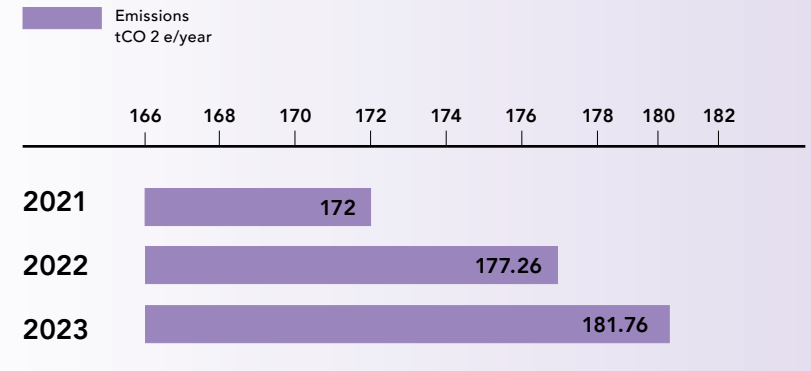
In 2023, the total GHG emissions per unit production area were 181.76 gCO<sub>2</sub>e/m<sup>2</sup>, an increase of 2.54% from 177.26 gCO<sub>2</sub>e/m<sup>2</sup> in 2022, but a 6.20% decrease from the 2020 baseline year. The annual emissions reduction target was not met mainly due to customers adjusting their inventories in 2023, resulting in production area not reaching optimal production efficiency, which in turn affected energy (electricity and natural gas) and raw material usage efficiency. Considering that order fluctuations in the past two years have exceeded original estimates, in 2023 we readjusted UNIVACCO's short-term (before 2025) carbon reduction targets based on customer demands and our carbon reduction performance over the past three years, aligning with the company's overall decarbonization pathway.

#### Total greenhouse gas emissions per unit of production area in 2023

Unit: gCO<sub>2</sub>e/m<sup>2</sup>



#### Total greenhouse gas emissions per unit of production area in 2023





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## Green Production and Environmental Protection

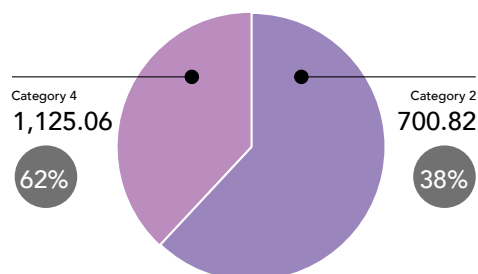
### Climate Change Strategy and Energy Management

ESG REPORT 2023

In 2023, UNIVACCO primarily achieved carbon reduction targets through improved electricity efficiency and raw material usage efficiency, reducing carbon emissions in Categories 2 and 4 by 1,825.88 tCO<sub>2</sub>e. For Category 1 carbon reduction, we collaborated with academic institutions to conduct small-scale carbon capture trials.

#### Total greenhouse gas emissions reduction in 2023

Unit: tCO<sub>2</sub>e/year



Overall, UNIVACCO Technology has made initial progress in reducing greenhouse gas emissions but needs continuous improvement and strategy adjustment. The carbon reduction goals set for 2023 have been achieved. Moving forward, we will continue to explore more innovative carbon reduction technologies to ensure the company meets its long-term goal of carbon neutrality by 2050.

To comply with the Financial Supervisory Commission's greenhouse gas inventory requirements for Taiwan-listed companies, UNIVACCO arranged for specialists from the parent company to provide greenhouse gas inventory training courses to its subsidiaries in 2023 (initially focusing on Yoto and Wuxi subsidiaries). The initial inventory operations for Yoto and Wuxi subsidiaries were completed in 2023. Subsequently, in 2024, Yoto and Wuxi subsidiaries are expected to undergo third-party verification for Scope 1 and Scope 2 greenhouse gas emissions, while U.S. and Malaysian subsidiaries will receive guidance on greenhouse gas inventory courses.

#### 6.2.4.2 Other Targets

| Strategy   | Future Targets   |
|--|--|
| Low-carbon product research and design           | <ul style="list-style-type: none"> <li>Complete development of a closed-loop economy product by 2025</li> <li>Introduce lightweight products by 2024</li> <li>Continuously monitor new technology developments in upstream raw material markets, and collaborate to develop new materials</li> </ul> |
| Supply chain cooperation                         | <ul style="list-style-type: none"> <li>By 2025, achieve 100% improvement rate for ESG assessment deficiencies of the top 10 high-risk key suppliers.</li> <li>By 2025, assist suppliers in setting carbon reduction targets.</li> </ul>  |
| Strengthen climate resilience.                   | <ul style="list-style-type: none"> <li>Regular maintenance of flood prevention equipment was conducted. In 2023, we established SOPs for water use and rainfall emergency response, enhancing our adaptability to changes.</li> </ul>  |
| Continue to implement energy management systems. | <ul style="list-style-type: none"> <li>Achieve 1% electricity savings in 2024 compared to 2023.</li> <li>Reduce electricity intensity by 9% in 2025 compared to 2020.</li> </ul>   |
| Introduce renewable energy usage.                | <ul style="list-style-type: none"> <li>Complete installation of 1,682 kW solar power capacity by 2025.</li> </ul>  |
| Application of carbon capture technology.        | <ul style="list-style-type: none"> <li>By 2030, through industry-academia collaboration, seek suitable carbon capture technologies.</li> </ul>   |

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## Green Production and Environmental Protection

ESG REPORT 2023

### Climate Change Strategy and Energy Management

#### 6.2.4.3 Direct Energy and Indirect Energy Consumption

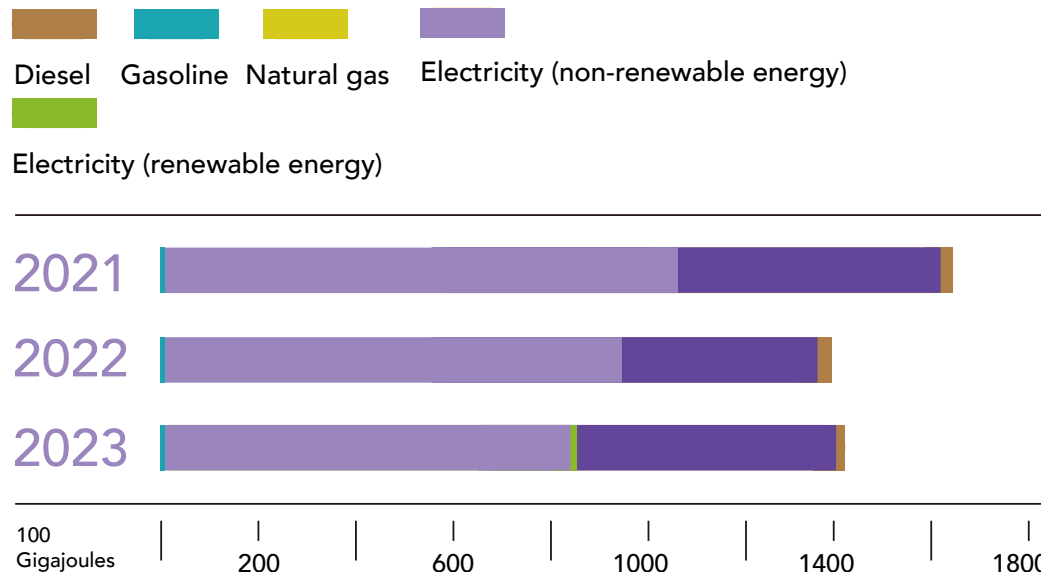
UNIVACCO's total energy consumption in 2023 was approximately 140.680 billion joules, an increase of 0.672 billion joules compared to 2022. Due to demand not reaching economies of scale, overall production electricity efficiency and natural gas usage efficiency decreased. The electricity intensity in 2023 increased to 59.13 kWh/k.m<sup>2</sup>, a 1.40% increase compared to 2022.

Electricity is primarily used to power production equipment and plant systems. Natural gas is used for boilers and pollution control equipment. Diesel is used for forklifts, emergency generators, and fire pumps, while gasoline is used for company vehicles.

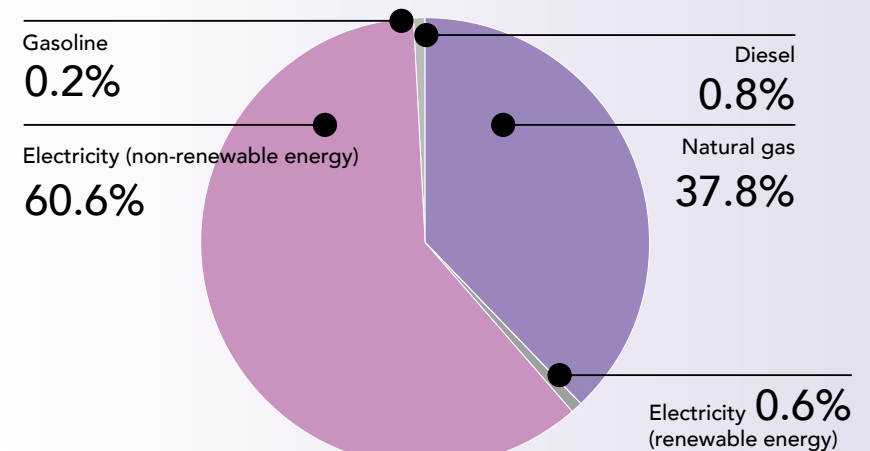
In 2023, total electricity consumption was 23,907,620 kWh, with 23,672,329 kWh purchased from external sources and 235,291 kWh supplied from renewable energy sources for self-use. The overall electricity intensity was 59.13 kWh/m<sup>2</sup>, representing a 1.27% decrease compared to the 2020 baseline. The electricity intensity target was not achieved primarily due to customers adjusting their inventories in the first half of 2023, resulting in suboptimal electricity efficiency.

Despite the continued implementation of energy-saving measures in 2023, including the promotion of shared facilities in production areas (such as chilled water systems, air compressors, and HVAC equipment), along with schedule optimization and lighting improvements, the electricity reduction rate in production facilities still reached 3.13% in 2023.

##### Total energy consumption from 2021 to 2023



##### 2023 Energy source usage ratio



##### Note

1 cubic meter of natural gas = 10.5 kWh of electricity; 1 kWh of electricity = 3,600 kilojoules

1 liter of gasoline = 9.1 kWh of electricity

1 liter of diesel = 9.8 kWh of electricity

Grid electricity ratio = Purchased electricity / Total energy consumption = Purchased electricity / Total energy consumption

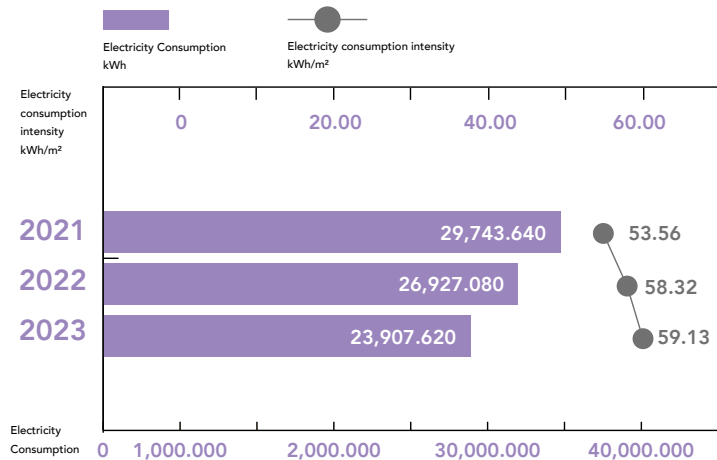
# 06

## Green Production and Environmental Protection

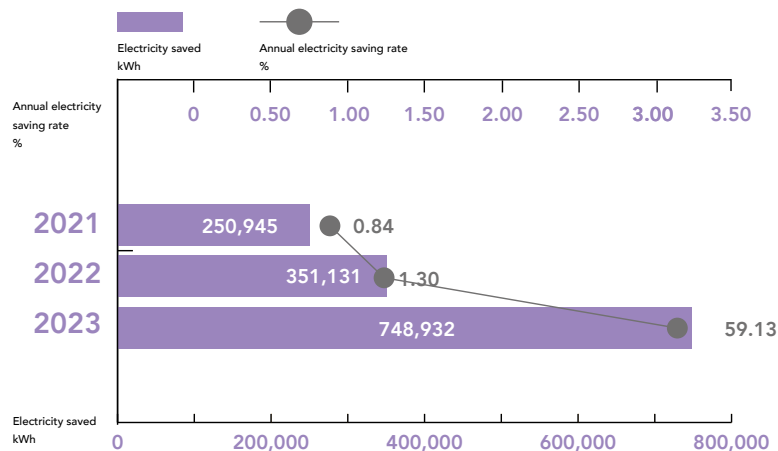
### Climate Change Strategy and Energy Management

ESG REPORT 2023

#### Electricity intensity vs. electricity consumption statistics from 2021 to 2023



#### Annual electricity savings in factory areas from 2021 to 2023



#### 6.2.4.4 Renewable Energy Promotion

To align with national energy policies, UNIVACCO Technology completed the installation of solar panels on the rooftop of the VC4 plant at the end of 2022. Power generation began in Q1 2023, with self-consumption starting in May 2023. In 2023, our solar power generation totaled 4,245,000 kWh, with 2,353,000 kWh used for self-consumption.

To evaluate more suitable green energy utilization for UNIVACCO Technology, we readjusted our renewable energy targets for the next three years in 2023. We are assessing different green energy sources (such as recycling production heat for power generation) to enhance the company's future energy utilization efficiency.

Heat energy power generation primarily involves recovering heat generated during production and converting it into electricity for reuse through heat energy power generation equipment, reducing overall company power consumption. UNIVACCO Technology plans to complete the evaluation in 2024 and installation in 2025.



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## Green Production and Environmental Protection

### Climate Change Strategy and Energy Management

ESG REPORT 2023

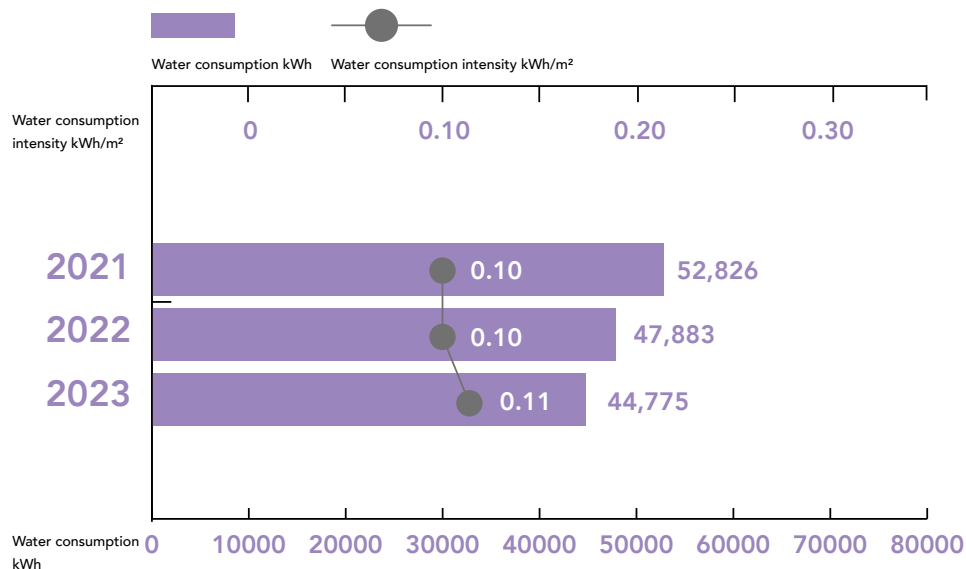
#### 6.2.4.5 Water Management

In 2023, UNIVACCO conducted a re-evaluation of water risk levels for all its Taiwan facilities using the World Resources Institute (WRI) "Aqueduct Water Risk Atlas." The assessment confirmed that these facilities are located in medium-low water risk areas, consistent with the results from 2022.

Water usage at the facilities primarily supports cooling tower operations and domestic activities related to office work. Wastewater generated by the facilities is limited to domestic sewage and rainwater runoff during precipitation events, as the production processes do not involve the use of water resources.

To enhance water efficiency, UNIVACCO implemented measures in 2023 to address leakage in the plant-wide chilled water system, effectively reducing overall water intensity. As a result, the water consumption intensity for 2023 was 0.11 cubic meters per square kilometer, reflecting a 9.71% reduction compared to the 2020 baseline.

#### Water intensity vs. water consumption statistics from 2021 to 2023





### 6.3 Waste management Strategy:

Continuously promote manufacturing process technology improvements and implement pollution reduction management to achieve sustainable environmental goals.

| 2023   |  | 2024   | 2025  | 2030  |
|--|--|--|---|---|
| Reduce waste generation Improve production yield and reduce raw material waste to minimize production process waste generation |  |  |   |   |
| Goal   | Outcome  |  | Goal  |   |
| Waste film output per unit production area 18% less than 2020  | 0.98 kg/k.m <sup>2</sup><br>Reduced by 18.21%  | <ul style="list-style-type: none"> <li>Waste film output per unit production area 18% less than 2020</li> <li>Waste resin output per unit production area 18% less than 2020</li> <li>Waste recycling rate increased by 8% compared to 2020.</li> <li>Hazardous industrial waste 20% less than 2020</li> </ul> | <ul style="list-style-type: none"> <li>Waste film output per unit production area 19% less than 2020</li> <li>Waste resin output per unit production area 19% less than 2020</li> <li>Waste recycling rate increased by 10% compared to 2020.</li> <li>Hazardous industrial waste 22% less than 2020</li> </ul> | <ul style="list-style-type: none"> <li>Waste film output per unit production area 20% less than 2020</li> <li>Waste resin output per unit production area 20% less than 2020</li> <li>Waste recycling rate increased by 18% compared to 2020.</li> <li>Hazardous industrial waste 25% less than 2020</li> </ul> |
| Waste resin output per unit production area 18% less than 2020   | 0.70 kg/k.m <sup>2</sup><br>Increased by 0.62% |  |   |   |
| Waste recycling rate increased by 7% compared to 2020  | Reuse rate 85.59%<br>Increased by 8.38%        |  |   |   |
| Hazardous industrial waste 20% less than 2020  | Reduced by 19.06%                              |  |   |   |

# 06

## Green Production and Environmental Protection

### Waste Management

ESG REPORT 2023



| 2023  |  | 2024   |  | 2025  |  | 2030  |  |
|---|--|--|--|---|--|---|--|
| Best Available Techniques Adopt the best available technology to manage operational pollution and reduce environmental impact |  |  |  |   |  |   |  |
| Goal  |  | Outcome  |  | Goal  |  |   |  |
| Pollution control equipment reduction rate above 97% for all plants   |  | OP Factory RTO: 96.5%<br>RTO of Plant 1: 96.8%<br>RTO of Plant 2: 98.1%<br>RRTO of Plant 2: 96.9%<br>RTO of Plant 3: 96.8% |  | • Pollution control equipment reduction rate above 97% for all plants |  | • Pollution control equipment reduction rate above 97.5% for all plants |  |
| Volatile organic compound (VOC) capture and recovery rate of 100% for stationary pollution sources (VC1)                      |  | Permits obtained for VC1, VC2 and VC3 plants   |  | • Pollution control equipment reduction rate above 98% for all plants |  |   |  |

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## Green Production and Environmental Protection

### Waste Management

ESG REPORT 2023



| Outcome   |                               | Goal  |  |  |
|---|-------------------------------|---|--|--|
| 2023  |                               | 2024  | 2025   | 2030   |
| <p>Enhanced monitoring of pollution control equipment</p> <p>Dual management and allocation of various pollutant monitoring instruments ensure proper operation of prevention equipment and avoid abnormal incidents.</p> |                               |   |  |  |
| Goal  | Outcome                       | Goal  |  |  |
| Abnormal incidents reported to regulatory authorities: 0  | Abnormal incidents<br>0 cases | <ul style="list-style-type: none"> <li>Abnormal incidents reported to regulatory authorities: 0</li> <li>Abnormal operations control and pipeline inspection for pollution prevention facilities</li> </ul> | Abnormal incidents reported to regulatory authorities: 0 | Abnormal incidents reported to regulatory authorities: 0 |

# 06

## Green Production and Environmental Protection

ESG REPORT 2023

### Waste Management

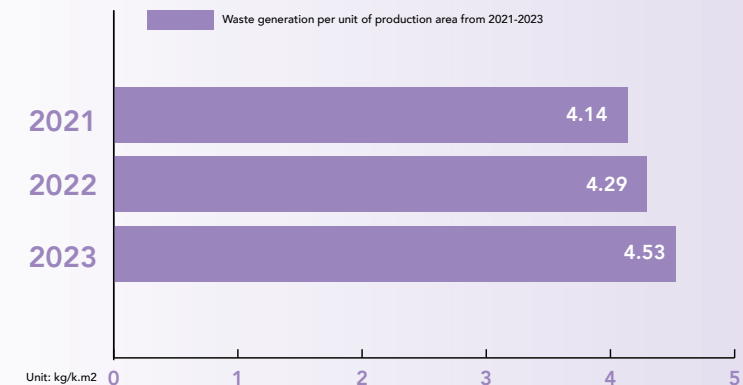
#### 6.3.1 Wasae management

As a professional manufacturer of Embellishment film and optical materials, UNIVACCO primarily uses raw materials such as PET films and solvent resins. The top three waste products generated during coating and slitting operations are waste films (38.32%), general recyclable items (24.44%), and waste resin (19.16%). The main causes of waste film are defective products from the coating process, removal of residual film at the bottom of containers, and edge trimming from slitting machines. Waste resin is generated from residual materials during coating process transitions and waste liquid from production tool cleaning.

To reduce the environmental impact of operations, UNIVACCO continues to focus on source reduction and circular reuse to decrease waste output. We target source reduction for major production wastes such as waste resin and waste film, and employ continuous improvement methods to lower waste output per unit production area. For waste treatment, priority is given to circular reuse. We collaborate with legal recycling vendors to ensure that generated waste can be recycled and repurposed through these vendors, achieving circular utilization.

Total industrial waste output in 2023 was 1,830.78 tons, with a production per unit area of 4.53 kg/k.m2, a 0.65% reduction from the 2020 baseline year.

|                           | Hazardous waste |                     |          | General waste |                  |        |          | Recyclable waste |
|---------------------------|-----------------|---------------------|----------|---------------|------------------|--------|----------|------------------|
|                           | Waste resin     | Waste wiping cloths | Subtotal | Waste films   | Empty containers | Others | Subtotal |                  |
| Output                    | 397.86          | 24.16               | 422.02   | 540.46        | 163.93           | 284.01 | 988.40   | 420.36           |
| Recycling and reuse       | 312.18          | 0                   | 312.18   | 517.44        | 163.93           | 153.05 | 834.42   | 420.36           |
| Incineration and landfill | 85.68           | 24.16               | 109.84   | 23.02         | 0                | 130.96 | 153.98   | 0                |



| Response Approach |                 |                              |                                  |
|-------------------|-----------------|------------------------------|----------------------------------|
| Total amount      | Output 1,830.78 | Recycling and reuse 1,566.96 | Incineration and landfill 263.82 |
| Unit: Tonne       |                 |                              |                                  |



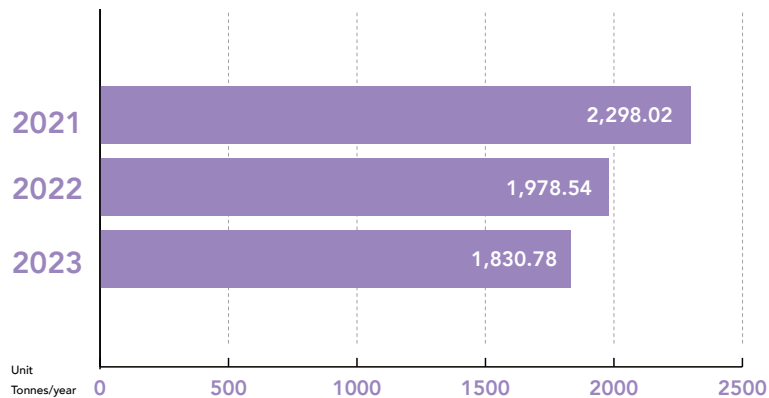
# 06

## Green Production and Environmental Protection

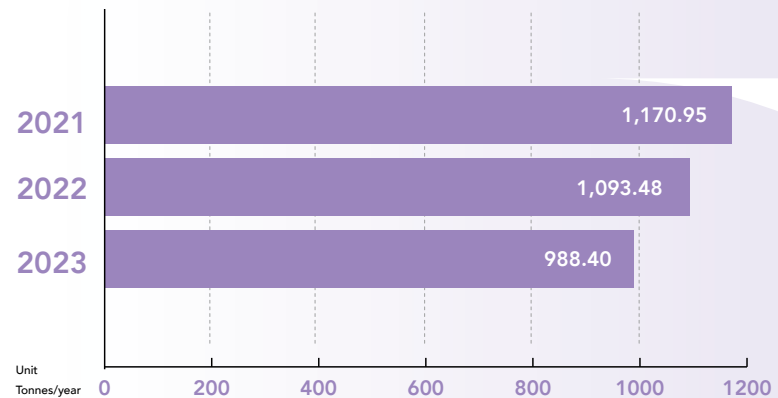
### Waste Management

ESG REPORT 2023

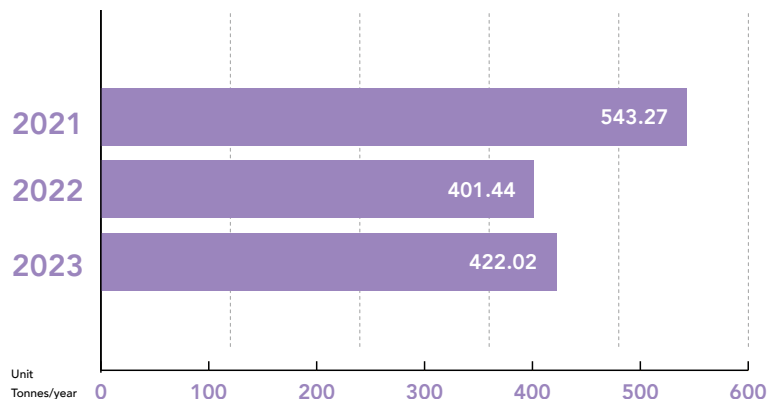
Total operational waste



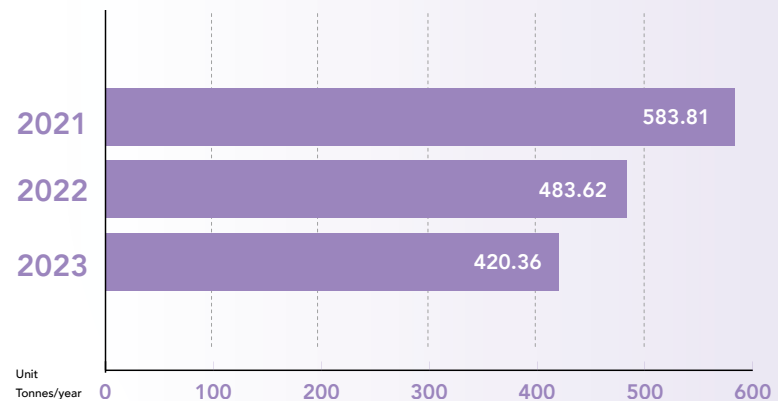
General operational waste



Hazardous industrial waste



Recycled waste



#### Note

- Recyclable waste resources include: Announced reusable paper products, wood, plastic products, general metal waste, and other recyclable waste.
- Incineration-landfill treatment: Primarily used for general household waste, mixed plastic waste, and final disposal of certain organic solvent waste.
- General industrial waste: Refers to general household waste, general chemical substance mixtures, waste oil mixtures, and other recyclable materials as announced by the authorities.
- Hazardous operational waste: Including waste organic solvents, waste solvents or waste resin

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## Green Production and Environmental Protection

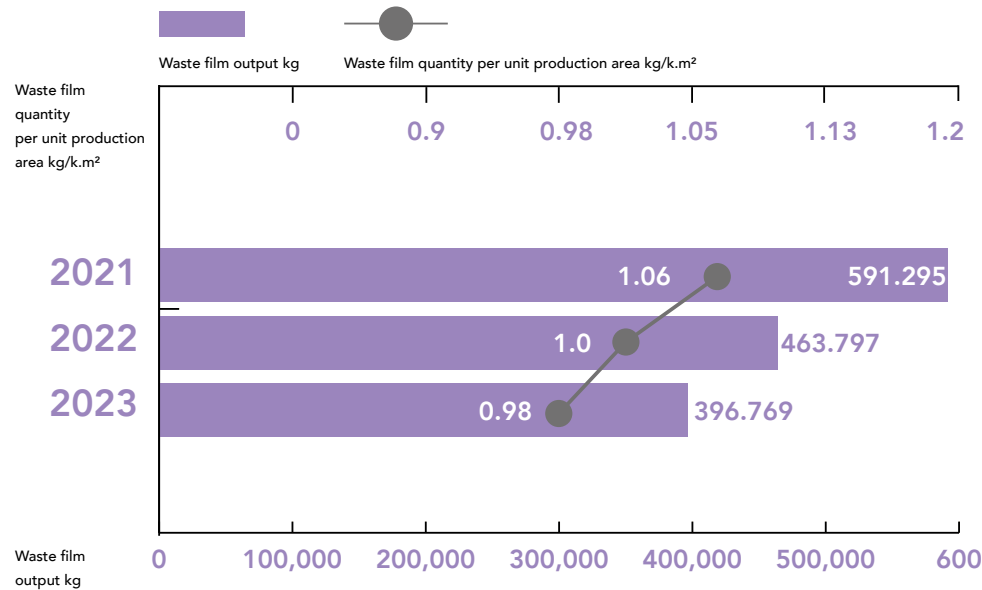
ESG REPORT 2023

### Waste Management

#### 6.3.1.1 Source Reduction

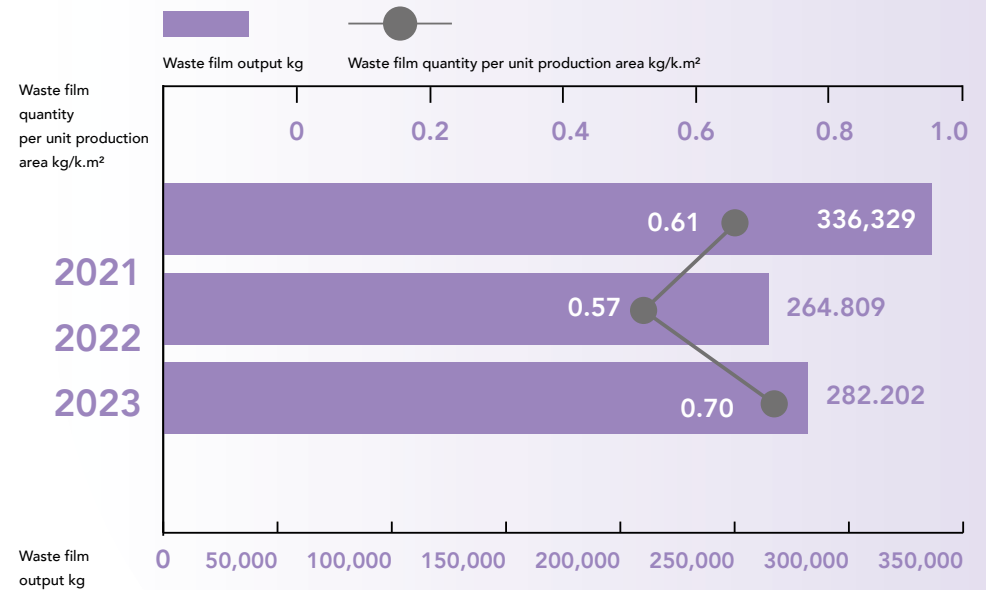
##### Waste film reduction

UNIVACCO Technology continues to adopt source reduction and recycling principles for waste reduction operations. In 2023, in addition to improving product yield, we reduced guide film usage to optimize raw film utilization and decrease waste film generation. In 2023, the unit production area waste intensity was 0.98 kg/k.m<sup>2</sup>, a reduction of 18.21% compared to the 2020 baseline year.



##### Reduction in waste glue

In 2023, waste resin generation was primarily affected by production batch quantities not reaching optimal efficiency, resulting in increased fixed waste per unit production area. In the second half of the year, solvent reuse was introduced to reduce waste resin generation. The overall waste resin output per unit production area in 2023 was 0.7 kg/k.m<sup>2</sup>, an increase of 0.62% compared to the 2020 base year.



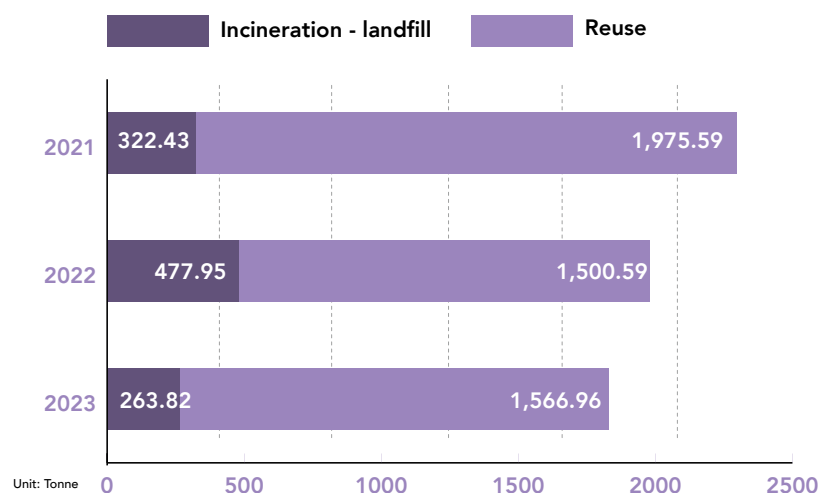
## Reduction of Hazardous Industrial Waste

Due to increased waste resin consumption per unit production area in 2023, hazardous industrial waste output decreased by only 19.06% compared to 2022, falling short of the 20% reduction target.

Note: From 2024, waste empty containers will be classified as hazardous waste. For consistent baseline estimation, waste empty containers have been included in hazardous industrial waste calculations since 2020.

### 6.3.1.2 Resource Circularity and Reuse

UNIVACCO's waste management focuses on resource sustainability, prioritizing inspection for reusable value rather than immediate disposal. Through technical improvements by R&D colleagues and brainstorming discussions across departments, UNIVACCO reduces the use of process chemicals while maintaining the same high quality, thereby reducing waste output. Additionally, the company increases the recyclability of waste and collaborates with waste treatment and recycling vendors to seek possible recycling and reuse methods, reducing final landfill disposal and achieving circular utilization. Recycling rate in 2023 was 85.59%, an increase of 8.38% compared to the 2020 baseline.

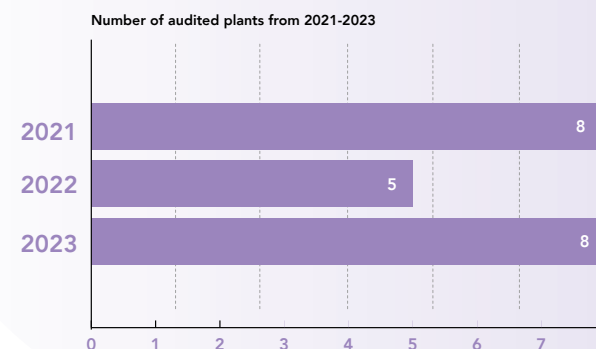


### 6.3.1.3 Responsible Waste Management

UNIVACCO carefully oversees the proper handling of outsourced waste disposal. In addition to meticulously screening the qualifications of waste removal and treatment operators, we conduct unscheduled on-site audits of removal/treatment/recycling operators. In 2023, eight companies were audited, focusing on key areas including:

- Cleaning/treatment activities must have relevant permits with valid expiration dates.
- Manage waste storage areas, waste treatment processes, related records and inspections in the processing facilities, ensuring compliance with legal requirements, etc.

The 2023 audit results showed compliance with relevant regulations in all areas except for poor on-site storage planning and lack of emergency response drill records. We simultaneously recommended that vendors improve their operational environment and conduct relevant emergency response drills to reduce environmental hazards and enhance incident response capabilities.



### 6.3.2 Air Pollution Control

In addition to complying with relevant "Air Pollution Control Act" regulations, UNIVACCO Technology continued to engage environmental professional consultants to conduct air pollution control assessments in 2023. We also regularly use FID and IR Scan for pipeline inspections to enhance environmental protection.

**Note**

FID: Flame Ionization Detector (FID) utilizes a hydrogen flame burning in oxygen to ionize the sample, forming a small ion current in an electric field, which is then transmitted to a signal amplifier for detection. The analytes must be combustible organic samples.

IR Scan: Infrared Gas Leak Detector, which uses the instrument's infrared sensor to absorb the infrared energy radiated by gases, presenting real-time dynamic images of leaking gases.

#### Source control and reduction

In 2023, we continued to expand solvent recovery and reduce solvent usage to decrease VOCs output at the source. To lower VOC emissions, we improved collection efficiency to 100% across all VC plants in 2023, ensuring all emissions are fully directed to treatment facilities.

In the second half of 2023, we also initiated collaboration with academic institutions to conduct small-scale carbon capture pilot tests, evaluating the feasibility of future CO<sub>2</sub> emission reduction.

#### Improvement of pollution prevention equipment performance

To enhance preventive equipment management capabilities, in 2023 we implemented plans to improve equipment management capabilities and monitoring across various plant areas according to the annual schedule. In addition to regular maintenance, we improved the sealing of pollution control equipment at each plant to enhance treatment capacity. In 2023, the average reduction rate at each plant exceeded 96.5%.

In 2023, the VC1 plant initiated high-efficiency RTO evaluation and introduction. Installation began in Q4 2023, with certification expected in 2024.

#### Enhanced emission rate monitoring

In 2023, we continued to arrange 24-hour specialist monitoring of pollution control equipment operation and reduction rate changes. We also added equipment switching pressure difference and furnace temperature difference monitoring to ensure timely grasp of pollution control equipment availability and processing efficiency.

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## Green Production and Environmental Protection

ESG REPORT 2023

## Waste Management

## 6.3.3 Environmental Expenditures and Benefits

In 2023, following the spirit of the circular economy accounting system, total environmental protection expenditure was NT\$81,015,000. Please refer to the table below.

| Environmental Cost Categories  | Expenses<br>(NTD thousand)         | Description  |
|--|------------------------------------|--|
| Direct costs of reducing environmental impact                          |                                    |  |
| Pollution prevention and control costs                                 | NTD 14,953 thousand                | Government-mandated air pollution prevention fees, water pollution control fees, other pollution control fees  |
| Operational waste and office general waste management, recycling costs | NTD 14,822 thousand                | Operational waste management costs (including reuse, incineration, landfill, etc.)   |
| Indirect costs of reducing environmental impact                        | NTD 50,386 thousand                | <ul style="list-style-type: none"> <li>Employee environmental education expenses</li> <li>Environmental Management System Framework and Certification Costs</li> <li>Environmental Impact Monitoring Costs</li> <li>Additional Costs for Procuring Environmentally Friendly Products</li> <li>Personnel Costs for Environmental Protection Team</li> <li>Environmental Documentation Update Costs</li> </ul> |
| Other environmental protection related costs                           | NTD 854 thousand <sup>Note 1</sup> | <ul style="list-style-type: none"> <li>Land Remediation and Natural Environment Restoration Costs</li> <li>Environmental Pollution Damage Insurance Premiums</li> <li>Environmental Issue Resolution, Compensation, Fines and Litigation Costs</li> </ul>  |
| Total  |                                    | NTD 81,015 thousand  |

Note 1: Litigation expenses.

07

Employee Relations and Social Engagement

UNIVACCO TECHNOLOGY INC.

## Key Results

7.1  
Key Results

- Long-term Industry-Academia Collaboration, Shaping Employer Brand Image
- Diversified Training Programs, Actively Cultivating Talent, Enhancing Employee Professional Skills and Cultivating Future Competencies
- Implement employee incentive measures to encourage talent retention

Labor and human rights  
law violations**0** cases

Labor dispute incidents

**0** cases

Key talent turnover rate

**0.79%**

Turnover rate

**13.6%**Average training hours  
per employee**43** hours



## 7.2 Best Workplace :

Strengthening Employee Cohesion, Inspiring Employee Dedication, Realizing the Mission and Vision of Sustainable Operations

| 2023  |  | 2024   |  | 2025  |  | 2030  |  |
|---|--|--|--|---|--|---|--|
| Enhancing employee identification with the company and fostering cohesion   |  |  |  |   |  |   |  |
| Upholding core values and business philosophy, offering competitive compensation packages to maintain a healthy turnover rate, and strengthening the retention of key talent. |  |  |  |   |  |   |  |
| Goal  |  | Outcome  |  | Goal  |  |   |  |
| Total turnover rate: <20%   |  | Total turnover rate: 13.6%   |  | <ul style="list-style-type: none"><li>Total turnover rate: &lt;20%</li><li>Key talent turnover rate &lt; 0.9%</li></ul>   |  | <ul style="list-style-type: none"><li>Total turnover rate: &lt;20%</li><li>Key talent turnover rate &lt; 0.9%</li></ul>   |  |
| Key talent turnover rate <1%  |  | Key talent turnover rate 0.79%                                     |  |   |  |   |  |
| Nurturing professional talent and career training   |  |  |  |   |  |   |  |
| Guiding students to optimize their competitiveness, providing workplace experience, and cultivating talent through industry-academia collaboration.                           |  |  |  |   |  |   |  |
| Goal  |  | Outcome  |  | Goal  |  |   |  |
| Scholarships for 3 students in industry-specific graduate programs, 3 corporate projects executed   |  | Subsidized Courses<br>3 people<br>Participated Projects<br>3 cases |  | <ul style="list-style-type: none"><li>Scholarships for 4 students in industry-specific graduate programs, 4 corporate projects executed</li><li>Cloud Technology Industry-Academia Collaboration (Big Data)</li></ul> |  | <ul style="list-style-type: none"><li>Scholarships for 5 students in industry-specific graduate programs, 5 corporate projects executed</li><li>Cloud Technology Industry-Academia Collaboration (Big Data), Recruiting 1 Big Data Talent</li></ul> |  |
|   |  |  |  |   |  | <ul style="list-style-type: none"><li>Industry-Academia Collaboration Subsidized 5 Full-time Positions</li><li>Cloud Technology Industry-Academia Collaboration (Big Data), Recruiting 2 Big Data Talents</li></ul>                                 |  |



## 7.2.1 Diversity and Inclusion

UNIVACCO has introduced DEI (note) corporate culture thinking, establishing a people-centered management model. We emphasize gender equality and the employment of individuals with disabilities, implementing fair and reasonable performance management and promotion systems. This approach unleashes the potential of diverse talents and actively assists employees of different nationalities, respecting differences and creating an inclusive workplace.

### Note

DEI stands for Diversity, Equity, and Inclusion, representing the core concept of diversity and inclusion. It ensures that employees from different backgrounds are accepted and supported in the workplace, enabling everyone to freely express opinions and fully utilize their abilities.

### Employee Composition

UNIVACCO employs local workers in Tainan, Taiwan, and focuses on employment opportunities for vulnerable groups. As of the end of 2023, the total number of employees was 487, including five people with disabilities (four males, one female), accounting for approximately 1% of the total workforce. This exceeds the legal requirements for employing people with disabilities. To help employees relax and relieve stress after work, we employ visually impaired massage therapists to provide stress relief services, thereby supporting the livelihood of vulnerable groups.

Due to industry characteristics and labor market supply and demand factors, technical and production line personnel are predominantly male. As of the end of 2023, the male-to-female ratio was 79:21. However, equal opportunities are provided in employee training and development, performance evaluations, and compensation distribution. Through internal regulatory systems, the company unleashes the potential of diverse talents, deepening its competitive advantage and sustainable development.

## Employee Age Distribution in Taiwan - By Age Group

| Age<br>(years)    | 2021              |            | 2022              |            | 2023              |            |
|-------------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                   | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion |
| Ages 18 - 20      | 3                 | 1%         | 1                 | 0%         | 1                 | 0%         |
| Ages 21 - 30      | 121               | 25%        | 103               | 20%        | 80                | 16%        |
| Ages 31 - 40      | 173               | 35%        | 181               | 35%        | 176               | 36%        |
| Ages 41 - 50      | 179               | 37%        | 185               | 36%        | 183               | 38%        |
| Ages 51 and above | 42                | 2%         | 45                | 9%         | 47                | 10%        |
| Total             | 518               | 100%       | 515               | 100%       | 487               | 100%       |

## Employee Gender Distribution in Taiwan by Job Categories

|                         | 2021              |            |                   |            | 2022              |            |                   |            | 2023              |            |                   |            |
|-------------------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                         | Female            |            | Male              |            | Female            |            | Male              |            | Female            |            | Male              |            |
|                         | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion |
| Management Personnel    | 6                 | 12%        | 43                | 88%        | 7                 | 14%        | 43                | 86%        | 6                 | 13%        | 39                | 87%        |
| Administrative staff    | 33                | 82%        | 7                 | 18%        | 34                | 81%        | 8                 | 19%        | 36                | 82%        | 8                 | 18%        |
| Professional Personnel  | 53                | 39%        | 82                | 61%        | 52                | 41%        | 75                | 59%        | 50                | 40%        | 76                | 60%        |
| Manufacturing Personnel | 12                | 4%         | 282               | 96%        | 12                | 4%         | 284               | 96%        | 11                | 4%         | 261               | 96%        |
| <b>Total</b>            | <b>104</b>        | <b>20%</b> | <b>414</b>        | <b>80%</b> | <b>105</b>        | <b>20%</b> | <b>41-</b>        | <b>80%</b> | <b>103</b>        | <b>21%</b> | <b>384</b>        | <b>79%</b> |

## Employee Distribution in Taiwan - By Nationality

|                     | 2021              |            |                   |            | 2022              |            |                   |            | 2023              |            |                   |            |
|---------------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                     | Female            |            | Male              |            | Female            |            | Male              |            | Female            |            | Male              |            |
|                     | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion |
| Taiwan              | 104               | 21%        | 390               | 79%        | 105               | 23%        | 360               | 77%        | 103               | 23%        | 339               | 77%        |
| Vietnam             | 0                 | 0%         | 23                | 100%       | 0                 | 0%         | 49                | 100%       | 0                 | 0%         | 44                | 100%       |
| Other Nationalities | 0                 | 0%         | 1                 | 100%       | 0                 | 0%         | 1                 | 100%       | 0                 | 0%         | 1                 | 100%       |
| <b>Total</b>        | <b>104</b>        | <b>20%</b> | <b>414</b>        | <b>80%</b> | <b>105</b>        | <b>20%</b> | <b>410</b>        | <b>80%</b> | <b>103</b>        | <b>21%</b> | <b>384</b>        | <b>79%</b> |

## Non-Employee Gender Distribution in Taiwan by Job Categories

|                    | 2021              |            |                   |            | 2022              |            |                   |            | 2023              |            |                   |            |
|--------------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|-------------------|------------|
|                    | Female            |            | Male              |            | Female            |            | Male              |            | Female            |            | Male              |            |
|                    | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion | Number of persons | Proportion |
| Security Personnel | 0                 | 0%         | 12                | 100%       | 0                 | 0%         | 12                | 100%       | 0                 | 0%         | 12                | 100%       |
| Cleaning Personnel | 3                 | 75%        | 1                 | 25%        | 3                 | 75%        | 1                 | 25%        | 3                 | 75%        | 1                 | 25%        |
| <b>Total</b>       | <b>3</b>          | <b>19%</b> | <b>13</b>         | <b>81%</b> | <b>3</b>          | <b>19%</b> | <b>13</b>         | <b>81%</b> | <b>3</b>          | <b>19%</b> | <b>13</b>         | <b>81%</b> |

## 7.2.2 Fair Performance Management and Career Development

At the beginning of each year, UNIVACCO's departments set organizational goals based on company strategy. Managers assist subordinates in clarifying job responsibilities, and individual employee goals are established in alignment with organizational objectives. Monthly performance management communications between managers and subordinates provide feedback and guide goal achievement. At year-end, individual annual goals (KPI) and work competency evaluations (CPI) are conducted to assess personal performance and team contributions. These evaluations are integrated with opportunities for job promotions and professional development. In 2023, the performance evaluation completion rate reached 97.5%, underscoring our commitment to ensuring fair and equitable workplace opportunities for all employees.

Unit: Persons

| 2023                              | Management Personnel |      | Professional Personnel |      | Administrative staff |      | Manufacturing Personnel |      | Total  |      |
|-----------------------------------|----------------------|------|------------------------|------|----------------------|------|-------------------------|------|--------|------|
|                                   | Female               | Male | Female                 | Male | Female               | Male | Female                  | Male | Female | Male |
| Total number                      | 6                    | 39   | 50                     | 76   | 36                   | 8    | 11                      | 261  | 103    | 384  |
| Annual Performance Evaluations    | 6                    | 39   | 47                     | 73   | 32                   | 5    | 11                      | 243  | 96     | 360  |
| New Employee Evaluations          | 0                    | 0    | 1                      | 0    | 2                    | 1    | 0                       | 15   | 3      | 16   |
| Number of Employees Not Evaluated | 0                    | 0    | 2                      | 3    | 2                    | 2    | 0                       | 3    | 4      | 8    |
| Evaluation Coverage Rate          | 100%                 | 100% | 96%                    | 96%  | 94%                  | 75%  | 100%                    | 99%  | 96%    | 98%  |
| Subtotal                          | 100%                 |      | 96%                    |      | 91%                  |      | 99%                     |      | 97.5%  |      |

Note: Employees Not Evaluated: Those employed less than three months, including contract workers, temporary workers, interns, etc.

## Performance Management Process for All Employees (Excluding New Hires)

Bi-annual: December and July  
Company Strategy, Departmental and Individual  
Goal Setting

Performance Ratings and Bonuses  
Performance Excellence Rewards  
Performance Improvement Plans

1-on-1 Performance Meetings and Rewards  
Annual Promotions & Salary Adjustments: July-August

Monthly Departmental Meetings  
Performance Goals and Results Review

Semi-annually  
Mid-year Performance Evaluation and Individual  
Development Plan Assessment

## Manager Evaluation

Executive performance evaluation and remuneration are benchmarked against industry standards, considering individual performance assessment results, time invested, responsibilities undertaken, achievement of personal objectives, and performance in other roles. The company evaluates individual performance in relation to short-term and long-term business goal achievement, financial condition, and the reasonableness of future risk correlation. These evaluations are resolved by the Remuneration Committee and approved by the Board of Directors.

## Management Performance Indicators

| Performance Evaluation Content/Indicator Quality/Indicator Aspects and Explanation   |  |  |  |
|--|--|--|--|
| Annual short- and medium-term business objectives are aligned with the company's long-term sustainable development, considering risk factors. Performance indicators are established based on job responsibilities and accountabilities. |  |  |  |
| KPI Performance Indicators   |  | CPI Competency Indicators  |  |
| Financial Metrics  | Corporate Sustainability   | Core competencies:   | Management competencies:   |
| Pre-tax Profit, Operating Profit, Revenue Growth Rate, Budget Achievement Rate, etc.   | Focus on innovative sustainable products, risk management, customer satisfaction, greenhouse gas reduction, environmental protection, corporate governance, key talent management, and other related areas, etc... | Integrity, Gratitude, Innovation & Improvement, Teamwork, Proactivity, Customer Orientation  | Decision Making, Talent Development, Team Leadership, Project Organization, Organizational Commitment, Performance Orientation |
|  |  | Evaluate core and management competencies based on specific behavioral examples demonstrated by the evaluatee during the assessment period that align with job competencies. |  |

### 7.2.3 Gender Equality and Inclusive Workplace

The average age of Univacco employees is approximately 40, with around 50% being married and having children. Univacco is committed to fostering a friendly and equitable workplace by providing comfortable on-site nursing rooms to accommodate the needs of breastfeeding employees. Employees of all genders are entitled to apply for unpaid parental leave in accordance with the law during their parenting period. The company also offers a flexible leave management system, including one day of paid family care leave, enabling employees to balance childcare and caregiving responsibilities. In 2023, two males and three females applied for parental leave. The return-to-work rate after parental leave was 80%, with all returning employees resuming their original positions. The retention rate one year after return was 80%. Furthermore, UNIVACCO regularly organizes family activities for fixed-term employees to strengthen employees' parent-child relationships and promote family harmony.

#### Parental Leave Statistics in Taiwan

|      | Number of Employees Eligible for Parental Leave |      | Number of Employees Applied for Parental Leave This Year |      | Number of Employees Due to Return from Parental Leave This Year A |      | Number of Employees Actually Returned from Parental Leave This Year B |      | Return-to-Work Rate After Parental Leave This Year % (B/A) |      | Number of Employees Returned from Parental Leave Previous Year C |      | Number of Employees Still Employed 12 Months After Returning from Parental Leave Previous Year D |      | Retention Rate After Parental Leave This Year % (D/C) |      |
|------|---|------|--|------|---|------|---|------|--|------|--|------|--|------|---|------|
|      | Female  | Male | Female   | Male | Female  | Male | Female  | Male | Female   | Male | Female   | Male | Female   | Male | Female  | Male |
| 2021 | 14  | 35   | 2  | 4    | 6   | 5    | 5   | 4    | 83%  | 80%  | 0  | 1    | 0  | 1    | 0%  | 100% |
|      | 49 people in total                              |      | 6 people in total  |      | 11 people in total  |      | 9 people in total   |      | A total of 82%   |      | 1 people in total  |      | 1 people in total  |      | A total of 100%                                       |      |
|      | 11  | 25   | 5  | 4    | 3   | 3    | 2   | 3    | 67%  | 100% | 5  | 4    | 3  | 2    | 60%   | 50%  |
| 2022 | 36 people in total                              |      | 9 people in total  |      | 6 people in total   |      | 5 people in total   |      | A total of 83%   |      | 9 people in total  |      | 5 people in total  |      | A total of 56%  |      |
|      | 12  | 22   | 3  | 2    | 4   | 1    | 3   | 1    | 75%  | 100% | 2  | 3    | 1  | 3    | 50%   | 100% |
| 2023 | 34 people in total                              |      | 5 people in total  |      | 5 people in total   |      | 4 people in total   |      | A total of 80%   |      | 5 people in total  |      | 4 people in total  |      | A total of 80%  |      |
|      |   |      |  |      |   |      |   |      |  |      |  |      |  |      |   |      |

#### Note:

The company ensures, in compliance with the law, that maternity check-up leave, maternity leave, miscarriage leave, paternity leave, menstrual leave, or family care leave will not affect employees' performance, rewards, or promotion opportunities.

### Supporting Foreign Talent in Adaptation

In response to the challenges of declining birth rates and labor shortages, since 2019, Univacco has employed Vietnamese migrant workers in manufacturing sites to address workforce shortages and alleviate workload pressures on production lines. To help migrant workers adapt quickly to their new environment, Univacco provides assistance in settling in Taiwan and employs dedicated migrant workforce coordinators familiar with both cultures to offer training, care, and communication support. The company also organizes cultural festivals, such as the Dragon Boat Festival and Lunar New Year, and helps migrant workers establish social clubs to encourage mutual exchange. These efforts promote integration into both the workplace and the living environment. In 2023, a total of 44 migrant workers were retained.

### 7.2.4 Talent Attraction and Retention

Since its establishment, Univacco has upheld the principle of integrity in management, sustaining industry competitiveness through a customer-centric approach and innovative services. By creating greater business opportunities and generating profits for global customers, Univacco strives to be a trusted and reliable partner for shareholders, customers, and employees, ensuring sustainable growth and long-term success.

To uphold UNIVACCO's core values and vision for sustainable management, we emphasize our commitment to employees by cultivating a people-centric corporate culture. We actively promote a diverse and inclusive workplace, while continually enhancing motivational compensation and benefit programs. These efforts ensure that UNIVACCO employees are engaged in their work, embrace opportunities for learning and growth, and experience a strong sense of belonging and achievement.

#### Ensuring Core Values

In addition to professional capabilities, UNIVACCO places equal importance on the behavior and values of applicants in its talent selection process. Each hired candidate undergoes a rigorous evaluation against talent selection criteria and interview assessments to ensure their values and work style align with the company culture before becoming a member of Univacco and excelling in an appropriate position.

After onboarding, the company communicates its management philosophy and vision to employees through various channels, including internal websites, meetings, lectures, and publications. Every two years, we commission Taiwan's largest job bank, 104, to conduct an employee engagement and satisfaction survey, gathering feedback on the implementation of the company's core values. Employee value identification scored PR57 and commitment scored PR51, both exceeding industry benchmarks. Employees take pride in the company's philosophy and demonstrate strong dedication by cooperating with company arrangements and striving to support its success.

#### Note:

PR value indicates our performance among 100 companies, surpassing several enterprises by comparing PR values within the same industry, avoiding lagging behind, and encouraging employee retention or attracting talent.

## New Hire Statistics for the Past Three Years

|                   | 2021              |               |                   |               | 2022              |               |                   |               | 2023              |               |                   |               |
|-------------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|-------------------|---------------|
|                   | Female            |               | Male              |               | Female            |               | Male              |               | Female            |               | Male              |               |
|                   | Number of persons | New hire rate | Number of persons | New hire rate | Number of persons | New hire rate | Number of persons | New hire rate | Number of persons | New hire rate | Number of persons | New hire rate |
| Ages 18 - 20      | 0                 | 0%            | 3                 | 100%          | 0                 | 0%            | 2                 | 200%          | 0                 | 0%            | 2                 | 200%          |
| Ages 21 - 30      | 9                 | 53%           | 48                | 46%           | 5                 | 38%           | 45                | 50%           | 1                 | 10%           | 20                | 29%           |
| Ages 31 - 40      | 9                 | 20%           | 30                | 23%           | 8                 | 17%           | 39                | 29%           | 2                 | 4%            | 13                | 10%           |
| Ages 41 - 50      | 0                 | 0%            | 12                | 8%            | 4                 | 11%           | 12                | 8%            | 0                 | 0%            | 2                 | 1%            |
| Ages 51 and above | 0                 | 0%            | 0                 | 0%            | 6                 | 16%           | 0                 | 0%            | 0                 | 0%            | 0                 | 0%            |

| Place of residence                    | Citizens of Tainan | Non-Tainan citizens | Citizens of Tainan | Non-Tainan citizens | Citizens of Tainan | Non-Tainan citizens |
|---------------------------------------|--------------------|---------------------|--------------------|---------------------|--------------------|---------------------|
| New hire rate                         | 93                 | 18                  | 119                | 2                   | 40                 | 0                   |
|                                       | 19%                | 45%                 | 24%                | 15%                 | 8%                 | 0%                  |
| Total New Hires                       | 111                |                     | 111                |                     | 40                 |                     |
| Total Number of Employees at Year-End | 518                |                     | 515                |                     | 487                |                     |
| Overall New Hire Rate                 | 21.4%              |                     | 23.5%              |                     | 8.2%               |                     |

## Note:

1. New hire figures include employees who resigned mid-year.
2. New hire rate (%) = Number of new hires in the current year for that category / Total number of employees in that category at the end of the current year.
3. The total number of employees excludes individuals on unpaid leave during the current year.

## Local Talent Recruitment

UNIVACCO's primary operational base is located in Tainan City, Taiwan, where all critical personnel and core technologies are centralized to provide business and technical support to subsidiaries worldwide. Three out of four senior managers are residents of Tainan, and 91% of supervisors at the section level and above are also Tainan residents. As of the end of 2023, there were 487 employees, including dispatched staff, across all plants in Tainan, Taiwan. Among them, only two were on fixed-term contracts, while 99.9% were permanent employees. Notably, 98% were local residents, reflecting the company's significant contribution to the return and development of local talent.

## Proportion of Local Residents Among Employees

|                         | Tainan              |            | Outside Tainan      |            | Total               |            |
|-------------------------|---------------------|------------|---------------------|------------|---------------------|------------|
| Job Categories          | Number of Employees | Proportion | Number of Employees | Proportion | Number of Employees | Proportion |
| Management Personnel    | 41                  | 91%        | 4                   | 9%         | 45                  | 9%         |
| Professional Personnel  | 120                 | 95%        | 6                   | 5%         | 126                 | 26%        |
| Administrative staff    | 43                  | 98%        | 1                   | 2%         | 44                  | 9%         |
| Manufacturing Personnel | 271                 | 100%       | 1                   | 0%         | 272                 | 56%        |
| Total                   | 475                 | 98%        | 12                  | 2%         | 487                 | 100%       |

### Note

1. Local is defined as Tainan City residents.

2. The above figures represent employees at Univacco's Tainan plant, including trainees and fixed-term contract workers, and also cover 11 dispatched staff members.



# 07

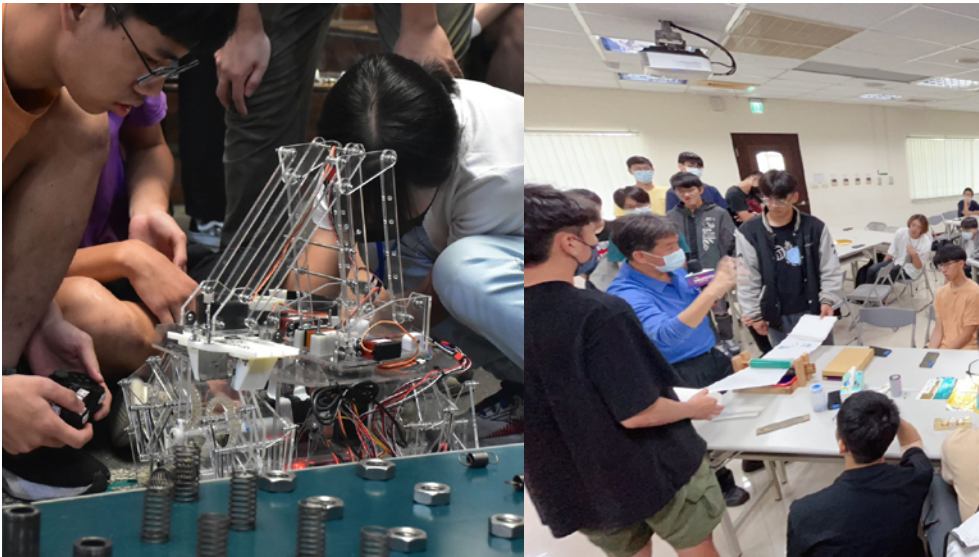
## Employee Relations and Social Engagement

Our Commitment to a Sustainable Workplace

ESG REPORT 2023

### Campus Recruitment for Future Talent

In 2023, Univacoco continued its collaboration with the Ministry of Education's "Industry Master's Program," providing students with opportunities to apply their knowledge and gain exposure to the stamping transfer products industry. To attract top talent, UNIVACCO offers industry mentorship and internship opportunities during their studies, along with priority employment and competitive salary packages after graduation. Additionally, the company partners with various universities to establish industry-academia collaboration programs, aligning with specialized projects to train and nurture future talent.



#### Partner Schools

National Cheng Kung University  
National Yunlin University of Science and Technology

#### Partner Departments

Mechanical Engineering Department  
Department of Information Management

Undergraduate students

Master's students

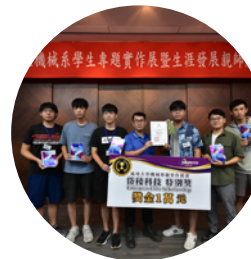
Industrial Master's Program Students

Resource Allocation

- Joint university-industry talent cultivation, investing NT\$300,000 per student, trained 6 students in the past 3 years
- Invested NT\$400,000 in big data systems research team in 2023

Collaboration Overview

- Regarding relevant research topics, we collaborate with professors and students. In 2023, we hired one industrial Ph.D. student and provided research funding.



### Stable Income: Employee profit-sharing Program

To attract and retain outstanding talent, UNIVACCO Taiwan facilities conduct annual analyses of compensation competitiveness, referencing market-standard salary survey reports and overall industry benchmarks. The company has established various profit-sharing incentive programs to motivate talent, encourage long-term employee service, and ensure continuous contributions. The relevant compensation policies are outlined as follows:

| Compensation Items            |                         | Distribution method  |
|-------------------------------|-------------------------|--|
| Employee Stock Ownership Plan | All Employees           | 100% eligible for Employee Stock Ownership Trust based on job grade            |
| Employee Compensation Policy  |                         | 5-15% of annual profits allocated  |
| Year-end Bonus                |                         | Equivalent to One Month's Full Salary  |
| Mid-year Bonus                |                         | Equivalent to One Month's Full Salary for Mid-Autumn and Dragon Boat Festivals |
| Performance Bonus             |                         | Variable bonuses based on operational performance and individual performance   |
| Treasury Stock Policy         | Managers, Key Employees | Treasury Stock Transfer to Key Employees at Below-Market Prices                |
| R&D Bonus                     | R&D Personnel           | Variable bonuses for new product development gross profit and cost reduction   |

| Compensation Items           |                                    | Distribution method   |
|------------------------------|------------------------------------|---|
| Performance Bonuses          | Sales and Marketing Personnel      | Variable bonuses based on sales target achievement, product gross profit, and collection rate |
| Sales Inventory Bonus        | Business & Warehouse Staff         | 0.003% of inventory turnover as bonus   |
| Production Efficiency Bonus  | Manufacturing Personnel            | Variable Bonuses Based on Productivity and Utilization Rate                                   |
| Innovation and Patent Bonus  | Based on Proposal Contributors     | Domestic Patent Approval: NT\$20,000 Bonus<br>International Patent Approval: NT\$60,000 Bonus |
| Improvement Proposal Reward  |                                    | Rewards Allocated Based on Proposal Category  |
| CIT Project Efficiency Bonus |                                    | 10% of net profit   |
| Long Service Award           | Employees with 5+ Years of Service | Annual bonus range: NT\$3,600 - NT\$150,000   |

## Our Commitment to a Sustainable Workplace

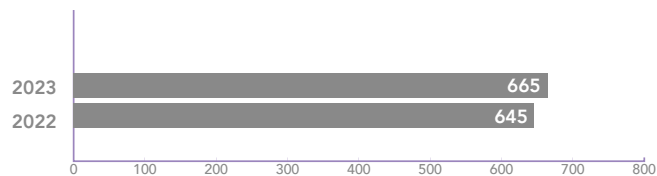
The decrease in average salary in 2023 was primarily due to lower profits compared to 2022. However, considering the annual increase in the minimum wage, entry-level salaries were raised, leading to an increase in the median salary compared to the previous year.

In 2023, the starting salary for new employees, using top master's graduates as an example, was set at an average of NT\$42,970 per month, which is 1.63 times the legally mandated minimum wage. Appropriate salary adjustments are made based on training outcomes upon completion of the new employee training.

In addition to cash-based incentives, since 2022, full-time employees with at least one year of service have been eligible to participate in the employee stock ownership trust plan. The company provides a 100% stock purchase subsidy, encouraging employees to acquire company shares and share in the benefits of long-term growth. As of 2023, 71% of employees in Taiwan participated in this plan.

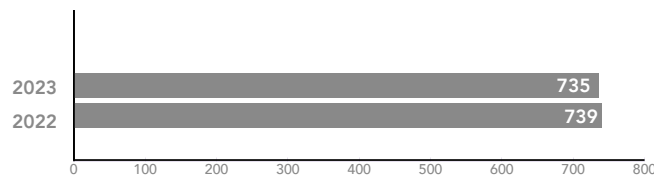
## Median salary

(NTD thousand/person)

Increase by **\$2,000**

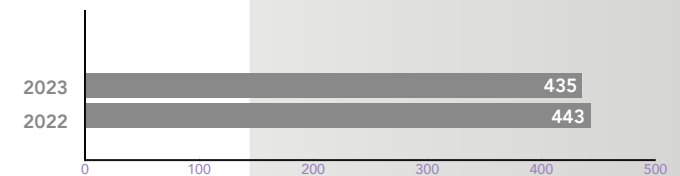
## Average salary

(NTD thousand/person)

Decreased by **\$4,000**

## Total Full-time Employees

(Persons)

Decreased by **8**

## Note

1. Taipei Exchange regulations: Taiwan OTC-listed companies must disclose the number of full-time non-managerial employees, average salary, median salary, and the differences in these three metrics compared to the previous year.
2. Excluding managers (executives) and personnel meeting exemption criteria, employees with less than one year of service are calculated based on weighted days of employment. Employee compensation is recognized on an accrual basis, and any unpaid compensation is estimated.

## Employee Health: Comprehensive health management and promotion activities

UNIVACCO comprehensively manages employee health promotion, health examinations, care and support, occupational disease prevention, work environment control, and employee health services to achieve work-life balance. (Health service beneficiaries: 1,695 person-times)

| Health Promotion   | Health Examinations  | Occupational Disease Prevention   | Health Services  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>Organized 8 health promotion seminars with 891 participants</li> <li>Monthly health information updates on internal website to raise employee self-management and health awareness</li> </ul> | <ul style="list-style-type: none"> <li>Annual free health check items valued at over NT\$5,000 per employee (exceeding legal requirements)</li> <li>NT\$500 additional health check package every two years for mid-to-senior level employees (exceeding legal requirements)</li> <li>29 health checks conducted for new employees in 2023</li> <li>A total of 476 employees participated in health checks, including 42 dependents</li> <li>Employee health check participation rate reached 99%</li> </ul> | <ul style="list-style-type: none"> <li>Semi-annual work environment monitoring, with protective equipment provided based on inspection results</li> <li>Regular follow-ups on health check reports for employees in special operation environments, with 25 health education sessions achieving a 100% completion rate</li> </ul> | <ul style="list-style-type: none"> <li>Systematically recording employee health indicators, categorizing health examination results by risk level, and implementing targeted management and work assignments for high-risk and abnormal cases.</li> <li>A total of 58 employees received health management guidance, with 22 showing improvements after medical treatment.</li> <li>NT\$500 subsidy per person, with 84 employees voluntarily participating in the government influenza vaccination program.</li> <li>During the dengue fever outbreak in Tainan, we actively maintained workplace hygiene, conducted disinfection, and provided employee health education to enhance workplace health management standards and promote self-health protection awareness.</li> </ul> |
| Maternal Care  |  |   |  |
| <ul style="list-style-type: none"> <li>From pregnancy to breastfeeding, personalized maternal health management and counseling are provided, along with lactation rooms for pregnant and breastfeeding employees.</li> </ul>         |  |   |  |

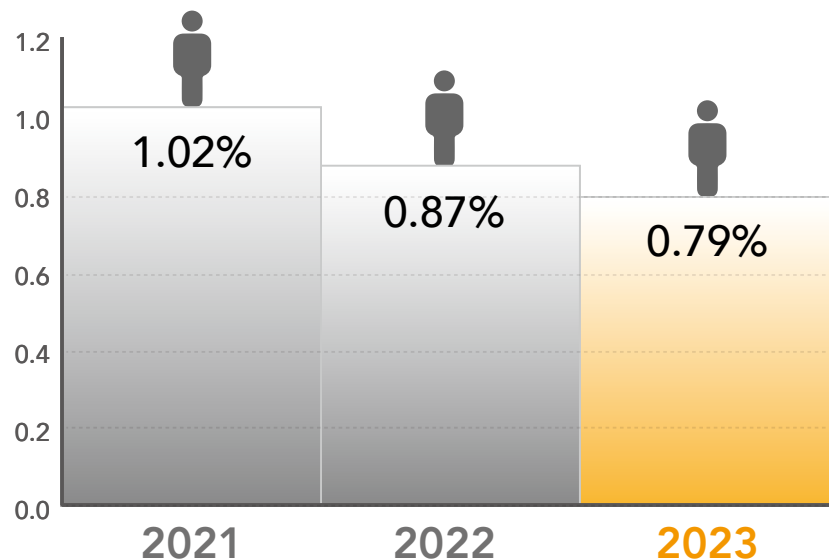
Statistics Year: 2023, Taiwan Tainan Plant

## Because of Love and Responsibility: Employee Insurance System

In accordance with legal requirements, UNIVACCO provides all employees with labor insurance and national health insurance, ensuring comprehensive protection. Additionally, we have established a group comprehensive insurance plan, enabling employees and their dependents to access coverage at lower premium rates for more complete protection.

From the first day of employment, employees are enrolled in the company's group comprehensive insurance, which covers life, accident, medical, and overseas travel insurance. Employees also have the option to extend this coverage to their families through preferential self-pay arrangements.

## Key talent turnover rate



## Key Talent Management

The stamping transfer products Industry is unique, and recruiting talent from the same industry in Taiwan is challenging. Therefore, managers and employees in key technical units are critical resources for achieving organizational strategic goals. To foster a talent retention environment, Univacco launched a Key Talent Management Program in 2011 and incorporated the key talent turnover rate as a significant indicator in its sustainability strategy. In 2023, the key talent turnover rate decreased compared to 2022, achieving the goal of maintaining it below 1%.

## Key Talent Management Program

### 1. Providing competitive stock purchase subsidies

Key personnel at designated job levels and above are offered higher performance bonuses to incentivize long-term engagement in company operations and shared success.

### 2. Comprehensive Compensation System with Competitive Edge

We ensure that key unit personnel's annual salaries are in the top 50% of market levels, with annual salary adjustments meeting the manufacturing industry's 3% standard. Additionally, we optimize functional bonuses (sales bonuses, R&D bonuses, performance bonuses) and operational profit-sharing systems to reduce talent attrition and ensure human capital remains rooted in UNIVACCO.

### 3. Cultivating future competencies of key employees

Semi-annual talent care interviews are conducted to plan and execute training and development blueprints. Examples include: UMTF management capability training camp - situational leadership, serving as TPM subcommittee chiefs or CIT project team mentors, new manager training, professional OJT programs, overseas rotations, certification training, or project experience, among other development initiatives.

## Robust retirement benefit system

UNIVACCO has established retirement pension systems for employees, including defined benefit plans under Taiwan's "Labor Standards Act" and defined contribution plans under Taiwan's "Labor Pension Act" and overseas local practices.

01

2% of monthly salary (for specific employees) contributed to retirement preparation fund at Bank of Taiwan trust account

02

6% of monthly salary contributed to Labor Pension Fund individual account

03

Annual pension fund appropriation calculations are conducted by actuarial consultants under the defined contribution retirement plan, with the statutory contributions for the year completed by the end of March.

In addition to safeguarding employees' future retirement benefits, we ensure stable retirement fund contributions and payments through a sound financial system, further encouraging employees to make long-term plans and commitments to the company.

## UNIVACCO's approach



Labor Standards Act  
Defined Benefit Plan

Retirement benefits are calculated based on years of service and the average salary of the six months prior to retirement.

The retirement pension fund is deposited in a dedicated Taiwan Bank account under the name of the Labor Retirement Reserve Supervisory Committee.



Labor Pension Act  
Defined Contribution Plan

6% of monthly salary is contributed to individual pension accounts with the Bureau of Labor Insurance.

### 2023 Pension Fund Preparation Status

2% of total employee salary contributed to employee retirement reserve fund

Regarding legally mandated provisions, the amount already recorded as a definite benefit liability (non-current) was NT\$21,633 thousand as of the end of 2023.

Fair value of planned assets at end of 2023: NT\$18,350 thousand

2023 defined benefit plan expenses recognized: NT\$14,773 thousand

## Healthy Turnover Rate

|                   | 2021                |               |                     |               | 2022                |               |                     |               | 2023                |               |                     |               |
|-------------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|---------------------|---------------|
|                   | Female              |               | Male                |               | Female              |               | Male                |               | Female              |               | Male                |               |
|                   | Number of Employees | Turnover rate | Number of Employees | Turnover rate | Number of Employees | Turnover rate | Number of Employees | Turnover rate | Number of Employees | Turnover rate | Number of Employees | Turnover rate |
| Ages 18 - 20      | 0                   | 0%            | 2                   | 67%           | 0                   | 0%            | 3                   | 300%          | 0                   | 0%            | 1                   | 100%          |
| Ages 21 - 30      | 7                   | 41%           | 44                  | 42%           | 5                   | 38%           | 50                  | 56%           | 1                   | 10%           | 29                  | 41%           |
| Ages 31 - 40      | 9                   | 20%           | 33                  | 26%           | 6                   | 13%           | 28                  | 21%           | 3                   | 7%            | 16                  | 12%           |
| Ages 41 - 50      | 2                   | 6%            | 15                  | 10%           | 3                   | 8%            | 16                  | 11%           | 0                   | 0%            | 12                  | 8%            |
| Ages 51 and above | 0                   | 0%            | 6                   | 17%           | 6                   | 0%            | 10                  | 27%           | 0                   | 13%           | 3                   | 8%            |

| Place of residence                    | Residents of Tainan | Non-Tainan Residents | Residents of Tainan | Non-Tainan Residents | Residents of Tainan | Non-Tainan Residents |
|---------------------------------------|---------------------|----------------------|---------------------|----------------------|---------------------|----------------------|
| Turnover rate                         | 102                 | 16                   | 117                 | 4                    | 65                  | 1                    |
|                                       | 21%                 | 40%                  | 23%                 | 31%                  | 14%                 | 8%                   |
| Total Number of Resignations          | 118                 |                      | 121                 |                      | 66                  |                      |
| Total Number of Employees at Year-End | 518                 |                      | 515                 |                      | 487                 |                      |
| Overall Employee Turnover Rate        | 22.8%               |                      | 23.5%               |                      | 13.6%               |                      |

## Note

1. Employees who resigned mid-year are not excluded from the total count of resignations.
2. Turnover Rate (%) = (Number of employees who left in the current year within a specific category) / (Total number of employees in that category at the end of the current year)
3. The total employee count excludes those on unpaid leave and newly hired employees within the current year.



### 7.3 Human Rights Strategy:

Safeguard employee rights, improve communication mechanisms, establish all systems based on legal compliance as the minimum standard

| Outcome                                | 2023        | Outcome                                | 2024        | Outcome                                | 2025        | Outcome                                | 2026        |
|--|-------------|--|-------------|--|-------------|--|-------------|
| Goal:                                  |             | Goal:                                  |             | Goal:                                  |             | Goal:                                  |             |
| Labor and human rights law violations: | 0 incidents | Labor and human rights law violations: | 0 incidents | Labor and human rights law violations: | 0 incidents | Labor and human rights law violations: | 0 incidents |
| Outcome                                |             |  |             |  |             |  |             |
| Number of violations                   |             |  |             |  |             |  |             |
| 0 cases                                |             |  |             |  |             |  |             |

Ensure labor rights and fair treatment in compliance with regulations. Protect employees' basic health and labor rights, strengthen diversity and inclusion in labor relations to prevent discrimination, and build positive labor relations in line with international human rights standards.

#### 7.3.1 Human Rights Management

Since its establishment, Univacco has consistently upheld a people-centric management philosophy and has not experienced any labor disputes. To realize Univacco's core values and vision for sustainable operations, all operational areas comply with relevant labor and employment laws and international standards, including freedom of association, privacy, prohibition of forced labor and child labor, and regulations against any improper employment discrimination. The company has established relevant rules and regulations to concretely protect employee rights, continuously promotes diverse employee care programs, fosters employee physical and mental health, and provides competitive compensation and benefits. Univacco strives to create a work environment characterized by happiness, hope, learning opportunities, growth, and safety, actively caring for employees comprehensively in terms of work, life, and health aspects.



## Human Rights Policy Implementation

UNIVACCO Technology adheres to internationally recognized human rights standards, including the Universal Declaration of Human Rights, UN Guiding Principles on Business and Human Rights, United Nations Global Compact, Social Accountability 8000 International Standard (SA8000), and the Responsible Business Alliance (RBA) Code of Conduct. We are committed to collaborating with customers, suppliers, and other stakeholders to foster a harmonious, inclusive, and equitable business environment. Key focus areas and practices for 2023 are outlined in the table below:

### Key Human Rights Considerations and Practices

| Areas of Concern  |   | Target Group   |  |   |
|---|---|--|--|---|
| Providing a safe and healthy work environment free from illegal infringement  |   | All employees  | <ul style="list-style-type: none"> <li>For details, refer to "7.7 Occupational Health and Safety"</li> <li>0 investigated cases of illegal infringement and sexual harassment</li> </ul>                   |   |
| Objectives and Actions  | Risk Assessment   | Mitigation Measures  | Remediation Approach   | Grievance Mechanisms  |
| <ul style="list-style-type: none"> <li>Establish "Occupational Safety and Health Management Procedures," set up Occupational Safety and Health Management Review Meetings and manage through the Occupational Safety and Health Committee.</li> </ul> | <ul style="list-style-type: none"> <li>Assessing occupational disease risks from chemical exposure, noise, human factors, etc.</li> <li>Enhancing employee health plans beyond legal requirements, promoting voluntary participation</li> </ul> | <ul style="list-style-type: none"> <li>Senior management participates in Occupational Safety and Health Committee, implementing control measures for 5 major occupational disease risk factors</li> <li>Health examinations for new employees and free upgraded health checks every year for general employees. Additional mid-to-high risk health screening options for employees over 40 (beyond legal requirements).</li> </ul> | <ul style="list-style-type: none"> <li>Proper staffing</li> <li>Providing medical assistance and consultation services</li> <li>Offering leave and salary compensation according to regulations</li> </ul> | <ul style="list-style-type: none"> <li>Occupational Safety and Health Committee, Labor-Management Meetings, Employee Opinion Response Channels</li> </ul> |
| <ul style="list-style-type: none"> <li>Implement "Preventive Measures for Unlawful Infringement in the Performance of Duties" and set up a task force to drive workplace violence prevention.</li> </ul>  | <ul style="list-style-type: none"> <li>Developing hazard awareness, inspection, and assessment mechanisms across all units with continuous improvements.</li> <li>Handling and improving investigated complaint cases</li> </ul>                | <ul style="list-style-type: none"> <li>Publicly disclosing disciplinary measures for violations</li> <li>Developing anti-harassment and anti-bullying course guidance</li> </ul>   | <ul style="list-style-type: none"> <li>Adjusting job responsibilities or work areas as needed</li> <li>Disciplinary actions taken based on severity of conduct</li> </ul>                                  | <ul style="list-style-type: none"> <li>Employee Opinion Response Channel, Illegal Infringement Prevention Task Force</li> </ul>                           |

**Areas of Concern**

Social audits to ensure equal employment and talent development opportunities.  
Prohibiting forced labor and child Labor  
Working Hours Management

**Target Group**

All employees  
New Employees

All employees  
• For details on overtime risk management, refer to "7.7 Occupational Health and Safety"

| Objectives and Actions   | Risk Assessment   | Mitigation Measures  | Remediation Approach  | Grievance Mechanisms   |
|--|---|--|---|--|
| <ul style="list-style-type: none"> <li>We have established internal control procedures for interviews and publicly disclosed the application process on our official website, ensuring each applicant clearly understands the recruitment principles. We explicitly state our non-discrimination policy and provide hiring managers with "recruitment and selection" training courses and interview guidelines.</li> </ul>           | <ul style="list-style-type: none"> <li>Recruitment and performance evaluation processes follow internal procedures, prohibiting discrimination</li> </ul>                     | <ul style="list-style-type: none"> <li>Recruitment talent selection and performance management online training course guidance</li> </ul>  | <ul style="list-style-type: none"> <li>Violations of non-discrimination principles will be handled according to internal disciplinary regulations</li> <li>HR department to review recruitment process for new hires</li> </ul>                               | <ul style="list-style-type: none"> <li>104 Job Bank complaint channel or recruitment mailbox for job applicants</li> <li>Employee feedback channels</li> </ul> |
| <ul style="list-style-type: none"> <li>We adhere to RBA's freely chosen employment regulations by establishing "Recruitment, Selection, and Appointment Management Measures." We never employ involuntary workers or individuals under 18 years of age. We provide comprehensive explanations of rights, obligations, and benefits through employment notices to maintain equal and transparent employment relationships.</li> </ul> | <ul style="list-style-type: none"> <li>Interviewers are required to provide relevant certification documents for qualification verification of suitable candidates</li> </ul> | <ul style="list-style-type: none"> <li>Prohibition of forced labor management procedures: Ensuring compliance during employment periods, absolutely prohibiting child labor and forced labor issues.</li> <li>Protection of migrant workers' rights: The company does not retain IDs of migrant workers, safeguarding their rights.</li> </ul> | <ul style="list-style-type: none"> <li>Regular inspections are conducted under the "Occupational Safety and Health Act" to prevent potential overwork. Necessary improvements are implemented immediately, ensuring employee rights are protected.</li> </ul> | <ul style="list-style-type: none"> <li>104 Job Bank complaint channel or recruitment mailbox for job applicants</li> <li>Employee feedback channels</li> </ul> |
| <ul style="list-style-type: none"> <li>Establish "Implementation Measures for Preventing Abnormal Workload-Induced Diseases" and develop "Attendance BI Statistical Report System and Overtime Application System".</li> </ul>   | <ul style="list-style-type: none"> <li>Understanding employee working hours and management through complaint channels, forums and attendance management system</li> </ul>     | <ul style="list-style-type: none"> <li>Overtime request forms include a pre-warning function, alerting supervisors and management about employee overtime hours when necessary.</li> <li>Overtime pay is provided according to "Overtime Work Standards."</li> </ul>   | <ul style="list-style-type: none"> <li>Management analyzes employee attendance statistical reports, reviewing overtime work causes, and requiring supervisors to implement necessary improvements while ensuring employee rights are upheld.</li> </ul>       |  |

Continued on next page -

## Areas of Concern

Helping employees maintain physical/mental health and work-life balance

## Target Group

All employees

| Objectives and Actions  | Risk Assessment  | Mitigation Measures   | Remediation Approach  | Grievance Mechanisms  |
|---|--|---|---|---|
| <ul style="list-style-type: none"> <li>Providing diverse activities and social participation, cultivating work-life balance concept</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Better than legally required: 1 day paid prenatal leave or 7 days for senior employees plus statutory marriage leave</li> <li>Flexible Working Hours</li> </ul> | <ul style="list-style-type: none"> <li>Employee Participation Rate (Note)</li> </ul> <hr/> <ul style="list-style-type: none"> <li>In 2023, 136 employees (27.9% of the company) utilized family care leave.</li> <li>8 employees applied for flexible working hours in 2023, adjusting work schedules</li> </ul> | <ul style="list-style-type: none"> <li>Welfare Committee members and plant organization contact point cooperating on promotion, encouraging participation</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Analyzing employee leave and overtime situations, direct supervisor interviews to allocate resources or provide assistance</li> </ul> | <ul style="list-style-type: none"> <li>Conducting satisfaction surveys as a basis for continuous improvement</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Analyzing leave and overtime data to identify areas for continuous improvement.</li> </ul> | <ul style="list-style-type: none"> <li>Employee feedback channels</li> </ul> <hr/> <ul style="list-style-type: none"> <li>Employee feedback channels</li> </ul> |

## Note

2023:

[Departmental meal subsidy applications: 511 people, total amount: NT\$184,350]

[Family Day participants: 374 people / Employee participation rate: 34.5%]

[Club activity subsidy applications: 87 instances, total NT\$21,410]

[Travel subsidy applications: 372 people, total NT\$743,500]



## 7.4 Labor Relations and Friendly Workplace Human Rights Strategy:

Safeguard employee rights, improve communication mechanisms, establish all systems based on legal compliance as the minimum standard

| Outcome                      | 2023 | Outcome                      | 2024 | Outcome                      | 2025 | Outcome                      | 2026 |
|------------------------------|------|------------------------------|------|------------------------------|------|------------------------------|------|
| Goal:                        |      | Goal:                        |      | Goal:                        |      | Goal:                        |      |
| Zero labor dispute incidents |      | Zero labor dispute incidents |      | Zero labor dispute incidents |      | Zero labor dispute incidents |      |
| Outcome                      |      |                              |      |                              |      |                              |      |
| Number of grievance cases    |      |                              |      |                              |      |                              |      |
| 0 cases                      |      |                              |      |                              |      |                              |      |

Smooth labor-management communication channels, consolidation and consensus building

Strengthening diverse communication mechanisms to ensure labor-management harmony and consensus, achieving full communication and effective problem-solving objectives

### Employee feedback

UNIVACCO actively implements labor-management communication through diverse channels, including labor-management meetings, departmental and management meetings, forums (employee general meetings and colleague symposiums), and employee suggestion boxes. These channels ensure timely and appropriate handling of employee issues with positive responses and facilitate consistent, open, rapid, and accurate dissemination of company information. This approach aims to achieve full labor-management communication and integration, creating operational benefits and enhancing company competitiveness.

In 2023, in response to inflation and employee feedback, we increased the monthly revenue allocation for employee welfare and adjusted meal subsidies and childbirth bonuses, among other benefits. Additionally, we continued to organize various employee relations activities to enhance employee cohesion and a sense of belonging.

## Employee communication framework and feedback channels

| Communication methods                          | Face-to-face communication  |  |  |   | Website system   | Social media   | Employee feedback channels   |  |
|--|---|--|--|---|--|--|--|--|
|  | Indirect units<br>Note  | Direct units<br>Note   | Migrant workers  | Labor<br>representatives  | All employees  | Stakeholders   |  | All employees  |
| Communication channels (anonymous) / Frequency | <ul style="list-style-type: none"> <li>Staff meetings / Monthly</li> <li>Departmental meetings / By Department</li> </ul>             | <ul style="list-style-type: none"> <li>Production line discussions / Quarterly</li> <li>Departmental meetings / By Department</li> </ul> | <ul style="list-style-type: none"> <li>Migrant worker discussions / Monthly</li> </ul> | <ul style="list-style-type: none"> <li>Labor-management meetings / Quarterly</li> <li>Employee Welfare Committee / Quarterly</li> </ul>                                   | <ul style="list-style-type: none"> <li>Employee website / Ongoing</li> <li>Employee opinion survey / Biennial</li> <li>UNIVACCO e-newsletter / Ongoing</li> </ul>                    | <ul style="list-style-type: none"> <li>UNIVACCO Facebook, LinkedIn / Ongoing</li> <li>UNIVACCO LINE@ official account / Ongoing</li> </ul> | <ul style="list-style-type: none"> <li>Employee suggestion box / All day</li> </ul>  | <ul style="list-style-type: none"> <li>Sexual harassment and illegal infringement complaint handling committee / Around the clock</li> </ul> |
| Person in charge                               | Department heads / HR service team  |  |  | Labor-management meeting chair / Welfare Committee chair  | HR service team  |  | Top management of administrative units   | Top management / Management level of administrative units  |
| Communication topics                           | <ul style="list-style-type: none"> <li>Company key issue collection</li> <li>Employee voice collection and timely response</li> </ul> |  |  | <ul style="list-style-type: none"> <li>Important issues requiring feedback from units with universality or through other company channels after being handled.</li> </ul> | <ul style="list-style-type: none"> <li>Key company issues</li> <li>Collection of employee voices and timely response to sexual harassment and illegal infringement issues</li> </ul> | <ul style="list-style-type: none"> <li>Key company issues</li> </ul>   | <ul style="list-style-type: none"> <li>Apart from submitting suggestions through employee representatives, employees can also submit suggestions 24/7 through our system, which immediately forwards them to relevant units for processing.</li> </ul> | <ul style="list-style-type: none"> <li>Sexual harassment and illegal infringement</li> </ul>   |

Note: Indirect units: Departments not directly involved in production activities, assisting or providing production-related services

Direct units: Employees directly involved in production and manufacturing, such as production and materials departments

## 2023 Employee Feedback Statistics

|                         | Staff meetings   | Labor-management meetings  | Employee suggestion box hotline  | Employee Welfare Committee  | Production Line Employees' Opinion Sharing Meeting   | Total  |
|-------------------------|--|--|--|---|--|--|
| 2021                    | Number of suggestions<br>0 cases<br><br>Number of cases processed<br>0 cases | Number of suggestions<br>0 cases<br><br>Number of cases processed<br>0 cases | Number of suggestions<br>0 cases<br>Number of cases processed<br>0 cases<br>Completion rate<br>0 %   | Number of suggestions<br>0 cases<br>Number of cases processed<br>0 cases<br>Completion rate<br>0 %  | Number of suggestions<br>1 cases<br>Number of cases processed<br>1 cases<br>Completion rate<br>100 % | Number of suggestions<br>1 cases<br>Number of cases processed<br>1 cases<br>Completion rate<br>100 % |
| 2022                    | Completion rate<br>0 %   | Completion rate<br>0 %   | Number of suggestions<br>5 cases<br>Number of cases processed<br>5 cases<br>Completion rate<br>100 %   |   | Number of suggestions<br>0 cases<br>Number of cases processed<br>0 case<br>Completion rate<br>0 %    | Number of suggestions<br>5 cases<br>Number of cases processed<br>5 cases<br>Completion rate<br>100 % |
| 2023                    |  |  | Number of suggestions<br>2 cases<br>Number of cases processed<br>2 cases<br>Completion rate<br>0 %   | Number of suggestions<br>1 cases<br>Number of cases processed<br>1 cases<br>Completion rate<br>100 %  |  | Number of suggestions<br>2 cases<br>Number of cases processed<br>2 cases<br>Completion rate<br>100 % |
| Major improvement items |  |  | <ul style="list-style-type: none"> <li>Management training on illegal infringement prevention</li> <li>Performance bonus evaluation criteria explanation meeting for direct labor</li> </ul> | <ul style="list-style-type: none"> <li>Improving employee benefits: monthly revenue sharing ratio, meal subsidies, child-rearing subsidies, etc.</li> </ul> |  |  |



## 7.5 Talent Cultivation and Training:

We cultivate talent through foundational education, developing employees' self-improvement abilities based on the company's management strategy goals, continuously enhancing organizational effectiveness.

| 2023   |  | 2024                           |  | 2025   |  | 2030   |  |  |  |
|--|--|--------------------------------|--|--|--|--|--|--|--|
| Talent Development<br>UNIVACCO Technology defines job competencies as the foundation for capability development, utilizing company resources comprehensively to provide a diverse and inclusive learning environment regardless of gender or job category. |  |                                |  |  |  |  |  |  |  |
| Goal   |  | Outcome                        |  | Goal   |  |  |  |  |  |
| Average training hours per employee: >30 hours   |  | Training hours<br>43 hours     |  | <ul style="list-style-type: none"><li>Average training hours per employee: &gt;30 hours</li><li>Diverse learning channels: 55 internal KM digital learning courses</li></ul> |  | <ul style="list-style-type: none"><li>Average training hours per employee: &gt;30 hours</li><li>Diverse learning channels: 60 internal KM digital learning courses</li></ul> |  | <ul style="list-style-type: none"><li>Average training hours per employee: &gt;30 hours</li><li>Diverse learning channels: 85 internal KM digital learning courses</li></ul> |  |
| Diverse learning channels: 50 internal KM digital learning courses   |  | Course offerings<br>49 courses |  |  |  |  |  |  |  |

Employees are UNIVACCO's most valuable asset. Besides encouraging continuous learning and talent utilization, we emphasize the development and ongoing growth of our employees' capabilities. To this end, the company integrates internal and external resources to provide a world-class platform and challenging, meaningful, and enjoyable work content. UNIVACCO has further established a talent development model, using core characteristics as a foundation to plan two major talent development strategies: preparing employees' future capabilities and unleashing employee potential and innovation. The company develops capability-oriented learning modules through diverse and flexible methods, coupled with training development plans for each job level, to prepare employees with skills needed for the future in advance and actively implement comprehensive talent reserve management. This allows employees to engage in lifelong learning with goals, actionable plans, and self-discipline, becoming an upward force driving social progress.

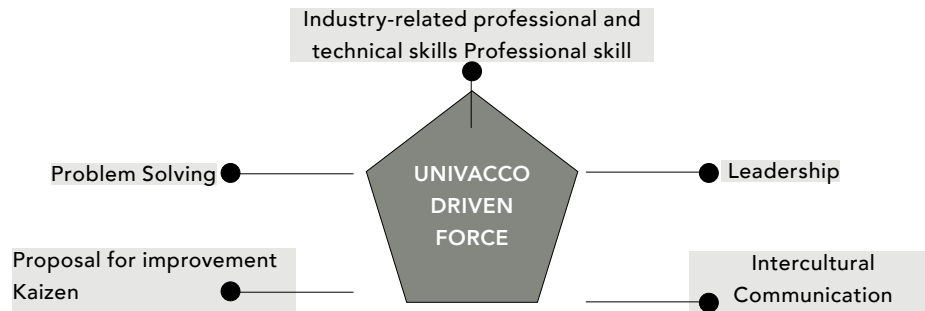
## Building Employee Capabilities for the Future

Facing operational growth demands, UNIVACCO emphasizes pre-emptive employee capability development and talent reserve management, ensuring suitable talent can fill positions when required, supporting rapid company development. Through talent inventory, UNIVACCO systematically establishes talent development plans tailored to operational needs and completes the company's talent pool. For example, since 2022, a three-year reserve cadre program for the manufacturing department has been launched, with 13 participants to date. The goal is to cultivate professional talent for stamping transfer products manufacturing sites with comprehensive capabilities in managing tasks and people.

### UNIVACCO Technology focused training approach

| Leadership skills  | Capability for improvement to proposals   | Problem-solving capabilities | International Communication Abilities   | Industry-related professional and technical skills  |
|--|---|------------------------------|---|---|
| <ul style="list-style-type: none"> <li>One-on-one situational leadership knowledge and skills training was provided to four senior executives, focusing on supporting subordinates, promoting collaboration, encouraging autonomy, and fostering a positive culture to establish a healthy culture that values open communication, respect, and trust.</li> <li>We introduced TWI (Training Within Industry) supervisory training to direct units, including Job Instruction (JI), Job Methods (JM), and Job Relations (JR), providing correct and rapid methods for instructing subordinates in developing job skills. In 2023, 111 participants completed the training.</li> </ul> | <ul style="list-style-type: none"> <li>According to employee training and development blueprints, staff are assigned to participate in CIT, TPM, or cross-departmental projects to develop problem analysis and solving skills, presentation abilities, project management, and team leadership.</li> <li>In 2023, TPM training reached 255 participants, accumulating 855 training hours, including the cultivation of four qualified internal instructors to pass on TPM autonomous maintenance knowledge and skills.</li> <li>In 2023, 39 people participated in CIT, cultivating four team leaders, adding one trainee mentor and one qualified internal instructor, fostering problem-solving experts and creating a learning organization culture.</li> </ul> |                              | <ul style="list-style-type: none"> <li>An English language mobile app learning program provides employees with self-directed English improvement opportunities for work applications, international communication skills, and global customer engagement.</li> <li>A total of 52 employees completed training.</li> </ul> | <ul style="list-style-type: none"> <li>According to departmental job descriptions and work statements, we identify gaps in evaluation expertise, and develop technical and professional training plans as needed by each department, implementing OJT programs within departments.</li> </ul> |

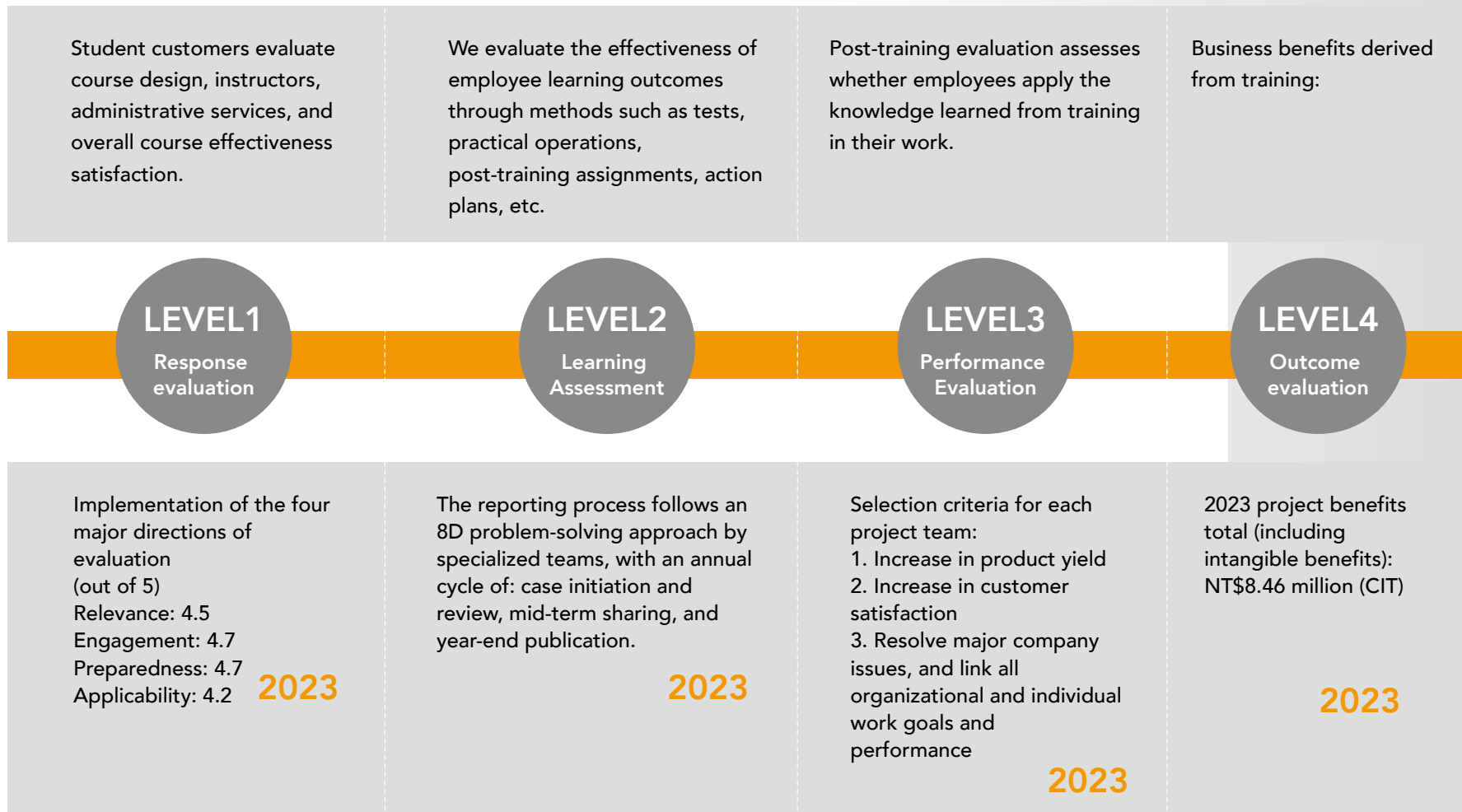




Language learning, TWI (Training Within Industry) supervisor training

|                   | Core competencies   | Management competencies  | Instructor competencies   | Self-development   | Professional competencies   |
|-------------------|---|--|---|--|---|
| Senior management | <ul style="list-style-type: none"> <li>Integrity and pragmatism</li> <li>Proactiveness</li> <li>Continuous learning</li> <li>Innovation and improvement</li> <li>Teamwork</li> <li>Customer orientation</li> <li>Gratitude and Contentment</li> </ul> | <ul style="list-style-type: none"> <li>Decision-making and judgment</li> <li>Cultivation and development</li> <li>Team Leadership</li> <li>Organizational Planning</li> <li>Performance-oriented</li> <li>Organizational Commitment</li> </ul> | <ul style="list-style-type: none"> <li>Theme-based instructor training (problem analysis and resolution, TPM series)</li> <li>Internal Lecturer Professional Training (Physical and Digital)</li> </ul> | <ul style="list-style-type: none"> <li>Seminar (benchmarking, expert exchange), speech (monthly staff meeting), reading club</li> <li>Language proficiency training</li> </ul> | <ul style="list-style-type: none"> <li>OJT training for the professional skills of each unit</li> </ul> |
| Middle management |   | <ul style="list-style-type: none"> <li>Communication and coordination</li> <li>Training and Guidance</li> <li>Team Leadership</li> <li>Problem-Solving</li> <li>Follow-up control</li> <li>Attention to Quality</li> </ul>                     |   |  |   |
| Entry-level staff |   | <ul style="list-style-type: none"> <li>Problem-Solving</li> <li>Team communication</li> <li>Self-management</li> <li>Knowledge management</li> </ul>   |   |  |   |

## Kirkpatrick Four-Level Training Evaluation Model - taking CIT as an example



## Average training hours per employee - by job function:

|      |   | Management Personnel | Professional Personnel | Administrative staff | Direct labor Personnel |
|------|---|----------------------|------------------------|----------------------|------------------------|
| 2021 | Number of employees (A)                     | 49                   | 135                    | 40                   | 294                    |
|      | Total training hours (B)                    | 3,475                | 4,166                  | 791                  | 7,293                  |
|      | Average training hours per employee (B)/(A) | 71                   | 31                     | 20                   | 25                     |
| 2022 | Number of employees (A)                     | 50                   | 128                    | 41                   | 296                    |
|      | Total training hours (B)                    | 4,742                | 5,433                  | 1,686                | 8,843                  |
|      | Average training hours per employee (B)/(A) | 95                   | 42                     | 41                   | 30                     |
| 2023 | Number of employees (A)                     | 45                   | 126                    | 44                   | 272                    |
|      | Total training hours (B)                    | 4,480                | 5,424                  | 1,625                | 9,453                  |
|      | Average training hours per employee (B)/(A) | 100                  | 43                     | 37                   | 35                     |

## Average training hours per employee - by gender

|   | 2021   |        | 2022   |        | 2023   |        |
|---|--------|--------|--------|--------|--------|--------|
|   | Female | Male   | Female | Male   | Female | Male   |
| Number of employees (A)                     | 104    | 414    | 105    | 410    | 103    | 384    |
| Total training hours (B)                    | 1,951  | 13,774 | 3,334  | 17,370 | 3,346  | 17,635 |
| Average training hours per employee (B)/(A) | 19     | 33     | 32     | 42     | 32     | 46     |

## Skill certification courses:

|      | Sessions | Participants | Person-hours |
|------|----------|--------------|--------------|
| 2021 | 213      | 1,669        | 1,139        |
| 2022 | 354      | 2,604        | 1,721        |
| 2023 | 429      | 2,801        | 2,154        |

## Note

1. JI work instruction training targets entry-level or first-line management personnel, providing accurate and rapid guidance on developing work skills.
2. Participants refer to the total number of people attending skill certification courses and Job Instruction programs throughout the year, including repeated attendees
3. Person-hours = Unduplicated training attendees × program duration

# 07

## Employee Relations and Social Engagement

### Talent Cultivation and Training

ESG REPORT 2023

Unleashing employee potential and innovation:

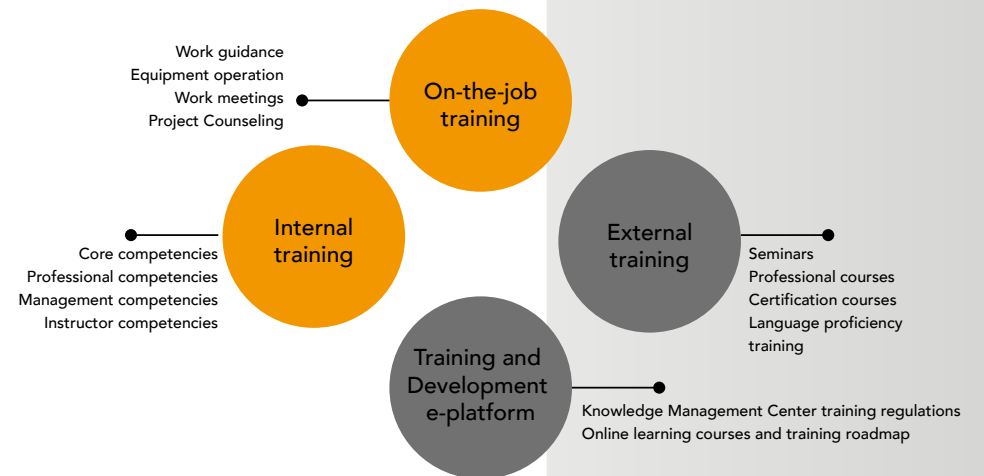
## 01 Internal lecturer resource development and performance

Talent is a key strategy for enhancing technological competitiveness. Internal lecturers share personal knowledge and experiences, playing a crucial role in assisting company talent cultivation. In 2023, there were 31 qualified instructors who conducted 124 in-person internal training sessions. We continued to train instructors to transition to digital instruction and guide them in designing and producing digital courses. By the end of 2023, we had cumulatively developed 49 internal KM (Knowledge Management) digital courses.



## 02 Diverse learning resources and channels

The internal instructor teaching model has transformed into digital courses combined with practical exercises, enhancing learners' practical application and knowledge utilization. This creates flexible, space-independent learning resources for trainees, effectively shortening the learning curve and reducing the common training program for new employees from three months to one month.



## 7.6 Social Engagement:

Implement social inclusion through two main axes: "Social Engagement" and "Educational Care", while considering both qualitative and quantitative multi-channel stakeholder engagement.

| 2023   |  | 2024   |  | 2025  |  | 2030   |  |
|--|--|--|--|---|--|--|--|
| Promoting community development and resource feedback  |  |  |  |   |  |  |  |
| Integrating internal and external resources, actively participating in public welfare activities to achieve social integration |  |  |  |   |  |  |  |
| Goal   |  | Outcome  |  | Goal  |  |  |  |
| Procurement of 4 local small farm products   |  | Purchased 2 items<br>Due to the pandemic impact, the employee cafeteria was not operational in H1. For Chinese New Year and Mid-Autumn Festival gifts, cantaloupes and pears were provided instead of traditional items. |  | <ul style="list-style-type: none"><li>• Procurement of 4 local small farm products</li><li>• Long-term educational outreach activities expanded to 3 target groups, with increased donation amount</li><li>• Adoption of 30 older adults of the Huashan Social Welfare Foundation</li></ul> | <ul style="list-style-type: none"><li>• Procurement of 4 local small farm products</li><li>• Long-term educational outreach activities expanded to 3 target groups, with increased donation amount</li><li>• Adoption of 30 older adults of the Huashan Social Welfare Foundation</li><li>• Poverty eradication: Invest in community action plans (older adults living alone and children in remote areas)</li></ul> | <ul style="list-style-type: none"><li>• Procurement of 4 local small farm products</li><li>• Long-term educational outreach activities expanded to 3 target groups, with increased donation amount</li><li>• Adoption of 30 older adults of the Huashan Social Welfare Foundation</li><li>• Poverty eradication: Invest in community action plans (older adults living alone and children in remote areas)</li></ul> |  |
| Long-term educational support for 3 beneficiary groups, with increased donations   |  | Educational sponsorship for 3 individuals: sponsored by the Child Welfare Foundation, Dushan Elementary School, and pole vault athlete Lin, Tsung-Hsien.   |  |   |  |  |  |
| Adoption of 30 older adults of the Huashan Social Welfare Foundation   |  | Adoption of 30 people<br>Organized 1 event to accompany older adult beneficiaries  |  |   |  |  |  |



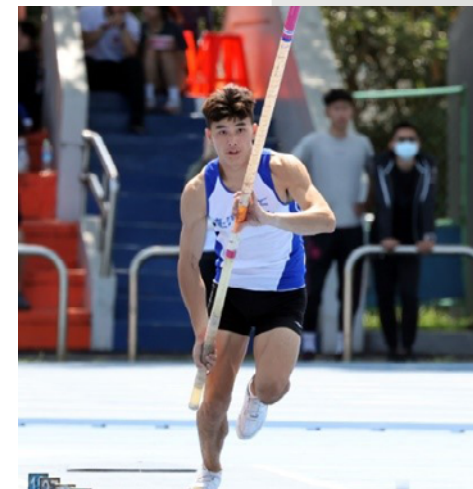
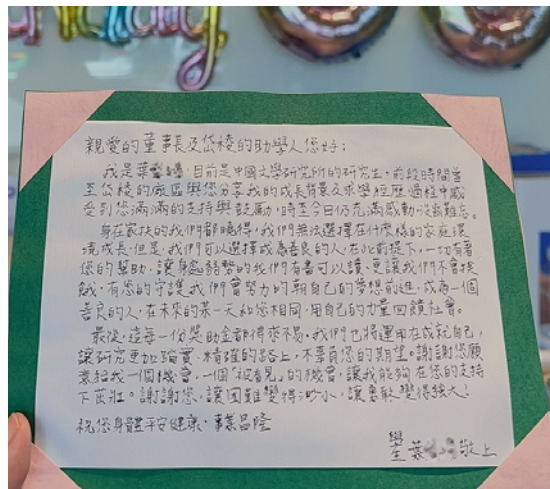
### 7.6.1 Educational assistance initiatives

As wealth disparity in Taiwan gradually widens, UNIVACCO has donated over NT\$6.48 million in scholarships over 23 consecutive years to support underprivileged students in the Tainan area who are striving for education but face economic constraints. This has helped nearly 4,000 children from disadvantaged families near the Taiwan Fund for Children and Families' North Tainan Center. In 2023, 238 employees participated in the scholarship donation action, for a participation rate of 48.9%, accumulating NT\$664,700 in donations, the second-highest in history, bringing hope and change to disadvantaged children and families.

Since 2021, UNIVACCO has annually donated NT\$100,000 in educational funds to the erhu club of Tainan Municipal Madou District Dashan Elementary School. Through corporate support, we aim to inject more arts and cultural resources into local elementary schools, providing children with diverse learning opportunities.

Since 2022, UNIVACCO has invested resources in nurturing potential national sports talents, supporting athlete Lin Tsung-Hsien. With UNIVACCO sponsorship, athletes can reduce their concerns and face future challenges.

In 2023, Lin Tsung-Hsien won gold at the National Intercollegiate Athletic Games. Born in the golden age of domestic pole vaulting, Lin Tsung-Hsien expressed feeling fortunate when interviewed. "This is excellent, let's all work together to advance our standards to Asian or even world-class levels." Lin Tsung-Hsien especially thanked his coach for guidance and UNIVACCO for sponsorship, giving him the opportunity to prove that his abilities have no limits.



### 7.6.2 Care for lonely older adults

As Taiwan approaches an aging society, the demand for long-term care services and facilities is gradually expanding, with resource gaps becoming a potential issue. The health and well-being of older individuals in rural areas and those living alone face challenges. UNIVACCO has been supporting service expenses for older individuals in the Madou area who are disabled, have dementia, or lack support for six consecutive years. To date, the company has sponsored nearly 100 older individuals living alone in the Madou area, with cumulative donations amounting to approximately NT\$1.425 million. In 2023, UNIVACCO further invited the supported older adults to celebrate Mother's Day together.



### 7.6.3 Local community feedback and employee participation in public welfare

UNIVACCO has long been attentive to local agricultural product dynamics. In addition to supplying company catering, we also purchase from local small farmers for our annual holiday gift boxes, actively supporting Taiwan's local agricultural products, implementing carbon reduction, and reducing food miles.

In 2023, UNIVACCO continued to host on-site blood donation events, with 78 participants donating 108 units of blood. The company integrated ESG concepts into employee relation activities (such as year-end banquets, anniversary charity events, and holiday themes), engaging employees in philanthropic efforts. This approach embodies the corporate culture of gratitude and the three core elements of local care and sustainability issues. Through event design, employees and their families participated in enjoyable activities that fostered cohesion and collective engagement in social responsibility actions. For example, for Mother's and Father's Day, employees were gifted with COP27 eco-friendly gift boxes, reducing 3,740 kg of carbon emissions, equivalent to planting 340 20-year-old trees.



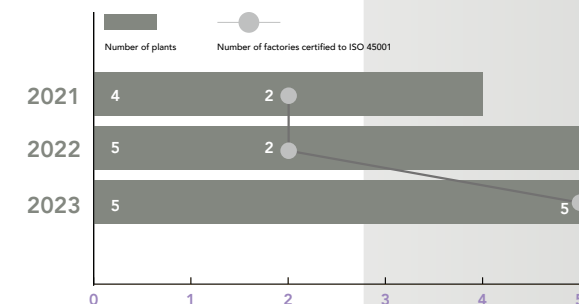


## 7.7 Occupational Health and Safety

| 2023   |  | 2024   |  | 2025   |  | 2030   |  |
|--|--|--|--|--|--|--|--|
| Promoting safety culture<br>Promoting a people-centric safety culture, managing safety risks, and building an intrinsically safe work environment  |  |  |  |  |  |  |  |
| Goal   | Outcome  |  |  | Goal   |  |  |  |
| <ul style="list-style-type: none"><li>Disabling Injury Frequency Rate 0</li><li>Disabling injury severity rate 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> | <ul style="list-style-type: none"><li>Injury frequency 0</li><li>Injury severity rate 0</li><li>Construction incidents 0 cases</li><li>Completion rate100%</li></ul> | <ul style="list-style-type: none"><li>Frequency Rate of disabling injuries: 0</li><li>Severity Rate of disabling injuries: 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> | <ul style="list-style-type: none"><li>Frequency Rate of disabling injuries: 0</li><li>Severity Rate of disabling injuries: 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> | <ul style="list-style-type: none"><li>Frequency Rate of disabling injuries: 0</li><li>Severity Rate of disabling injuries: 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> | <ul style="list-style-type: none"><li>Frequency Rate of disabling injuries: 0</li><li>Severity Rate of disabling injuries: 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> | <ul style="list-style-type: none"><li>Frequency Rate of disabling injuries: 0</li><li>Severity Rate of disabling injuries: 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> | <ul style="list-style-type: none"><li>Frequency Rate of disabling injuries: 0</li><li>Severity Rate of disabling injuries: 0</li><li>Contractor work-related incidents: 0</li><li>Employee safety training program completion rate: 100%</li></ul> |

UNIVACCO Technology, adhering to the principle that employees are the company's most important asset, continues to prioritize safety and health management to care for employees and their families. In 2020, VC1 and VC2 plants obtained ISO 45001:2018 Occupational Health and Safety Management System certification. In 2023, all plants in Tainan obtained ISO 45001:2018 certification, ensuring the continued effectiveness of the occupational health and safety management system and implementing international standard requirements to protect the safety and health of all employees.

Number of factories certified to ISO 45001





## Safety and Health Organization Operation

To implement the company's EHS policy, UNIVACCO Technology holds monthly Occupational Safety and Health Committee meetings chaired by the CEO. The following issues are reviewed in the meetings, and the minutes are distributed to each unit for execution after review.

|   |  |    |   |
|---|--|----|---|
| 1 | Make recommendations for the occupational safety and health policies formulated by the employer. | 7  | Review the business unit's self-inspection and safety and health audit matters.               |
| 2 | Coordinate and recommend occupational safety and health management plans.                        | 8  | Review the preventive measures for machinery, equipment, raw materials, and material hazards. |
| 3 | Review the safety and health education and training implementation plan.                         | 9  | Review the occupational Accident investigation report.  |
| 4 | Review the operating environment monitoring plan, monitoring results, and measures to be taken.  | 10 | Evaluate on-site safety and health management performance.                                    |
| 5 | Review health management, occupational disease prevention, and health promotion matters.         | 11 | Review the safety and health management matters of contracted business.                       |
| 6 | Review various safety and health proposals.  | 12 | Other matters related to occupational safety and health management.                           |

### Percentage of labor representatives on UNIVACCO's safety and health committee in 2023

Number of labor  
representatives (A)

12 persons

Total number of  
committee members (B)

28 persons

Ratio (A/B x 100%) **43%**

## Occupational safety and health management effectiveness

Through the management and promotion of the Safety and Health Committee, a total of 11 important projects were implemented in 2023:

- Regularly identify laws and regulations and track the legal compliance status of all plants.
- Occupational safety and health internal and external stakeholder communication/follow-up incidents: 21 cases in total
- Eleven safety officer meetings were convened, increasing communication channels for non-management employees, sharing important resolutions from Occupational Safety and Health Committee meetings, improvement progress on proposals, and safety and health management performance.
- The workplace environment monitoring plan is executed at least twice annually, covering chemical and physical factors. For areas with elevated monitoring values, the responsible units are required to propose improvement strategies to ensure employee safety and health. Additionally, for special hazards to health management (noise operations), monthly measurements are conducted to monitor noise levels in work areas and address issues promptly. A total of 77 employees underwent complete examinations and follow-up management.
- Although the company is a dust-free workplace, we continue to monitor changes every six months to ensure workplace safety
- We organized three on-site blood donation events in cooperation with the Tainan Blood Center. We encourage employees to form sports clubs, with currently active clubs including boxing aerobics, yoga, badminton, and soccer. We also held eight health promotion seminars.
- Maternity protection/health consultation/injury care (including care for confirmed COVID-19 cases), a total of 131 employees
- Occupational safety and health experts were invited to conduct on-site training for Occupational Safety and Health Committee members and engineering staff from outsourcing units. The training focused on workplace safety responsibilities for managers at various levels and analysis of contractor management responsibilities, with a total of 50 participants.
- Formulate an environmental safety and health performance implementation plan and officially launch it in 2024
- The ergonomic KIM (Key Indicator Method) analysis unit was the front-end packaging in the materials department. Based on the analysis results, medium-load steps were selected. Effective improvement strategies were formulated through personnel tool simulations, with improvements expected to be completed in 2024.
- We review the company's hazardous chemical inventory and workplace environmental monitoring results through the "Hazardous Chemical Assessment and Grading Management Technical Guidelines," conducting grading reviews. The grading results are announced to clearly assess and manage according to the classification.

## 07

## Employee Relations and Social Engagement

ESG REPORT 2023

## Occupational safety and health education and training completion rate of 100%

| Course title  | Number of persons planned | Number of persons actually completed | Completion rate |
|---|---------------------------|--------------------------------------|-----------------|
| First responders preliminary  | 2                         | 2                                    | 100%            |
| Class B boiler operator preliminary                                     | 5                         | 5                                    |                 |
| Organic solvent operation supervisor preliminary                        | 2                         | 2                                    |                 |
| Supervisor of Specific Chemical Operations Preliminary                  | 1                         | 1                                    |                 |
| Rooftop Operations Supervisor Preliminary                               | 1                         | 1                                    |                 |
| Hypoxia Operations Supervisor Preliminary                               | 6                         | 6                                    |                 |
| Aerial Vehicle Operator Preliminary                                     | 3                         | 3                                    |                 |
| Operators of forklifts over 1 tonne Preliminary                         | 25                        | 25                                   |                 |
| Operators for fixed cranes between 0.5 and 2.99 metric tons Preliminary | 14                        | 14                                   |                 |
| Fire Prevention Manager Preliminary                                     | 1                         | 1                                    |                 |
| Hazardous Goods Security Supervisor Preliminary                         | 1                         | 1                                    |                 |
| Hazardous Goods Security Inspector Preliminary                          | 1                         | 1                                    |                 |
| First responders Qualifying   | 21                        | 21                                   |                 |
| Class B boiler operator Qualifying                                      | 3                         | 3                                    |                 |
| Organic solvent operation supervisor Qualifying                         | 7                         | 7                                    |                 |
| Dust operations supervisor Qualifying                                   | 1                         | 1                                    |                 |
| Operators of forklifts over 1 tonne Qualifying                          | 42                        | 42                                   |                 |
| Fixed crane operators for loads between 0.5 and 2.99 tons Qualifying    | 21                        | 21                                   |                 |
| Fire prevention manager Qualifying                                      | 2                         | 2                                    |                 |
| Hazardous Goods Security Supervisor Qualifying                          | 3                         | 3                                    |                 |
| Hazardous materials transport personnel Qualifying                      | 1                         | 1                                    |                 |
| Total   | 163                       | 163                                  | 100%            |

## Occupational safety and health management practices

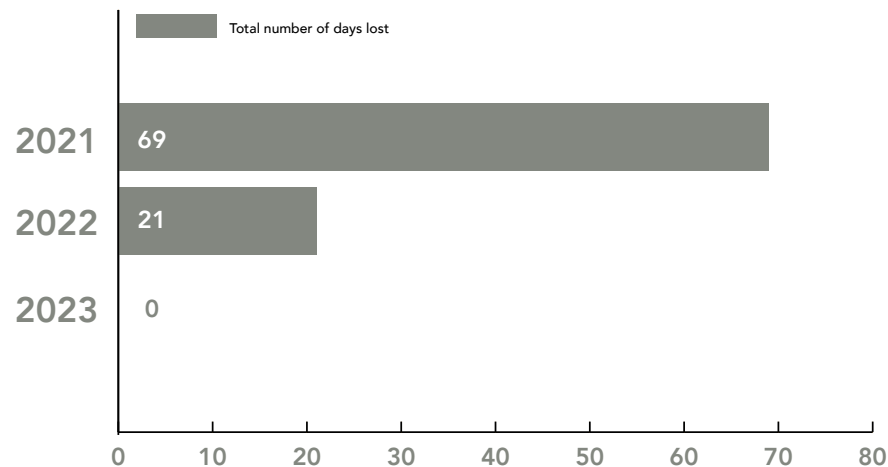
UNIVACCO Technology's occupational injury statistical analysis is based on the disability injury statistical indicators published by the Ministry of Labor, primarily using the Frequency Rate (FR) and Severity Rate (SR) as the main statistical bases (excluding off-site traffic accidents).

In 2023, UNIVACCO's Tainan plant recorded zero disabling injuries and four minor injuries. The Frequency Rate (FR) was 0, the Severity Rate (SR) was 0, and the Total Recordable Injury Frequency Rate (TRIFR) was 4.23.

Note: Definition of disabling injuries: Including death, permanent total disability, permanent partial disability, and temporary total disability.

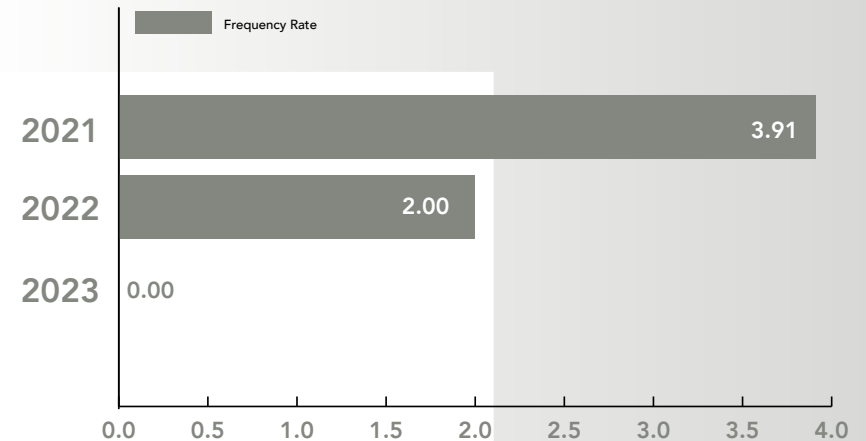
Minor injury definition: Cuts or bruises that can be treated with simple first aid and allow the employee to continue working.

Total lost working days of Tainan Plant over the years



Note: Total lost days - recorded as the total number of days lost due to occupational injuries, excluding the day of injury and the day of return to work. However, this excludes weekends, holidays, or business unit shutdowns and subsequent reopenings, as well as other full days of work stoppage caused by the incident.

UNIVACCO Tainan Plant Lost Time Injury Frequency Rate Over the Years



Note : Lost Time Injury Frequency Rate (LTIFR) = Number of lost time injuries x 106 / Total hours worked; calculated to two decimal places, rounding down after the third decimal place.

## 07

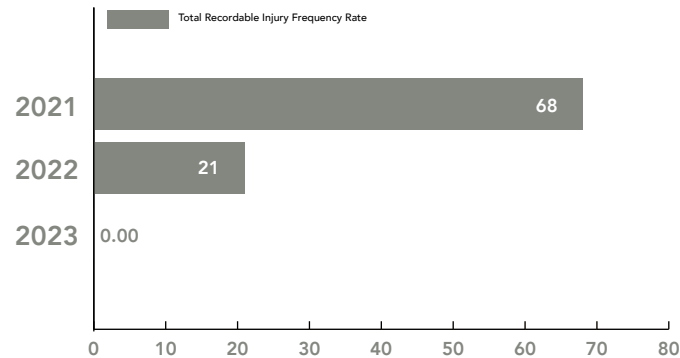
## Employee Relations and Social Engagement

## Occupational Health and Safety

ESG REPORT 2023

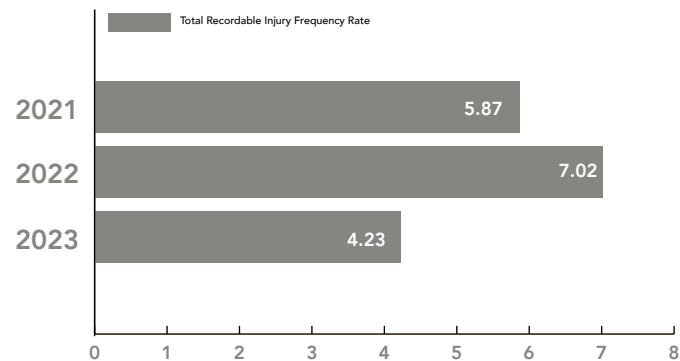
|   | Employees Note 1 | Resident Contractors Note 2 |  |
|---|------------------|-----------------------------|--|
| Number of People                                      | 476              | 16                          | <p>Note 1: Employees - Only includes employees at UNIVACCO Technology's Tainan plant, excludes 11 Taiwanese employees stationed overseas.</p> <p>Note 2: On-site contractors - Security guards and cleaning staff.</p> <p>Note 3: Minor injury definition: Cuts or bruises that can be treated with simple first aid and allow the employee to continue working.</p> <p>Note 4: Near miss incident rate = [Total number of near miss incidents (cases) / Total hours worked (hours)] x 200,000; calculated to two decimal places, rounding down after the third decimal place. The factor 200,000 is derived from 100 employees working 2,000 hours per year.</p> <p>Note 5: Recordable injuries - Includes lost time injuries and minor injuries.</p> <p>Note 6: Total Recordable Injury Frequency Rate (TRIFR) = Number of recordable injuries x6 / Total hours worked; calculated to two decimal places, rounding down after the third decimal place.</p> <p>Note 7: Lost Time Injury Frequency Rate (LTIFR) = Number of lost time injuries x 106 / Total hours worked; calculated to two decimal places, rounding down after the third decimal place.</p> <p>Note 8: Lost Time Injury Severity Rate (LTISR) = Total days lost x 106 / Total hours worked; calculated to the nearest whole number, rounding down after the decimal point.</p> <p>Note 9: Serious occupational injuries - As defined in Article 37, Paragraph 2 of the Occupational Safety and Health Act, includes: 1. Fatalities 2. Injuries to 3 or more people 3. Injuries requiring hospitalization for 1 or more people 4. Other incidents specified by the central competent</p> <p>Note 10: Fatality rate is the number of fatalities per million hours worked, calculated as: Number of fatalities due to work-related injury x 106 / Total hours worked.</p> |
| Working hours   | 944739           | 42976                       |  |
| Number of Near Miss Incidents                         | 15               | 0                           |  |
| Number of Disabling Cases                             | 0                |                             |  |
| Number of minor injuries Note 3                       | 4                |                             |  |
| Number of deaths                                      | 0                |                             |  |
| Near-miss incident rate Note 4                        | 3.18             |                             |  |
| Total Number of Cases of Recordable Injury Note 5     | 4                |                             |  |
| Total Recordable Injury Frequency Rate (TRIFR) Note 6 | 4.23             |                             |  |
| Frequency Rate (FR) of disabling injuries Note 7      | 0                |                             |  |
| Severity Rate (SR) of disabling injuries Note 8       | 0                |                             |  |
| Serious occupational injury Note 9                    | 0                |                             |  |
| Mortality Rate Note 10                                | 0                |                             |  |

UNIVACCO Tainan Plant Lost Time Injury Severity Rate Over the Years



Note : Lost Time Injury Frequency Rate (LTIFR) = Number of lost time injuries x 106 / Total hours worked; calculated to two decimal places, rounding down after the third decimal place.

UNIVACCO Tainan Plant Total Recordable Injury Frequency Rate



Note : Lost Time Injury Frequency Rate (LTIFR) = Number of lost time injuries x 106 / Total hours worked; calculated to two decimal places, rounding down after the third decimal place.

## 2023 Revisions to Incident Reporting, Handling and Investigation Procedures:

### I. Ensuring Comprehensive Incident Investigation Process

- Initial incident report to be completed within 24 hours and submitted for approval.
- Incident investigation meeting to be convened within one week of occurrence.
- Final incident investigation report to be approved within two weeks of occurrence.
- Investigation techniques include Why-tree analysis, Person/Machine/Material/Method/Environment, and 5W1H to implement effective corrective and preventive measures.
- Concurrent re-assessment of hazards and risks identified during investigation.

Monthly reporting of investigation results to top management at Occupational Safety and Health Committee meetings to ensure implementation of countermeasures.

### II. Hazard Identification and Risk Assessment Management:

Comprehensive revision of hazard identification and risk assessment management procedures, and company-wide review of operational hazards and risk assessments by all units, updating hazard identification and risk opportunity assessment forms accordingly.

Hazards with risk levels  $\geq 4$  and non-compliant regulatory assessments are included in the "Unacceptable Risk and Risk Opportunity Improvement Measures Management Table" for resolution by the Occupational Safety and Health Committee, with tracking of improvement progress.

#### Safety Indicators

In 2023, incident classifications and work safety indicators were redefined. The year saw seven green lights, three red lights, and two yellow lights, primarily due to two abnormal incidents and 15 near-miss incidents. Improvements and protective measures have been implemented for each incident and extended across all facilities to reduce unsafe operations and environments. The ongoing goal is to achieve green light status monthly.

## Traffic Light System Criteria

|              | Abnormal incidents | Near-miss incidents |
|--------------|--------------------|---------------------|
| Green light  | 0 cases            | 2 case              |
| Yellow light |                    | 3 cases             |
| Red light    |                    | 1 cases             |

## Monthly incident thresholds defined based on operational impact:

## Abnormal incidents

Events in mechanical, equipment, design, construction, operation, storage, transportation, and management areas resulting in property damage, personal injury/fatality, or fines due to unsafe acts, unsafe conditions, or poor safety and health management.

## Near-miss incidents

Events in the aforementioned areas that, due to abnormal procedures, unsafe acts, unsafe conditions, or poor safety and health management, disrupt or hinder normal operations without causing injury but causing alarm.

## Annual Incident Count by Level

2021-2023 Monthly Work Safety Traffic Light Statistics Chart

|      | 1 JAN | 2 FEB | 3 MAR | 4 APR | 5 MAY | 6 JUN | 7 JUL | 8 AUG | 9 SEP | 10 OCT | 11 NOV | 12 DEC | Green light | Yellow light | Red light |
|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|--------|--------|--------|-------------|--------------|-----------|
| 2021 | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●      | ●      | ●      | 9           | 1            | 2         |
| 2022 | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●      | ●      | ●      | 5           | 3            | 4         |
| 2023 | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●     | ●      | ●      | ●      | 7           | 2            | 3         |

## III. Enhancing Hardware Facilities and Software Safety Management

During facility and equipment changes, relevant departments collaborate to conduct safety and health risk assessments in their respective areas of expertise, following regulations, planning, design, and construction. Safety and health are ensured through the following procedures:

## Machine and Chemical Safety Management

New machine designs undergo type verification and internal safety protection review. Chemical management follows the "Regulations for Labeling and Hazard Communication of Hazardous Chemicals," assessing chemical risks and establishing control mechanisms. To mitigate risks, new machines and chemicals are reviewed for hazard characteristics, evaluating related equipment, ventilation exhaust treatment facilities, and personal protective measures.

## Change Management System

The change management system has been revised to prevent unacceptable risks, significant environmental impacts, safety and health hazards, or other losses resulting from changes through pre-review and preventive measures.

## Occupational Safety and Health Procedure Management

In addition to controlling high-risk operations, contractor management, chemical safety management, and safety audit systems, emergency response procedures are properly planned with regular drills. Contractors are actively guided to improve their safety self-management capabilities, and employee operating procedures are continuously refined to progress towards the goal of zero accidents and zero disasters.

## 2023 Continuous Improvements in Personnel and Facility Safety:

### Fire and Explosion Prevention Management:

Occupational safety engineers re-zoned hazardous areas company-wide and conducted a comprehensive review of explosion-proof electrical compliance.

### Fire Equipment Management Reorganization:

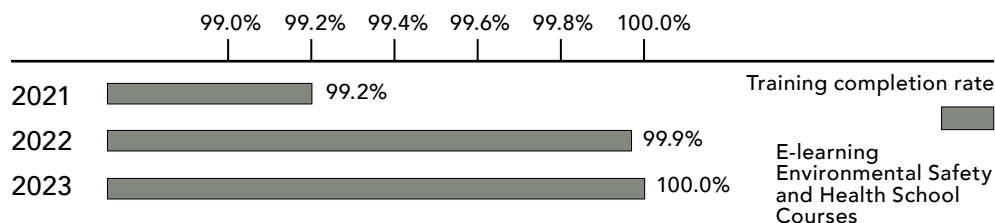
Company-wide fire equipment management was overhauled, consolidating fire equipment positioning maps, redefining labeling management, expiration dates, and responsible personnel. Emergency response cabinets were reorganized, integrating firefighting clothing and respirator bottles. Chemical spill response cabinets and handling vehicles were added in specific areas to enhance emergency response capabilities.

### Strengthened Contractor Management System:

Implemented construction permit applications and project safety meetings for high-risk operations, introduced a blacklist system, and enforced on-site construction supervision for contractors, improving construction discipline and management. No contractor incidents occurred in 2023.

### Environmental Safety and Health On-the-Job Training:

The E-learning Environmental Safety and Health School continued semi-annual training, integrating current safety, environmental protection (air/water/waste/toxics/greenhouse gases), fire safety, and traffic safety concepts. Random quizzes were used to test knowledge, with focused review on areas where employees showed weaker understanding, ensuring sufficient workplace safety knowledge.



### Fire and Chemical Spill Response Process Enhancement:

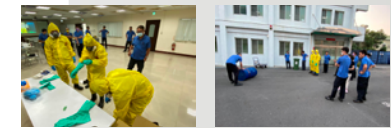
1. Plant-wide evacuation drills, fire hose and extinguisher operation training, and three-minute emergency response exercises were conducted, with 534 participants in total.
2. Three chemical spill response drills were held with 33 participants. Each trainee practiced donning Level C protective suits and chemical-resistant boots to reinforce correct basic protective equipment use and ensure adequate protection.

### Fire Safety System Improvement:

Proactively planned and implemented installation of a CO2 fire suppression system in the VC1 plant coating area, scheduled for completion in the first half of 2024. (Note: Other plant coating areas and server rooms have already been equipped)



Fire Hose Operation Training



Protective Suit Donning and Chemical Spill Drill

### Regular inspections of electrical equipment operations

To ensure continuous stable operations, we regularly conduct infrared thermal imaging (IR) inspections of high-risk electrical and high-temperature equipment through external professional agencies. We promptly implement improvements for any detected anomalies, effectively reducing operational interruption risks.

### Occupational safety and health SWOT analysis review:

The safety unit annually uses SWOT analysis to comprehensively review internal strengths and weaknesses and external opportunities and threats in occupational safety and health. The analysis results are incorporated into the company's annual short-, medium-, and long-term objectives for tracking and improvement.

### Internal and external audits of the occupational safety and health system:

From 2022 to 2023, two internal auditor training courses were conducted. The internal audit approach was adjusted to cross-auditing, with a kick-off meeting held before the formal audit to explain audit focus areas and methods in detail. Through these adjustments, employees gained a clearer understanding of the occupational safety and health system's operation and key points, gradually achieving the goal of full employee participation.



## Corporate autonomous disaster prevention demonstration drill

In 2023, UNIVACCO Technology co-organized a corporate self-initiated disaster prevention demonstration drill with the Tainan City Fire Department. Through interactive tabletop exercises and actual drills, the company enhanced its initial response capabilities and was selected by the Tainan City Government for outstanding performance in self-initiated response during the initial stages of disasters. In response to the Tainan City Government's promotion of corporate volunteer firefighters, seven UNIVACCO Technology employees participated, receiving professional training from the fire department to become seed instructors for the company's emergency response team. This initiative enhances the company's initial rescue and self-response capabilities and demonstrates its commitment to public safety.



news report URL

<https://www.ettoday.net/news/20230111/2420864.htm>



## Appendix 1 : GRI Content Index

GRI 1 Version Used : GRI 1: Foundation 2021 | Application of GRI Sector Standards : GRI 1: Not applicable

Statement of Use : UNIVACCO Technology has prepared its 2023 Sustainability Report with reference to the GRI Standards. The reporting period covers January 1, 2023 to December 31, 2023.

|  | GRI Guidelines                  | Disclosure item  | Page number | Remarks  |
|--|---------------------------------|--|-------------|--|
| The Organization and its Reporting Practices | GRI 2: General Disclosures 2021 | GRI 1: Foundation 2021   |             |  |
|  |                                 | 2-1 Organizational Details   | 05          | 01 About This Report                             |
|  |                                 | 2-2 Entities included in the organization’s sustainability reporting             | 04          |  |
|  |                                 | 2-3 Reporting period, frequency and contact point                                | 04 06       |  |
| 2-4 Restatements of information              |                                 | 04   |             |  |
| Activities and Workers                       |                                 | 2-6 Activities, value chain and other business relationships                     | 05 39       | 01 About This Report<br>5.3 Business performance |
|  |                                 | 2-7 Employees  | 112         | 7.2 Best Workplace                               |
|  |                                 | 2-8 Workers who are not employees  | 113         |  |
| Governance                                   |                                 | 2-9 Governance structure and composition   | 29          | 5.2 Governance structure                         |
|  |                                 | 2-10 Nomination and selection of the highest governance body                     | 28          |  |
|  |                                 | 2-11 Chair of the highest governance body  | 05          | 01 About This Report                             |
|  |                                 | 2-12 Role of the highest governance body in overseeing the management of impacts | 33          | 5.2 Governance structure                         |
|  |                                 | 2-13 Delegation of responsibility for managing impacts                           | 32          |  |
|  |                                 | 2-14 Role of the highest governance body in sustainability reporting             |             |  |
|  |                                 | 2-15 Conflicts of interest   | 30          |  |

| Governance | GRI Guidelines                  | Disclosure item   | Page number | Remarks                  |
|------------|---------------------------------|---|-------------|--------------------------|
|            | GRI 1: Foundation 2021          |   |             |                          |
|            | GRI 2: General Disclosures 2021 | 2-16 Communication of critical concerns                           | 33          | 5.2 Governance structure |
|            |                                 | 2-17 Collective knowledge of the highest governance body          | 28          |                          |
|            |                                 | 2-18 Evaluation of the performance of the highest governance body | 30          |                          |
|            |                                 | 2-19 Remuneration policies  | 120         | 7.2 Best Workplace       |
|            |                                 | 2-20 Process to determine remuneration                            | 35          | 5.2 Governance structure |

|  | GRI Guidelines                        | Disclosure item   | Page number  | Remarks  |
|--|---------------------------------------|---|--------------|--|
| Strategy,<br>Policies and<br>Practices       | GRI 2: General<br>Disclosures 2021    | 2-22 Statement on sustainable development strategy                        | 09           | 02 Message from the Chair of the<br>Corporate Sustainability Development<br>Committee  |
|  |                                       | 2-23 Policy commitments   | 13           | 3.2 Commitments  |
|  |                                       | 2-24 Embedding policy commitments   | 79           | 5.11 Business Ethics   |
|  |                                       | 2-25 Processes to remediate negative impacts                              | 57 80 127    | 5.7 Customer Relationship Management<br>5.11 Business Ethics<br>7.3 Human Rights   |
|  |                                       | 2-26 Mechanisms for seeking advice and raising concerns                   | 06 20 80 131 | 01 About This Report<br>04 Material Topics and Stakeholders<br>5.11 Business Ethics<br>7.4 Labor Relations and Friendly<br>Workplace |
|  |                                       | 2-27 Compliance with laws and regulations                                 | 75 108 126   | 5.10 Regulatory Compliance<br>6.3 Waste Management<br>7.3 Human Rights   |
|  |                                       | 2-28 Membership associations  | 42           | 6.3 Waste Management   |
|  |                                       | 2-29 Approach to stakeholder engagement                                   | 16 20 21     | 7.3 Human Rights   |
| Stakeholder<br>Engagement                    | GRI 3: Material<br>Topics 2021        | 2-30 Collective bargaining agreements                                     |              | No labor union organization, no<br>collective bargaining agreement signe   |
|  |                                       | 3-1 Process to determine material topics                                  | 16           | 04 Material Topics and Stakeholders  |
|  |                                       | 3-2 List of material topics   | 18           |  |
| Corporate<br>Governance<br>and<br>Operations | GRI 201: Economic<br>Performance 2016 | 3-3 Management of material topics   |              |  |
|  |                                       | 201-1 Direct economic value generated and distributed by the organization | 37           | 5.3 Business Performance   |
|  |                                       | 201-3 Defined benefit plan obligations and other retirement plans         | 124          | 7.2 Best Workplace   |
|  |                                       | 201-4 Financial subsidies received from the government                    | 38           | 5.3 Business Performance   |

|                      | GRI Guidelines                                | Disclosure item  | Page number | Remarks   |
|----------------------|---|--|-------------|---|
| ★<br>Material Topics | Product Quality Management                    | GRI 416 Customer Health and Safety 2016<br>416-2 Incidents of non-compliance concerning the health and safety impacts of products and services | 45          | 5.4 Innovation Development and Intellectual Property Protection |
| ★<br>Material Topics | Cyber security and personal data protection   | GRI 418 Customer Privacy 2016<br>418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data            | 55          | 5.6 Cyber Security and Personal Data Protection                 |
| ★<br>Material Topics | Customer Relationship Management              | GRI 417 Marketing and Labeling 2016<br>417-2 Incidents of non-compliance concerning product and service information and labeling               | 58          | 5.7 Customer Relationship Management                            |
| ★<br>Material Topics |   | 417-3 Incidents of non-compliance concerning marketing communications  | 40          | 5.3 Business Performance  |
| ★<br>Material Topics | Sustainable Supply Chain Management           | GRI 308 Supplier Environmental Assessment 2016<br>308-1 New suppliers that were screened using environmental criteria                          | 67          | 5.8 Sustainable Supply Chain Management                         |
|                      |   | GRI 414 Supplier Social Assessment 2016<br>414-1 New suppliers that were screened using social criteria  | 67          |   |
| ★<br>Material Topics | Climate Change Strategy and Energy Management | GRI 302 Energy 2016<br>302-1 Energy consumption within the organization  | 98          | 6.2 Climate Change Strategy and Energy Management               |
|                      |   | 302-3 Energy intensity   | 99          |   |
|                      |   | GRI 303 Water and Effluents 2018<br>303-5 Water consumption  | 100         |   |

|  | GRI Guidelines                               | Disclosure item  | Page number | Remarks   |
|--|--|--|-------------|---|
| <div>★</div> <div>Material Topics</div> <div>Climate Change Strategy and Energy Management</div> | GRI 305 Emissions 2016                       | 305-1 Direct (Scope 1) GHG emissions   | 93          | 6.2 Climate Change Strategy and Energy Management |
|  |  | 305-2 Energy indirect (Scope 2) GHG emissions  | 94          |   |
|  |  | 305-3 Other indirect (Scope 3) GHG emissions   | 95          |   |
|  |  | 305-4 GHG emissions intensity  | 96          |   |
|  |  | 305-5 Reduction of GHG emissions   | 97          |   |
| <div>★</div> <div>Material Topics</div> <div>Waste Management</div>                              | GRI 306 Waste 2020                           | 306-1 Waste generation and significant waste-related impacts                               | 104         | 6.3 Waste Management                              |
|  |  | 306-2 Management of significant waste-related impacts                                      |             |   |
|  |  | 306-3 Waste generated  |             |   |
| <div>★</div> <div>Material Topics</div> <div>Talent Attraction and Retention</div>               | GRI 202 Market Presence 2016                 | 202-2 Proportion of senior management hired from the local community                       | 118         | 7.2 Best Workplace                                |
|  | GRI 405 Diversity and Equal Opportunity 2016 | 405-1 Diversity of governance bodies and employees   | 28 113      | 5.2 Governance Structure<br>7.2 Best Workplace    |
|  | GRI 404 Training and Education 2016          | 404-3 Percentage of employees receiving regular performance and career development reviews | 114         | 7.2 Best Workplace                                |

|   | GRI Guidelines  | Disclosure item  | Page number | Remarks   |
|---|---|--|-------------|---|
| <div>Occupational Health and Safety</div> <div>Material Topics</div>                              | GRI 403 Occupational Health and Safety 2018                       | 403-1 Occupational health and safety management system   | 142         | 7.7 Occupational Health and Safety                              |
|   |   | 403-2 Hazard identification, risk assessment, and incident investigation   | 145         |   |
|   |   | 403-3 Occupational health services   | 122         | 7.2 Best Workplace  |
|   |   | 403-4 Worker participation, consultation, and communication on occupational health and safety  | 143         | 7.7 Occupational Health and Safety                              |
|   |   | 403-5 Worker training related to occupational health and safety  | 144         |   |
|   |   | 403-6 Promotion of worker health   | 122         | 7.2 Best Workplace  |
|   |   | 403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships                    | 147         | 7.7 Occupational Health and Safety                              |
|   |   | 403-9 Work-related injuries  | 145         |   |
| <div>Innovative Development and Intellectual Property Protection</div> <div>Material Topics</div> | Specific Standard Disclosures - Other (UNIVACCO's own indicators) | Promoting environmentally friendly product research and development innovation, strengthening intellectual property management systems | 43          | 5.4 Innovation Development and Intellectual Property Protection |
| <div>Risk management</div> <div>Material Topics</div>   |   | Establish a structured risk management process   | 71          | 5.9 Risk management   |
| <div>Integrity and Compliance</div> <div>Material Topics</div>                                    |   | Deepen the compliance culture and ethical management and implement compliance  | 75 78       | 5.10 Regulatory Compliance<br>5.11 Business Ethics              |



## Appendix 2:SASB Resource Transformation Industry Disclosure Standards

## Appendix 2 : SASB Index: Resource Transformation\_Industrial Machinery &amp; Goods

## SASB Resource Transformation Industry Disclosure Standards

|   | Indicator code  | Disclosure item   | Nature         | Page number | Report Chapter or Description   |
|---|---|---|----------------|-------------|---|
| Climate Change Strategy and Energy Management | SASB Index:Resource Transformation_Industrial Machinery & Goods |   |                |             |   |
|   | RT-IG- 130a.1   | (1) Total energy consumption  | Quantification | 98          | 6.2 Climate Change Strategy and Energy Management                             |
|   |   | (2) Percentage consumption of electricity supplied by the power company   |                |             |   |
|   |   | (3) Percentage consumption of electricity powered by renewable energy   |                |             |   |
| Employee health and safety                    | RT-IG- 320a.1   | (1) Total Recordable Injury Rate (TRIR)   |                | 145         | 7.7 Occupational Health and Safety  |
|   |   | (2) Mortality rate  |                |             |   |
|   |   | (3) Near Miss Frequency Rate (NMFR)   |                |             |   |
| Fuel Economy and Emissions                    | RT-IG- 410a.1   | Sales-weighted fuel efficiency of medium- and heavy-duty vehicles   |                |             | Not applicable (the Company does not sell medium-duty or heavy-duty vehicles) |
|   | RT-IG- 410a.2   | Sales-weighted fuel efficiency of off-road equipment  |                |             | Not applicable (the Company does not sell non-road equipment)                 |
|   | RT-IG- 410a.3   | Sales-weighted fuel efficiency of stationary generators   |                |             | Not applicable (the Company does not sell stationary generators)              |
|   | RT-IG- 410a.4   | Calculated based on the weighted sales volume of the following product types:<br>(1) Nitrogen oxides (NOx)<br>(2) Emissions of particulate matter (PM):<br>a. Marine diesel engines<br>b. Railroad locomotive diesel engines<br>c. Medium/heavy duty road engines<br>d. Other non-road diesel engines |                |             | Not applicable (the Company does not sell stationary generators)              |

## Appendix 2:SASB Resource Transformation Industry Disclosure Standards

|  | Indicator code | Disclosure item  | Nature         | Page number | Report Chapter or Description                                      |
|--|----------------|--|----------------|-------------|--|
| Remanufacturing<br>Design and<br>Service | RT-IG-440b.1   | Revenue from remanufactured products and remanufacturing services              | Quantification |             | Not applicable (the Company does not sell remanufactured products) |
| Material<br>Procurement                  | RT-IG-440a.1   | Describe the management of risks associated with the use of critical materials | Quantification | 66          | 5.8 Sustainable Supply Chain Management                            |
| Activity<br>Indicator                    | RT-IG- 000.A   | Number of Units Produced by Product Category                                   | Quantification | 05          | 01 About This Report   |
|  | RT-IG- 000.B   | Number of employees  |                |             |  |

## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

### Appendix 3 : Quantitative Compilation of Key Performance Indicators for Sustainable Development

|                             | Item   | 2021   | 2022   | 2023    | Note                  | GRI Disclosure | Chapter   |
|-----------------------------|--|--------|--------|---------|-----------------------|----------------|---|
| Corporate Governance Aspect | Economic value   |        |        |         |                       |                |   |
|                             | Revenue (NTD 100 millions)                               | 28.48  | 28.08  | 24.59   |                       | 201-1          | 5.3 Business performance  |
|                             | EPS (NTD)  | 1.61   | 2.91   | 2.21    |                       |                |   |
|                             | R&D  |        |        |         |                       |                |   |
|                             | R&D expenses (NTD thousand)                              | 84,121 | 81,375 | 112,468 |                       | N/A            | 5.4 Innovation Development and Intellectual Property Protection |
|                             | Proportion of R&D Expenses to Total Investment (%)       | 2.95   | 2.90   | 4.57    |                       |                |   |
|                             | Development of environmentally friendly products (Case)  | N/A    | N/A    | 15      | 2023 as the base year |                |   |
|                             | Board of Directors                                       |        |        |         |                       |                |   |
|                             | Number of board members (persons)                        | 9      | 9      | 9       |                       | 405-1          | 5.2 Governance structure  |
|                             | Government subsidies                                     |        |        |         |                       |                |   |
|                             | Government financial subsidies (NTD thousands)           | 244    | 401    | 727     |                       | 201-4          | 5.3 Business performance  |
|                             | Risk Management  |        |        |         |                       |                |   |
|                             | Percentage of major risk items reduced in risk level (%) | 57     | 73     | 82      |                       | N/A            | 5.9 Risk management   |

## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

|                             | Item  | 2021 | 2022 | 2023 | Note | GRI Disclosure | Chapter   |
|-----------------------------|---|------|------|------|------|----------------|---|
| Corporate Governance Aspect | CIT benefits  |      |      |      |      |                |   |
|                             | CIT benefits (NTD ten thousands)  | 814  | 326  | 846  |      | N/A            | 5.5 Product Quality Management                  |
|                             | Customer satisfaction survey  |      |      |      |      |                |   |
|                             | Customer complaint rate (%)   | 0.35 | 0.43 | 1.44 |      | N/A            | 5.7 Customer Relationship Management            |
|                             | Overall customer satisfaction score(points)   | 80   | 74   | 81   |      |                |   |
|                             | Product satisfaction score (points)   | 85   | 81   | 84   |      |                |   |
|                             | Service satisfaction score (points)   | 77   | 79   | 84   |      |                |   |
|                             | Professional competence satisfaction score (points)   | 80   | 76   | 78   |      |                |   |
|                             | Development trend satisfaction score (points)   | 76   | 75   | 78   |      |                |   |
|                             | Customer privacy  |      |      |      |      |                |   |
|                             | Number of substantiated complaints concerning breaches of customer privacy (cases)  | 0    | 0    | 0    |      | 418-1          | 5.6 Cyber security and personal data protection |
|                             | Violations of social laws and regulations   |      |      |      |      |                |   |
|                             | Number and monetary value of significant fines for non-compliance with laws and regulations in the social and economic area (cases) | 0    | 0    | 0    |      | 2-27           | 5.10 Regulatory Compliance                      |

## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

|                             | Item   | 2021 | 2022 | 2023 | Note  | GRI Disclosure | Chapter   |
|-----------------------------|--|------|------|------|---|----------------|---|
| Corporate Governance Aspect | Supply chain   |      |      |      |   |                |   |
|                             | Number of alternative sources developed  | 7    | 7    | 6    |   | N/A            | 5.8 Sustainable Supply Chain Management                         |
|                             | Cumulative number of alternative sources developed   | 14   | 21   | 27   | 2018 as base year   |                |   |
|                             | Number of supply disruptions   | 7    | 0    | 0    |   | N/A            |   |
|                             | Percentage of suppliers signing commitment to non-use of environmentally hazardous substances (%)                    | 95   | 100  | 100  |   | 308-1          |   |
|                             | Percentage of critical suppliers signing CSR commitment (%)  | 95   | 100  | 100  |   | N/A            |   |
|                             | Green procurement ratio (%)  | 100  | 100  | 100  |   |                |   |
|                             | Improvement completion rate of on-site audits for critical suppliers (%)   | N/A  | N/A  | 88   | On-site audits not conducted in 2021 and 2022 due to pandemic |                |   |
|                             | Non-compliance with regulations concerning health and safety impacts of products and services                        |      |      |      |   |                |   |
|                             | Number of incidents of non-compliance with regulations concerning health and safety impacts of products and services | 0    | 0    | 0    |   | 416-2          | 5.4 Innovation Development and Intellectual Property Protection |
|                             | Non-compliance with marketing and labeling regulations   |      |      |      |   |                |   |
|                             | Number of incidents of non-compliance with regulations concerning product and service information and labeling       | 0    | 0    | 0    |   | 417-2          | 5.7 Customer Relationship Management                            |
|                             | Number of incidents of non-compliance with regulations concerning marketing communications                           | 0    | 0    | 0    |   | 417-3          | 5.3 Business performance  |

## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

|                      | Item  | 2021      | 2022      | 2023      | Note | GRI Disclosure | Chapter   |
|----------------------|---|-----------|-----------|-----------|------|----------------|---|
| Environmental aspect | Greenhouse gas emissions  |           |           |           |      |                |   |
|                      | Total GHG emissions (tCO <sub>2</sub> e)                                | 95,521.89 | 81,843.08 | 73,486.24 |      | N/A            | 6.2 Climate Change Strategy and Energy Management |
|                      | Direct (Scope 1) GHG emissions (tCO <sub>2</sub> e)                     | 13,101.56 | 10,037.05 | 13,729.51 |      | 305-1          |   |
|                      | Indirect (Scope 2) GHG emissions (tCO <sub>2</sub> e)                   | 15,360.70 | 13,883.53 | 11,782.94 |      | 305-2          |   |
|                      | Indirect (Scope 4) GHG emissions (tCO <sub>2</sub> e)                   | 67,059.62 | 57,922.49 | 47,973.79 |      | 305-3          |   |
|                      | Total GHG emissions per unit of production area (gCO <sub>2</sub> e/m²) | 172.00    | 177.26    | 181.76    |      | 305-4          |   |
|                      | GHG emissions reduction (tCO <sub>2</sub> e)                            | 456.87    | 942.43    | 1,825.88  |      | 305-5          |   |
|                      | Energy consumption  |           |           |           |      |                |   |
|                      | Total energy consumption (billion joules)                               | 1,606.5   | 1,400.1   | 1,406.8   |      | 302-1          | 6.2 Climate Change Strategy and Energy Management |
|                      | Electricity intensity (kWh/k.m²)  | 53.6      | 58.3      | 59.1      |      | N/A            |   |
|                      | Electricity conservation rate (%)                                       | 0.84      | 1.30      | 3.13      |      |                |   |
|                      | Water consumption (m³)  | 52,826    | 47,883    | 44,775    |      | 303-5          |   |
|                      | Water intensity (m3/k.m²)   | 0.10      | 0.10      | 0.11      |      | N/A            |   |

## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

|                      | Item   | 2021     | 2022     | 2023     | Note | GRI Disclosure | Chapter              |
|----------------------|--|----------|----------|----------|------|----------------|----------------------|
| Environmental aspect | Waste generation                                       |          |          |          |      |                |                      |
|                      | Total waste generated (metric tons)                    | 2,298.02 | 1,978.54 | 1,830.78 |      | 306-3          | 6.3 Waste Management |
|                      | Hazardous waste (metric tons)                          | 543.27   | 401.44   | 422.02   |      |                |                      |
|                      | Non-hazardous waste (metric tons)                      | 1,170.95 | 1,093.48 | 988.40   |      |                |                      |
|                      | Recycled waste (metric tons)                           | 583.81   | 483.62   | 420.36   |      |                |                      |
|                      | Waste recycling rate (%)                               | 85.97    | 75.84    | 85.59    |      | 306-2          |                      |
|                      | Waste film generation intensity (kg/k.m²)              | 1.06     | 1.00     | 0.98     |      | N/A            |                      |
|                      | Waste resin generation intensity (kg/k.m²)             | 0.61     | 0.57     | 0.70     |      |                |                      |
|                      | Waste intensity (kg/k.m²)                              | 4.14     | 4.29     | 4.53     |      |                |                      |
|                      | Environmental protection expenditures                  |          |          |          |      |                |                      |
|                      | Environmental protection expenditures (NT\$ thousands) | 241,532  | 35,409   | 81,015   |      | 2-27           | 6.3 Waste Management |

## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

|               | Item   | 2021 | 2022 | 2023 | Note | GRI Disclosure | Chapter                            |
|---------------|--|------|------|------|------|----------------|------------------------------------|
| Social Aspect | Human Rights Management  |      |      |      |      |                |                                    |
|               | Percentage of women in management positions (%)  | 12   | 14   | 13   |      | 405-1          | 7.2 Best Workplace                 |
|               | Number of labor disputes (cases)   | 0    | 0    | 0    |      | N/A            | 7.3 Human rights                   |
|               | Number of incidents of discrimination (cases)  | 0    | 0    | 0    |      | 406-1          |                                    |
|               | Number of employees  |      |      |      |      |                |                                    |
|               | Number of female employees (persons)   | 104  | 105  | 103  |      | 405-1          | 7.2 Best Workplace                 |
|               | Percentage of women in senior management positions (%)   | 12   | 14   | 13   |      |                | 5.2 Governance structure           |
|               | Percentage of women on the board of directors (%)  | 11   | 11   | 11   |      |                |                                    |
|               | Percentage of employees with disabilities (%)  | 1    | 1    | 1    |      |                | 7.2 Best Workplace                 |
|               | Return to work rate after parental leave (%)   | 100  | 56   | 80   |      | 401-3          |                                    |
|               | Turnover rate for key talent (%)   | 1.02 | 0.87 | 0.79 |      | 401-1          | 7.2 Best Workplace                 |
|               | Overall employee turnover rate (%)   | 22.8 | 23.5 | 13.6 |      |                |                                    |
|               | New employee hire rate (%)   | 21.4 | 23.5 | 8.2  |      |                |                                    |
|               | Percentage of worker representation on formal joint management-worker health and safety committees (%) | 50   | 38   | 43   |      | 403-4          | 7.7 Occupational Health and Safety |



## Appendix 3: Quantitative Compilation of Key Performance Indicators for Sustainable Development

|               | Item  | 2021 | 2022 | 2023 | Note | GRI Disclosure | Chapter                                    |
|---------------|---|------|------|------|------|----------------|--|
| Social Aspect | Average hours of training per employee (hours/person)                   |      |      |      |      |                |  |
|               | Average training hours per employee (hours)                             | 30   | 40   | 43   |      | 404-1          | 7.5 Human capital development and training |
|               | Employee performance evaluation   |      |      |      |      |                |  |
|               | Percentage of employees receiving regular performance reviews (%)       | 98.8 | 98.4 | 97.5 |      | 404-3          | 7.2 Best Workplace                         |
|               | Occupational health and safety management performance                   |      |      |      |      |                |  |
|               | Number of work-related injuries (cases)                                 | 0    | 0    | 0    |      | 403-2          | 7.7 Occupational Health and Safety         |
|               | Severity Rate (SR) of disabling injuries                                | 68   | 21   | 0    |      |                |  |
|               | Frequency Rate (FR) of disabling injuries                               | 3.91 | 2    | 0    |      |                |  |
|               | Emergency response training   |      |      |      |      |                |  |
|               | Number of emergency response drills conducted (times)                   | 51   | 28   | 20   |      | 403-5          | 7.7 Occupational Health and Safety         |
|               | Number of employees participating in emergency response drills (person) | 679  | 280  | 534  |      |                |  |

## Appendix 4: Third-Party Verification Report for Univacco Technology Inc. ESG Report 2023



## ASSURANCE STATEMENT

## SGS TAIWAN LTD.'S REPORT ON SUSTAINABILITY ACTIVITIES IN THE UNIVACCO TECHNOLOGY INC.'S ESG REPORT FOR 2023

## NATURE AND SCOPE OF THE ASSURANCE

SGS Taiwan Ltd. (hereinafter referred to as SGS) was commissioned by Univacco Technology Inc. (hereinafter referred to as UNIVACCO) to conduct an independent assurance of the ESG Report for 2023 (hereinafter referred to as the Report). The scope of assurance is based on the SGS Sustainability Report Assurance methodology and AA1000 Assurance Standard v3 Type 1 Moderate level to assess whether the text and data in accompanying tables contained in the report presented and complies with the GRI Standards and AA1000 Accountability Principles (2018) during assurance (2024/11/04-2024/12/06) in UNIVACCO headquarter. The assurance process did not include the evaluation of specific performance information outside the scope, such as climate-related financial disclosures (TCFD), sustainability accounting standards (SASB), and non-material topics and the related indicators.

SGS reserves the right to update the assurance statement from time to time depending on the level of report content discrepancy of the published version from the agreed standards requirements.

## INTENDED USERS OF THIS ASSURANCE STATEMENT

This Assurance Statement is provided with the intention of informing all UNIVACCO's Stakeholders.

## RESPONSIBILITIES

The information in the UNIVACCO's ESG Report of 2023 and its presentation are the responsibility of the directors or governing body and management of UNIVACCO. SGS has not been involved in the preparation of any of the material included in the Report.

Our responsibility is to express an opinion on the report content within the scope of assurance with the intention to inform all UNIVACCO's stakeholders.

## ASSURANCE STANDARDS, TYPE AND LEVEL OF ASSURANCE

The SGS ESG & Sustainability Report Assurance protocols used to conduct assurance are based upon internationally recognized assurance guidance and standards including the principles of reporting process contained within the Global Reporting Initiative Sustainability Reporting Standards (GRI Standards) GRI 1: Foundation 2021 for report quality, GRI 2 General Disclosure 2021 for organization's reporting practices and other organizational detail, GRI 3 2021 for organization's process of determining material topics, its list of material topics and how to manages each topic, and the guidance on levels of assurance contained within the AA1000 series of standards.

The assurance of this report has been conducted according to the following Assurance Standards:

| Assurance Standard Options | Level of Assurance   |
|----------------------------|--|
| A                          | SGS ESG & SRA Assurance Protocols (based on GRI Principles and guidance in AA1000) |
| B                          | AA1000ASv3 Type 1 Moderate (AA1000AP Evaluation only)                              |

TWUPP 5008 Issue 2404

## SCOPE OF ASSURANCE AND REPORTING CRITERIA

The scope of the assurance included evaluation of adherence to the following reporting criteria:

## Reporting Criteria Options

- |   |   |
|---|---|
| 1 | GRI Standards (Reference)               |
| 2 | AA1000 Accountability Principles (2018) |

- AA1000 Assurance Standard v3 Type 1 evaluation of the report content and supporting management systems against the AA1000 Accountability Principles (2018) is conducted at a moderate level of scrutiny, and therefore the reliability and quality of specified sustainability performance information is excluded.
- The evaluation of the report against the requirements of GRI Standards is listed in the GRI content index as material in the report and is conducted with reference to the Standards.

## ASSURANCE METHODOLOGY

The assurance comprised a combination of pre-assurance research, interviews with relevant employees, superintendents, Sustainability committee members and the senior management in Taiwan; documentation and record review and validation with external bodies and/or stakeholders where relevant.

## LIMITATIONS AND MITIGATION

Financial data drawn directly from independently audited financial accounts, Task Force on Climate-related Financial Disclosures (TCFD), SASB related disclosures, and non-material topics and the related indicators has not been checked back to source as part of this assurance process.

## STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and assurance, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance. SGS affirm our independence from UNIVACCO, being free from bias and conflicts of interest with the organization, its subsidiaries and stakeholders.

The assurance team was assembled based on their knowledge, experience and qualifications for this assignment, and comprised auditors registered with ISO 26000, ISO 20121, ISO 50001, SA8000, RBA, QMS, EMS, SMS, GPMS, CFP, WFP, GHG Verification and GHG Validation Lead Auditors and experience on the SRA Assurance service provisions.

## ASSURANCE / VERIFICATION OPINION

On the basis of the methodology described and the assurance work performed, the assurance team are satisfied that the disclosure with inclusivity, materiality, responsiveness, and impact information in the scope of assurance is reliable, has been fairly stated and has been prepared, in all material respects, in accordance with the reporting criteria.

The assurance team believe that the organization has chosen an appropriate level of assurance for this stage in their reporting.

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## ADHERENCE TO AA1000 ACCOUNTABILITY PRINCIPLES (2018)

## INCLUSIVITY

UNIVACCO has demonstrated a good commitment to stakeholder inclusivity and stakeholder engagement. A variety of engagement efforts such as survey and communication to employees, customers, investors, suppliers, CSR experts, and other stakeholders are implemented to underpin the organization's understanding of stakeholder concerns.

## MATERIALITY

UNIVACCO has established effective processes for determining issues that are material to the business. Formal review has identified stakeholders and those issues that are material to each group and the report addresses those at an appropriate level to reflect their importance and priority to these stakeholders. Integration of the assessment process across the organization, including through relevant processes, such as risk management and compliance with laws, regulations, and internal policies and procedures.

## RESPONSIVENESS

The governance of senior management, including key cross-functional involvement, implement a process for developing responses related to material topics and involving stakeholders' feedback towards each topic that is applied across the organization has been observed by the assurance work conduct. The report includes coverage given to stakeholder engagement and channels for stakeholder feedback.

## IMPACT

UNIVACCO has demonstrated a process on identify and fairly represented impacts that encompass a range of environmental, social and governance topics from wide range of sources, such as activities, policies, programs, decisions and products and services, as well as any related performance. Integrate identified impacts into key management processes, the materiality assessment process and organizational strategy, risk analysis, goal-setting and operations. Measurement and evaluation of its impacts related to material topic were in place at target setting with combination of qualitative and quantitative measurements.

## GLOBAL REPORTING INITIATIVE REPORTING STANDARDS CONCLUSIONS, FINDINGS AND

## RECOMMENDATIONS

The report, UNIVACCO's Report of 2023, is reporting with reference to the GRI Universal Standards 2021 and complies with the requirements set out in section 3 of GRI 1 Foundation 2021. The significant impacts were assessed and disclosed with reference to the guidance defined in GRI 3: Material Topic 2021 and the relevant 200/300/400 series Topic Standard related to Material Topic have been disclosed. The report has properly disclosed information related to UNIVACCO's contributions to sustainability development. The processes of materiality assessment and impact management are documented and integrated into the organization, including through relevant internal processes such as risk management, compliance, strategy development and performance management. For future reporting, UNIVACCO is encouraged to involve the subsidiaries into the scope of disclosure, including management processes on the identified impacts on the economy, environment, and people, including impacts on their human rights.

## Signed:

For and on behalf of SGS Taiwan Ltd.

Stephen Pao  
Business Assurance Director  
Taipei, Taiwan  
20 December, 2024  
[WWW.SGS.COM](http://WWW.SGS.COM)



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# ESG REPORT

Environmental, Social and Governance Report

UNIVACCO TECHNOLOGY INC.

