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Corporate website **www.secom.com.tw**



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2023.07.21 SEC-DC327

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Printed by Inprint International
Development/70pcs

Taiwan SECOM

2022 SUSTAINABILITY REPORT

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2022 Sustainability Performance

The total market value of Taiwan Secom Co., Ltd. in 2022 was approximately **NT\$45.1 billion**

NT\$2.579 billion in net income after tax NT\$5.85 in earnings per share

NT\$15.357 billion

in consolidated revenue of the Group

ROA 10.76%

ROE 21.25%

Obtained **499** patents

Obtained **55** new patents in 2022

NT\$7.287 billion

in operating revenue

Output totaling over **NT\$15.3 billion**

GOVERNANCE



SOCIAL



ENVIRONMENT



Lantern Star Cultivation Program

Preliminary APCS course in collaboration with Yilan Senior High School and GEPT training program in collaboration with Lan-Yang Girls' Senior High School
Invested more than NT\$10 million in the ICT training program for ICT industry talents

48,013

elderly care visits

NT\$42 million

in total donations to art activities

After-school courses for the disadvantaged benefited more than **3,200** schoolchildren

1111 Job Bank Happy Enterprise **Gold Award**

NT\$38.46 million

in government green procurement

2022 compared to 2020 (baseline year)

Number of customers increased by 102.3%

Reduced carbon emissions by

39.3 tons in service dispatches

Replacement of light fixtures over three years

Reduced energy consumption by

2.12 million kWh

Reduced fees by

NT\$12.95 million

Invested

2022

Establishment of "Baohwa Trust Co., Ltd." with CHT Security Co., Ltd. and official launch of the "5th generation integrated computer security system" (ISS).



2021

Taiwan Secom Group developed the Taiwan Secom G.Life app to integrate users' work, community, and residential life. The app helps users complete daily chores on their phones.



2020

Taiwan Secom assisted Kaohsiung in building a smart city with 5G communication technology for road safety monitoring, vehicle and pedestrian traffic flow analysis, license plate recognition, smart parking systems, electronic information display boards, and IoT integration system platform.

2017

Taiwan Secom participated in the project at the TAF Innovation Base for Startups sponsored by the Industrial Development Bureau, Ministry of Economic Affairs to create the "Base of Innovation for IoT Services by Taiwan Secom Unlimited Plus" that enables visitors to experience the future of smart living.

2016

The Company held the Taiwan Secom Unlimited Plus + brand events to expand services to food, medical, residential, and entertainment services to upgrade all services.

2016

The first brick-and-mortar store for services from Taiwan Secom Unlimited Plus named the "Taiwan Secom Unlimited Plus Home Living Pavilion" was inaugurated to integrate resources and reach communities and neighborhoods, and thereby expand channels and provide services. Stores will soon be opened across Taiwan.



2015

Taiwan Secom launched "Taiwan Secom Unlimited Plus" to integrate related technologies and equipment to make IoT smart life a reality and provide people with tangible and convenient services of IoT.



2013

Taiwan Secom collaborated with the Department of Social Welfare of Taipei City Government in the development of the "Senior iCare Emergency Rescue System".

2013

By upholding the spirit "safety cannot be standardized", Taiwan Secom received the 23rd National Quality Award from the Executive Yuan.



2012

Taiwan Secom launched the "NXT Smart Business Management and Security System", which provides security system and energy-saving system functions.



2012

Taiwan Secom launched the "My Biz - POS Cloud Store Management System" and became the first in the industry to offer leasing options for POS and attendance tracking services.



2011

"MyCASA Smart Home Management" was selected as the "Top 100 Brands in Taiwan" by the Bureau of Foreign Trade, Ministry of Economic Affairs



2011

Taiwan Secom formed an alliance with Camillian St. Mary's Hospital Luodong to launch the "Health Care Cloud" system which incorporated cloud technology to help regional hospitals provide remote care services.

2009

"MyCASA Smart Home Management" was officially launched to instantly transform residences into smart residences.



2009

Purchased automated external defibrillators (AEDs) to provide comprehensive services.



2005

The MiniBond satellite positioning search service was officially launched to transform security services from fixed-point security to a new era of "mobile security".

2004

Taiwan Secom launched the comprehensive "financial digital image monitoring system" to integrate security systems with real-time video transmission technology for security services to progress from transmission of signals to transmission of videos.

ESG

About this Report



No. 1 Brand in Taiwan's Security Services Industry

Name of Company: **Taiwan Secom Co., Ltd.**
 Date of Establishment: **November 1977**
 Core Values: **Secure, Reliable, Convenience**
 Head Office: **No. 139, Zhengzhou Rd., Taipei City**
 Capital: **NT\$4,512,000,000**

Report Date

The Company has issued a Corporate Social Responsibility Report each year for 10 consecutive years since 2013. This report discloses the performance of Taiwan Secom Co., Ltd. (hereinafter referred to as "Taiwan Secom") in economic, social, and environmental aspects in 2022 (from January 1 to December 31). The title "Corporate Social Responsibility Report" was changed to "Sustainability Report" in 2021.

Scope of Reporting

The scope of the Report covers the operating activities and services of Taiwan Secom in Taiwan and includes the activities of Taiwan Secom Cultural and Educational Foundation. With regard to electricity consumption, the information is compiled from the Company's self-developed energy platform, covering the head office, Training Center, remote office spaces (branches, offices, and telecommunications rooms), and dormitories. The statistics for fuel consumption of vehicles are based on the company vehicles of units in Taiwan. Certain activities of Taiwan Secom's affiliates are also highlighted.

Principles of this Report

The Corporate Sustainability Report released by Taiwan Secom included Taiwan Secom's responses to corporate governance, community involvement, employee care, green energy, environmental protection, and innovative services. The Company is committed to publish the Corporate Social Responsibility Report each year to review the results of Taiwan Secom's fulfillment of corporate social responsibility and report the actions taken by Taiwan Secom for implementing corporate social responsibility policies.

The Report is prepared in accordance with the core concepts of the GRI Standards published by the Global Sustainability Standards Board (GSSB) in 2021. It also takes into account the stakeholder inclusiveness, sustainability context, materiality, and completeness, and provides the GRI content index for reference. The Report is also prepared in accordance with the industry standards for "Professional & Commercial Services" published by the Sustainable Accounting Standards Board (SASB) and the Climate-Related Financial Information Disclosure (TCFD) Recommendations published by the Financial Stability Board (FSB). In addition, the preparation and filing of the Report also complies with laws and regulations such as the "Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies" and "Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of Taiwan Stock Exchange Corporation.

The information and statistical data disclosed in the Report are statistical results compiled by Taiwan Secom and Taiwan Secom Cultural and Educational Foundation. Financial data are based on public information certified by accountants and some data are based on public data published on the websites of government agencies. All data descriptions are based on the usual numerical description methods. Data that required conversion are specified at a suitable location in the Report.

Report Verification

The information disclosed in the Report and the contents were reviewed and verified by the main members of the "Sustainable Development Committee" and the Report is issued after the approval of the Chairman. To ensure the reliability and of the information disclosed in the Report, the Company appointed an independent and credible auditor, EY Taiwan, to conduct a limited assurance review in accordance with the Assurance Standards Bulletin No. 1 "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation of the 2022 Sustainability Report prepared by Taiwan Secom based on the core option of GRI standards. Upon the completion of the assurance review, relevant results have been fully communicated with the governance unit. Please refer to the Independent Assurance Statement in the Attachment of this Report for details of the scope of assurance and conclusion.

Contact information

Advertising and Publicity Office,
 General Management Office, Taiwan Secom Co., Ltd. Tel: 02-2557-5050
 Address: 10F, No. 139, Zhengzhou Rd., Taipei City 103 Email: service@secom.com.tw

A Message from the Management

Sustainable development is not only an obligation of a company but also a responsibility. Taiwan Secom has therefore integrated the resources of the Group to strive for economic growth, social progress, and environmental and ecological protection. We have continuously worked hard on environmental protection, social responsibility, and corporate governance.

In terms of environmental protection, Taiwan Secom has continuously supported government policies as a leader of the industry. We have provided long-term assistance to municipalities in Taiwan in setting up smart city with AI and we have worked hard to develop environmentally friendly services and products.

The Company established the GHG Inventory Committee in 2022 to conduct GHG inventory and meet the requirements in the Sustainable Development Guidemap announced by the Financial Supervisory Commission. We supported government green procurement policies and received energy conservation excellence awards from Taipei City and New Taipei City. We also used the attendance efficiency integration platform to reduce unproductive attendances. Despite a 102.3% increase in the number of customers from the baseline year of 2020 to 2022, the actual number of attendances fell to 96.7%, which reduced carbon emissions by more than 39.3 tons and the cumulative electricity conservation in office spaces totaled 2,128,379kWh. These are concrete results in carbon reduction and ESG efforts achieved by Taiwan Secom with the use of technology.

In terms of social responsibility, Taiwan Secom is committed to creating an equal, diverse, and fair employment environment to provide employees with a safe and healthy workplace environment. Taiwan Secom won the Gold Award in the Happy Enterprise Evaluation conducted by 1111 Job Bank in 2022 for more than 2,000 enterprises.

Taiwan Secom provided services to 15,619 people in the "Emergency Rescue Services for Elderly Living Alone and People with Disabilities" in 2022 based on assignments of 11 municipal governments in Taiwan. The successful rescues and track records of service earned the trust of government institutions and the elderly.

The Group also consolidated its resources for public welfare with continuous long-term after-school courses for the disadvantaged which have benefited more than 3,200 schoolchildren and the "Lantern Star" training program to cultivate young students with potential in Yilan. We provided long-term sponsorship to the Academy of Taiwan Strings in the "Remote Children" program in 2022 to spread music to campuses in Yilan.

In terms of corporate governance, Taiwan Secom continued to perform well in a harsh business environment in 2022 with food, medical, residential, and transportation services. The consolidated revenue was a record-breaking NT\$15.357 billion and the parent-company-only revenue totaled NT\$7.287 billion. The net profit after tax was NT\$2.579 billion. The earnings per share was NT\$5.85, and the return on assets (ROA) and return on equity (ROE) were 10.76% and 21.25%, respectively. As Taiwan Secom expands operations, it also continues to create a high-quality corporate governance environment by meeting its targets for strengthening the rule of law and transparency in corporate governance. We aim to maximize value creation for shareholders to create more solid foundations for corporate sustainability.

Although the pandemic has gradually subsided, the world faces challenges such as inflation, climate change, energy issues, and the rise of artificial intelligence (AI). For Taiwan Secom, the future is filled with challenges as well as opportunities. We will remain committed to ESG and sustainable development and use technological innovation to create a better future.

Unit: In NT\$ thousands
16,000,000

TAIWAN SECOM'S SERVICES DEVELOPMENT TIMELINE

Evolution of Taiwan Secom Group Services

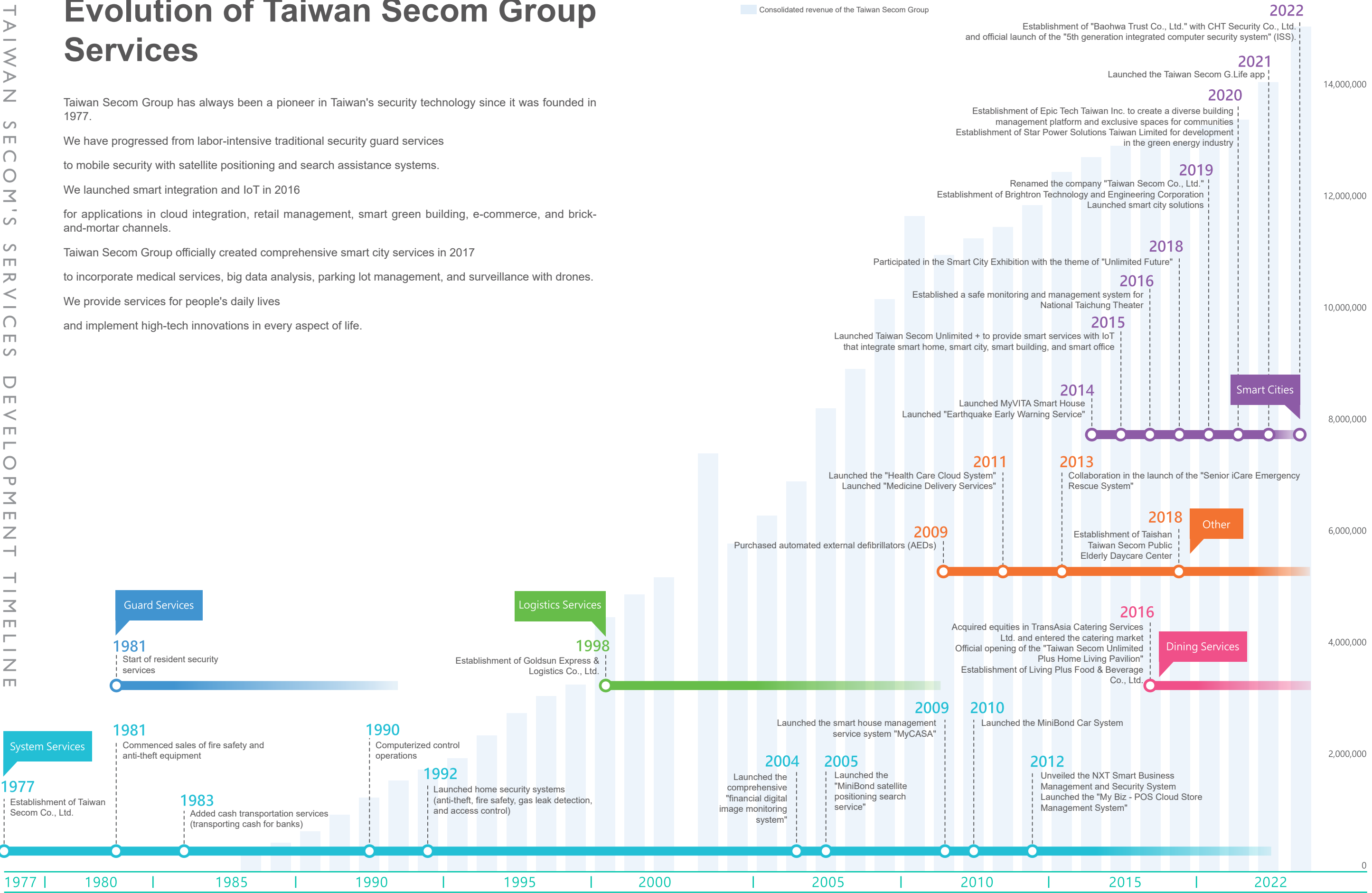
Taiwan Secom Group has always been a pioneer in Taiwan's security technology since it was founded in 1977.

We have progressed from labor-intensive traditional security guard services to mobile security with satellite positioning and search assistance systems.

We launched smart integration and IoT in 2016 for applications in cloud integration, retail management, smart green building, e-commerce, and brick-and-mortar channels.

Taiwan Secom Group officially created comprehensive smart city services in 2017 to incorporate medical services, big data analysis, parking lot management, and surveillance with drones.

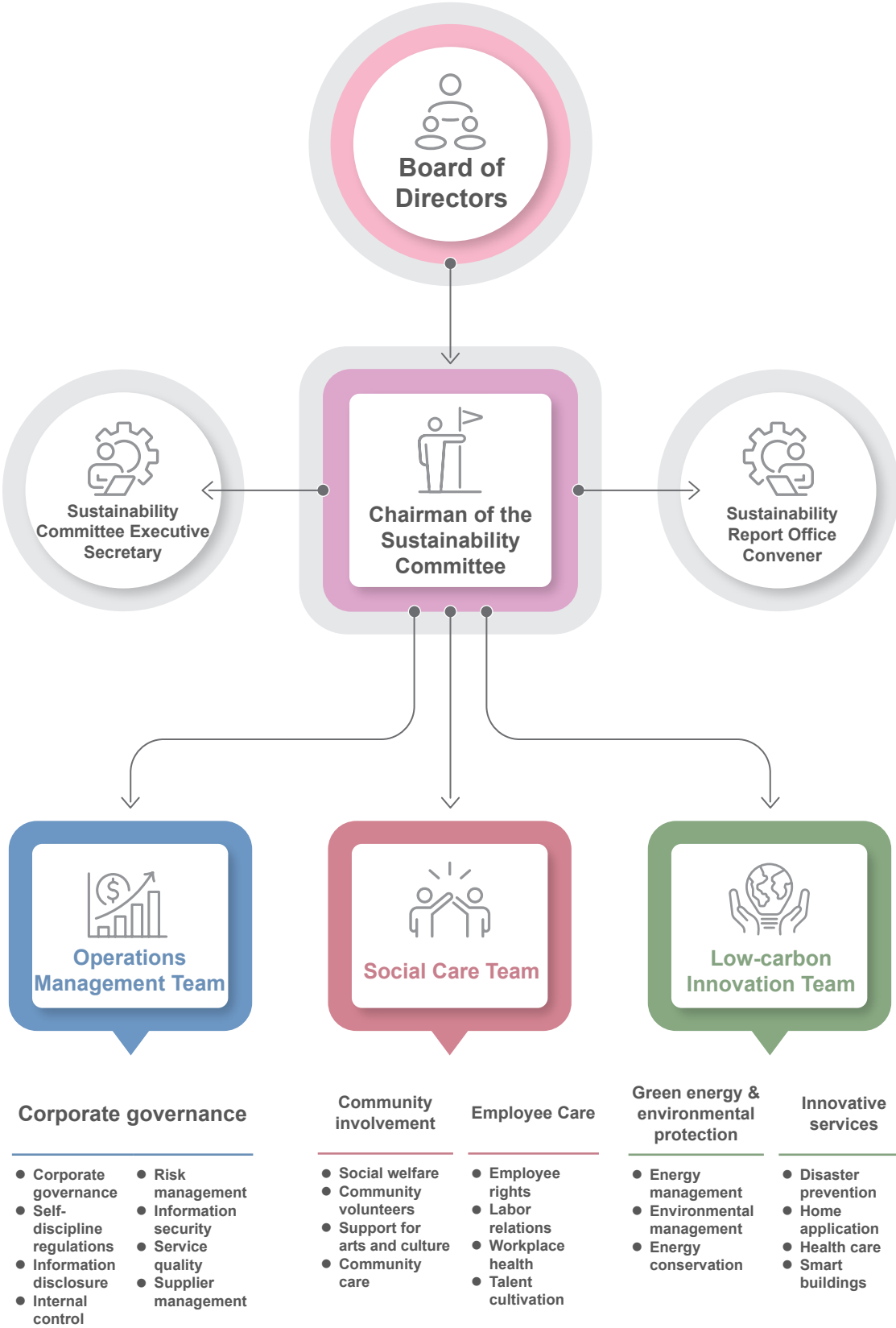
We provide services for people's daily lives and implement high-tech innovations in every aspect of life.



Structure of Sustainable Governance

Taiwan Secom renamed the "Corporate Social Responsibility Committee" to "Sustainable Development Committee" to fulfill social responsibility and fulfill sustainable development goals in line with international development trends. The CEO Onodera currently serves as the Chairman of the Committee. The Executive Chairman Li Jung-Kui, General Manager Hsu Lan-Ying, and General Manager Hung Pei-Hsu serve as Vice Chairmen. Taiwan Secom also assigned senior executives to serve as team leaders in the Committee to jointly take charge of managing the annual corporate social responsibility goals and action plans and regularly review the implementation results. The implementation included three major areas: "operations management", "social care", and "low-carbon innovation", which are divided into the five major aspects of "corporate governance", "community involvement", "employee care", "green energy & environmental protection", and "innovative services" to show stakeholders the positive actions undertaken for sustainable development.

Organization of Taiwan Secom Sustainable Development Committee



Stakeholder Communication


Identification of Stakeholders


Taiwan Secom implemented a materiality assessment in accordance with the four reporting standards of GRI for stakeholder inclusiveness, sustainability context, materiality, and completeness. It also referenced the AA1000 Stakeholder Engagement Standard (SES) to select six major stakeholders including employees, customers, investors, government agencies, community members, and suppliers.


Identification of Material Issues




Ranking Material Issues

- 

Taiwan Secom identified the internal and external stakeholders that affect or are affected by Taiwan SECOM in accordance with the AA1000 Stakeholder Engagement Standard (SES). They included employees, customers, investors, government agencies, community members, and suppliers.
- 

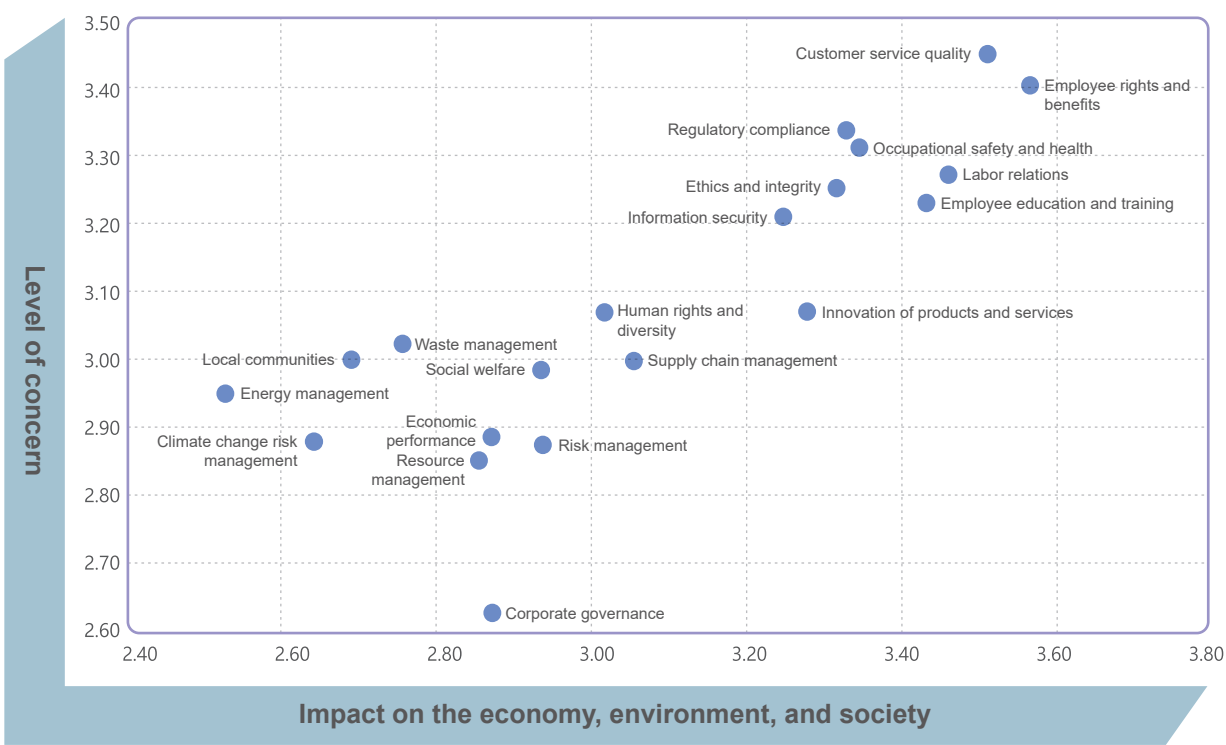
By studying sustainability reports, the Company's CSR website, and research reports, Taiwan Secom has collected sustainability issues that are most relevant to the Company.
- 

By distributing paper and online stakeholder questionnaires, we identified the material issues of concern to stakeholders in terms of Taiwan Secom's sustainable development and its economic, environmental, and social impact.
- 

The Company identified the 10 material issues of Taiwan Secom based on the analysis results of the questionnaires and established management guidelines for these topics that correspond to the topics in the GRI Standards.

The sustainability issues are divided into three main categories — corporate governance, social responsibility, and environmental protection. The 20 sustainability issues and their related explanations are presented in the Questionnaire for Analysis of Material Issues and distributed to the stakeholders to measure the level of concern of the sustainability issues of Taiwan Secom. A total of 103 valid questionnaires were retrieved and the material issues for 2022 were determined based on a dual cross-analysis as shown in the matrix below. To focus on the management of the sustainable development strategy and respond to the high expectations of stakeholders, the Sustainability Committee selected ten major issues as material issues in the 2022 Sustainability Report. To ensure the completeness of information disclosure, other sustainability issues will also be included in this Report for additional analysis of their impact on the Company and beyond. The sustainability issues will be incorporated into the operations and future plans of the Company and we also communicate with our main stakeholders through a variety of channels. The results are used as the basis for the Company's corporate social responsibility actions.

◆ Materials Issues of Taiwan Secom



◆ Boundaries of Impact for the Material Issues

Material Issues	GRI Material Topics	Boundaries of Impact						Corresponding Chapters
		Taiwan Secom	Suppliers	Investors	Government	Customers	Local Communities	
Customer quality management	General disclosures	●			●	●	●	Customer service quality
Ethics and integrity	Anti-corruption and anti-competitive behavior	●	●	●		●		Ethics and integrity
Information security	Customer privacy	●	●	●				Information security and customer privacy
Regulatory compliance	General disclosures	●			●			Regulatory compliance
Employee rights and benefits	Labor relations, diversity and equal opportunities	●			●		●	Labor relations, employee rights and benefits
Employee education and training	Training and education	●				●		Comprehensive training resources
Innovation of products and services	General disclosures	●						R&D and innovation
Occupational safety and health	Occupational safety and health	●	●				●	Occupational safety and health
Human rights and diversity	Human rights assessment	●	●					Human rights protection
Labor relations	Labor relations	●						Labor relations, employee rights and benefits

Stakeholder Communication

The Sustainability Committee identifies stakeholders and collects information on issues of concern to stakeholders in accordance with the "P-D-C-A" (plan-do-check-act) management model. To ensure the attainment of material issues and targets, the Sustainability Committee convenes regular discussions of the material economic, social, and environmental issues, progress of the units, and future plans. It also compiles data on related results and reports them to the Board of Directors each year for verification. The most recent report to the Board of Directors was on August 10, 2022. Taiwan Secom established an ESG website to facilitate effective communication with stakeholders and disclosed its ESG values, objectives, and performance on the official website to respond to stakeholders' issues of concern. The Company used Q&A, responses on the website, and the toll-free service line to maintain positive interactions and create smooth communication channels and platforms. The communication channels and issues of concern for different types of stakeholders are as follows:

Category	Issues of Concern	Communication Channel	Stakeholder Communication Records	Contact Person
 Government and competent authorities	<ul style="list-style-type: none">Regulatory complianceCorporate governanceRisk managementCommunication with the competent authority	<ul style="list-style-type: none">Comply with supervision and inspections by competent authoritiesConvene regular meetings of the Intellectual Property Management CommitteeRegular participation in the organization and cooperation of professional trade associations	<ul style="list-style-type: none">The Company conducted 2 routine checks in accordance with the Private Security Service Act in 2022Responded to 24 questionnaires of competent authorities in 2022	<ul style="list-style-type: none">Ms. Lin, Accounting Department linchungu@secom.com.twMs. Chan, Business Planning Office candychan@secom.com.twMr. Li, Service Center Headquarters a805530@secom.com.tw
 Employees	<ul style="list-style-type: none">Labor relationsEmployee rights and benefitsOccupational safety and health	<ul style="list-style-type: none">Intranets or internal email announcements: Announcements of employee benefits and information of the Employee Welfare CommitteeWorkplace "on-site health service"Regular awareness campaigns and training courses for the Personal Data Protection ActRegular training programs for employees in different stages and levels	<ul style="list-style-type: none">The employee assistance and care programs included the 2022 "on-site health service" for 258 employees as well as the four major programs regarding ergonomic design, overloading, workplace violence, and maternity health protection.Training hours in 2022 totaled 77,318 hours.	<ul style="list-style-type: none">Ms. Chen, Human Resources Department kay0625@secom.com.tw
 Shareholders and investors	<ul style="list-style-type: none">Corporate governanceSustainable Development StrategyRisk managementShareholder participationBusiness performance	<ul style="list-style-type: none">Regular institutional investors' conference and visitsService contact person and communication mechanismsAnnual shareholders' meeting and publication of annual reportsRegular risk assessmentsRegular publication of business performance information and allowing downloads of financial statements and monthly operating revenue information	<ul style="list-style-type: none">Organized 4 institutional investors' conferencesReceived 10 visits by domestic and foreign analysts and responded to more than 40 investor inquiriesCompleted 27 material information announcementsHeld 1 shareholders' meeting	<ul style="list-style-type: none">General Manager Chang, Business Planning Office kim@secom.com.twVice President Chang, Publicity Office kikiya123@secom.com.tw
 Customers	<ul style="list-style-type: none">Customer service qualityCustomer protection and communicationInformation security	<ul style="list-style-type: none">Monthly customer satisfaction surveys for new customersEstablished the Customer Service Center to instantly respond to customer needs	<ul style="list-style-type: none">Taiwan Secom established a comprehensive system with 15 major categories, 36 codes for instructions, and 1,556 sub-items for instructions to ensure zero loss of information and respond appropriately to customers' complaints.Received ISO 27001 certification94 burglars arrested in 2022413 burglaries prevented in 20224 vehicles/machines found in 2022155 customer commendations in 202233 missing elderly/children found in 2022	<ul style="list-style-type: none">Ms. Wang, Customer Service Department service@secom.com.twMs. Chen, Business Planning Office gina@secom.com.tw
 Suppliers	<ul style="list-style-type: none">Sustainable Development StrategyInformation transparencySupplier managementInformation security	<ul style="list-style-type: none">Invited suppliers to sign the Corporate Social Responsibility DeclarationRegular supplier communication meetingsRegular activities for on worker safety for labor service suppliers	<ul style="list-style-type: none">Suppliers signed the Corporate Social Responsibility Declaration (304 suppliers) and 50.17% of main suppliers signed the Declaration.Received ISO 27001 certification.	<ul style="list-style-type: none">Mr. Yu, Business Planning howardyu@secom.com.tw
 Community members	<ul style="list-style-type: none">Community involvementCommunity careCorporate image	<ul style="list-style-type: none">Establish the "Community Care Class for Potential Development" for children from disadvantaged familiesSet up a 24-hour protection center to provide full support servicesDevelop the "Health Care Cloud Platform" to provide remote health care servicesSupport the development of art and cultural activities to improve the quality of life for people	<ul style="list-style-type: none">Number of telephone support calls: 591,203Number of care visits: 89,402Number of emergency rescue services: 1,798Number of health consultation and resource explanation: 8,382Number of recipients of resources exceeded 2,000	<ul style="list-style-type: none">Ms. Fang, Taiwan Secom Cultural and Educational Foundation nicofang@secom.com.tw

Information Disclosure

Taiwan Secom is committed to maintaining investor relations and complies with relevant laws and regulations in setting up the Investors area. It also discloses related information through public channels to help investors obtain information on the Company's operations.



Taiwan Secom has established a sound system for handling and disclosing internal material information and the Company implements the "Procedures for Handling Material Inside Information" to prevent inappropriate leaks of information and insider trading and ensure the accuracy, openness, and transparency of information disclosure.

The Company's Audit Office incorporated insider trading prevention into the annual audit plan to ensure the continuous effectiveness of the management system. The release of the Company's material information is processed in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities". A total of 54 material information public disclosures were made in 2022.

As Taiwan Secom expands operations, it continues to meet its targets for strengthening the rule of law and transparency in corporate governance for the purpose of maximizing value creation for shareholders to creating solid foundations for corporate sustainability. The Company set up the "Investors" area on the official website (<https://reurl.cc/aVao33>) to provide investors with real-time inquiries as well as downloads of the Company's financial statements, annual reports, and other financial information. The Investors area also provides information on the Board of Directors and shareholders' meeting and the Company appointed contact persons to facilitate real-time communication with investors by email.



Impact of Material Topics and Taiwan Secom's Response

Prioritization	Material Topic	Topic Boundaries	Description of Impact	Related Policies or Commitments of Taiwan Secom	Actions Taken	Follow up on Action Effectiveness Indicators	Corresponding Chapter
1	Employee rights and benefits	Inside the organization/all	Taiwan Secom upholds its commitment to profit sharing with employees to attract, retain, and develop talents, and it provides a diverse and competitive salary system. We created a business environment that focuses on ethical management, customer satisfaction, quality awareness, teamwork, self-management, and experience sharing to facilitate the growth and development of both the employees and the Company.	<ul style="list-style-type: none">• We convene employer-employee meetings in accordance with related internal documents. All topics regarding labor relations are processed by means of comprehensive negotiations between the employer and employees to effectively reduce material disputes.• Communication platform: Electronic bulletin boards, website of the Employee Welfare Committee, employee mailbox, and email.• Provide employees with comprehensive coverage in all stages: Menstruation leave, pregnancy disability leave, maternity leave, parental leave, family care leave, child care subsidies, employee dormitory, employee group insurance, reinstatement rate after unpaid parental leave, retirement system and planning, and club subsidies.	<ul style="list-style-type: none">• Human Resources Department, branch managers, Employee Welfare Committee, and Occupational Safety and Health Committee.• External systems: Labor Standards Act, Employment Service Act, Occupational Safety and Health Act, and Act of Gender Equality in Employment.• Internal systems: Employer-employee meetings, Employee Work Rules, Retirement Management Regulations, Salary Management Regulations, Safety and Health Work Rules, Annual Safety and Health Management Plans, and other human resource regulations.	<ul style="list-style-type: none">• 100% compliance with the Labor Standards Act in hiring employees.• No risks of forced or compulsory labor in 2022.• No cases of violation of labor rights or discrimination in 2022.• 30% reinstatement rate after unpaid parental leave in 2022.• Breastfeeding room used 62 times in 2022.	
2	Customer service quality	Inside and outside the organization/all	The quality of services is the core value of the corporate brand and operations of Taiwan Secom. It directly affects the customer experience, revenue, brand reputation, and market competitiveness. Taiwan Secom thus established management policies for the service quality enhancement structure and related management procedures to satisfy customer needs.	<ul style="list-style-type: none">• Our policies: "Serving Before Being Asked and Caring Beyond Basic Human Needs" and "there is only better service and no best service".• Our commitment: Process every customer call with the aim of improving the customer experience and adjust product strategies and service policies accordingly. We must fully understand customer needs, innovate applications and technologies, and continue to make improvements so that we can meet customer expectations.	<ul style="list-style-type: none">• Use satisfaction surveys to implement quality management and collection of opinions for current services. Process valuable customer feedback with the PDCA improvement cycle and provide thoughtful services beyond customer expectations. Continue to improve customer services and set a medium-term goal of "changing the future lifestyle model and becoming a leader in smart living". Set up seven major centers and manage relations with industry/government/research organizations to maintain technological lead.	<ul style="list-style-type: none">• The target service satisfaction rate of new customers is 95% and the actual rate was 95.9% (the satisfaction rate in smart automated telephone interviews from September to December was 96.3%).• The target service satisfaction rate of telephone interviews of residential customers is 90% and the actual rate was 96.1%.• The target case closure satisfaction rate of customers receiving services is 90% and the actual rate was 94.4%.	
3	Labor relations	Inside the organization/all	Taiwan Secom upholds the values of "gratitude" and "accountability" as well as the service motto of "respect human dignity, serve the public, and create value" as the guiding principles of its human resource policy. We continue to create a stable work environment to provide talents with opportunities and facilitate continuous growth, which facilitate the Company's transition from a security service company to an IoT service company.	<ul style="list-style-type: none">• We convene employer-employee meetings in accordance with related internal documents. All topics regarding labor relations are processed by means of comprehensive negotiations between the employer and employees to effectively reduce material disputes.• Communication platform: Electronic bulletin boards, website of the Employee Welfare Committee, employee mailbox, and email.• Provide employees with comprehensive coverage in all stages: Menstruation leave, pregnancy disability leave, maternity leave, parental leave, family care leave, child care subsidies, employee dormitory, employee group insurance, reinstatement rate after unpaid parental leave, retirement system and planning, and club subsidies.	<ul style="list-style-type: none">• Human Resources Department, branch managers, Employee Welfare Committee, and Occupational Safety and Health Committee.• External systems: Labor Standards Act, Employment Service Act, Occupational Safety and Health Act, and Act of Gender Equality in Employment.• Internal systems: Employer-employee meetings, Employee Work Rules, Retirement Management Regulations, Salary Management Regulations, Safety and Health Work Rules, Annual Safety and Health Management Plans, and other human resource regulations.	<ul style="list-style-type: none">• 100% compliance with the Labor Standards Act in hiring employees.• No risks of forced or compulsory labor in 2022.• No cases of violation of labor rights or discrimination in 2022.• 30% reinstatement rate after unpaid parental leave in 2022.• Breastfeeding room used 62 times in 2022.	
4	Employee education and training	Inside the organization	Taiwan Secom has transitioned from a traditional security service company to a tech company that provides comprehensive, secure, and convenient services. The Company has focused on the development of general services with Artificial Intelligence of Things (AIoT). It is critical for the Company to enhance training in this period of rapid changes in the tech industry so that employees can keep up with the development of the Company.	<ul style="list-style-type: none">• Our policies: Review the necessary competencies of all employees and establish a comprehensive training system with seven major programs.• Our commitments: Provide suitable competency training targets and training courses based on the number of years of service at the Company and work contents of all employees.	<ul style="list-style-type: none">• Continue to enhance the seven major programs and regularly update the renew the course contents. Implement course evaluations to ensure that the training results meet targets.• Provide diverse learning resources and in-person and digital environments, use external online learning resources (Manager Today and Dada Master), and hire professional external instructors.• Amend the "Skill Certification Regulations" and use evaluations to enhance the skills of business and service personnel to increase service efficiency and customer satisfaction.	<ul style="list-style-type: none">• Annual training hours totaled 72,997 hours; remote video conference courses totaled 4,243 hours; online learning courses totaled 18,613 hours; in-person classroom courses totaled 50,141 hours.• A total of 535 business/ service personnel passed the employee skill review and tests in 2022.	
5		Inside the organization	Taiwan Secom reviews all operating procedures of the Company based on the highest standards and we closely monitor the latest development in laws to adjust the Company's actions. There were no violations of related regulations and policies at the Company in 2022. One employee was terminated for violation of ethical corporate management principles.	<ul style="list-style-type: none">• Management of measures for preventing insider trading.• Ethical Corporate Management Best Practice Principles.• Whistleblower System Implementation Regulations.• Personal Data Security Plan and methods for processing personal data after termination of business.	<ul style="list-style-type: none">• Inclusion of specific items in regulations and procedures.• Design administrative procedures to reduce the risks of violations.• The administrative management system for contracts implements rigorous requirements for suppliers and signature of ethical corporate management documents.	<ul style="list-style-type: none">• Inclusion of specific items in the annual audit cycle.• The responsible management unit takes charge of tracking the implementation results.• Reports are processed and implemented by dedicated units.	

Prioritization	Material Topic	Topic Boundaries	Description of Impact	Related Policies or Commitments of Taiwan Secom	Actions Taken	Follow up on Action Effectiveness Indicators	Corresponding Chapter
6	Occupational safety and health	Inside the organization/all		<ul style="list-style-type: none">Occupational Safety and Health Committee: Establish the safety and health organization and personnel and use planning, implementation, evaluation, improvement measures, and other management functions to meet safety and health management targets and increase the safety and health management standards.Establish the Occupational Safety and Health Management Plan.Convene regular meetings of the Occupational Safety and Health Committee.Review the safety and health training implementation plans.	<ul style="list-style-type: none">Provide new and current employees with comprehensive occupational safety training.Implement preventive awareness campaigns against workplace bullying.Organize health management, occupational disease prevention, and health promotion activities.Review occupational accident investigation reports.Investigations, processing, and statistical analysis of occupational accidents, near misses, and incidents that affect physical and mental health.	<ul style="list-style-type: none">In 2022, the Company organized 43 seminars on illegal infringement prevention (for 122 people).In 2022, the Company organized 30 health management tracking programs (for 136 people).The number of victims of occupational accidents decreased in 2022 compared to 2021.	
7	Ethics and integrity	Upstream/downstream inside the organization	The Company shall actively prevent unethical conduct and communicate related regulations to enhance and implement ethical corporate management principles. In 2022, there was one case of penalty or termination of employment due to a violation of ethical corporate management principles. The incident was processed immediately and the Company did not receive penalties due to violations of related laws for ethical corporate management in 2022.	<ul style="list-style-type: none">Management of measures for preventing insider trading.Ethical Corporate Management Best Practice Principles.Ethical Corporate Management Operating Procedures and Code of Conduct.Procedures for Handling Material Inside Information.Whistleblower System Implementation Regulations.Supplier Commitment Statement.	<ul style="list-style-type: none">Education and training.Compliance awareness campaigns.Whistleblowing system and whistleblower protection.	<ul style="list-style-type: none">Annual self-inspections and regular audits.	
8	Information security	Inside and outside the organization/all	Damage to the information system due to natural disasters, software and hardware failure, or sabotage such as hacking and virus attacks, resulting in theft of customer data, confidentiality, availability, damaged integrity, information system failure, and suspension of normal operations, which impact the Company's business operations.	<ul style="list-style-type: none">Implement the PDCA management cycle to continuously improve information security.Customer personal data protection.Compliance with regulations and standards.	<ul style="list-style-type: none">Data backup and remote backup setup.24-hour personnel security surveillance.Continuous operations of the Information Security Management System (ISMS) and continuous certification of the ISO 27001 Information Security Management certification.Information security training for employees for implementation in day-to-day operations.	<ul style="list-style-type: none">Service standards of critical information systems.99.0% or higher of all shifts in the year.Fewer than 6 information security incident each year.	
9	Innovation of products and services	Inside the organization	R&D units proceed with R&D tasks based on product development requirements.	<ul style="list-style-type: none">Establish the Company's own R&D team.Apply for patents to protect intellectual property rights.	<ul style="list-style-type: none">R&D units implement product modification procedures and proceed with R&D tasks based on product development requirements.Proceed with document sign-off procedures in accordance with authorization in the project plan.	<ul style="list-style-type: none">Annual patent targets and R&D investment targets.Innovative products.	R&D and innovation
10	Human rights and diversity	Inside the organization/all		<ul style="list-style-type: none">Convene employer-employee meetings in accordance with related internal documents. All topics regarding labor relations are processed by means of comprehensive negotiations between the employer and employees to effectively reduce material disputes.Communication platform: Electronic bulletin boards, website of the Employee Welfare Committee, employee mailbox, and email.Provide employees with comprehensive coverage in all stages: Menstruation leave, pregnancy disability leave, maternity leave, parental leave, family care leave, child care subsidies, employee dormitory, employee group insurance, reinstatement rate after unpaid parental leave, retirement system and planning, and club subsidies.	<ul style="list-style-type: none">Eliminate unlawful employment to ensure equal employment opportunities.Ban on forced labor and use of child labor.	<ul style="list-style-type: none">100% compliance with the Labor Standards Act in hiring employees.No risks of forced or compulsory labor in 2022.No cases of violation of labor rights or discrimination in 2022.30% reinstatement rate after unpaid parental leave in 2022.Breastfeeding room used 62 times in 2022.	
Customized	Impact of COVID-19 and response	Inside and outside the organization/all	The impact and shock of the pandemic are unprecedented. Taiwan Secom's most critical management challenges in response to the pandemic include prevention of operational risks and continuous supply of anti-theft, fire safety, and disaster prevention protection to customers and protecting the life and property of customers.	<ul style="list-style-type: none">Taiwan Secom's policies:<ol style="list-style-type: none">Comprehensive epidemic prevention and preparednessProtecting employees/customersContingency plan exercisesEnsuring continuous operationsTaiwan Secom's commitments:<ul style="list-style-type: none">Follow government policies/requirements for epidemic prevention, continue to operate during the pandemic, and maintain the quality of our services.With the support of all subsidiaries and employees, the Company performed all contract obligations and upheld standard operating procedures to provide customers with secure and reliable services and set benchmarks for the industry.	<ul style="list-style-type: none">Establish the epidemic prevention and response team and assign employees to work separately offsite.Establish reporting mechanisms to facilitate rapid reaction and adjustments.Develop comprehensive response plans and organize regular exercises.Adjust management regulations flexibly and suspend large-scale activities and training programs to prevent clustering.Continue to encourage employees to receive vaccination to reduce the impact of confirmed cases.Monitor the number of confirmed cases and number of employees in quarantine at all times to implement emergency response measures such as site disinfection and manpower allocation and ensure uninterrupted operations.	<ul style="list-style-type: none">Compiled statistics on the number of employee vaccination each month in 2022.Compiled statistics on the number of confirmed cases each week in 2022.There were no cases of deaths of employee with confirmed cases in 2022.	

Note: As Taiwan Secom is a company that provides services with a high level of interactions with people, we established the "Impact of COVID-19 and Response" as a material topic for 2022.

TAIWAN SECOM'S RESPONSE TO THE IMPACT OF COVID-19 PANDEMIC

Impact of COVID-19 and Response in 2022

I. Changes in the pandemic

As the pandemic continued to affect the globe, an outbreak of cluster infections in Taoyuan Airport occurred in January 2022 and confirmed cases of the Omicron variant were discovered in the same month, which resulted in major changes in the domestic disease prevention policies.



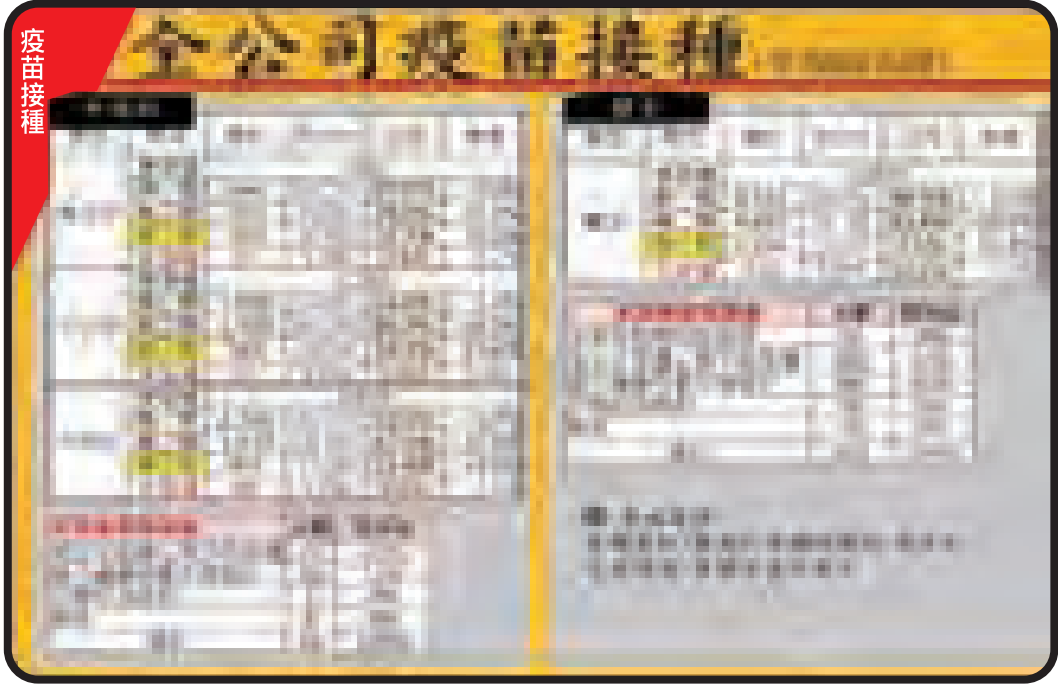
II. Emergency response

Taiwan Secom pays close attention to the development of the pandemic and complies with government policies for epidemic prevention measures. As numerous people return from overseas before Chinese New Year and the number of confirmed cases in Taiwan increased, Taiwan Secom's Epidemic Prevention Emergency Response Team quickly reached a decision and issued 5 epidemic prevention notifications and directives including "activation of company-wide epidemic survey", "enhanced epidemic prevention requirements", "suspension of year-end parties and cancellation of the 2022 Group New Year mass worship event", "preemptive preparation with rotations in separate groups starting from January 25, 2022 (before Chinese New Year)", and "activation of remote work". The Company also reminded all employees of the risks associated with the movement of people and participation in gatherings during the long Chinese New Year holidays. Taiwan Secom continued to implement rotations in separate groups and remote work after the holidays till the pandemic subsided in July 2022.

III. Key epidemic prevention measure - Vaccination for employees

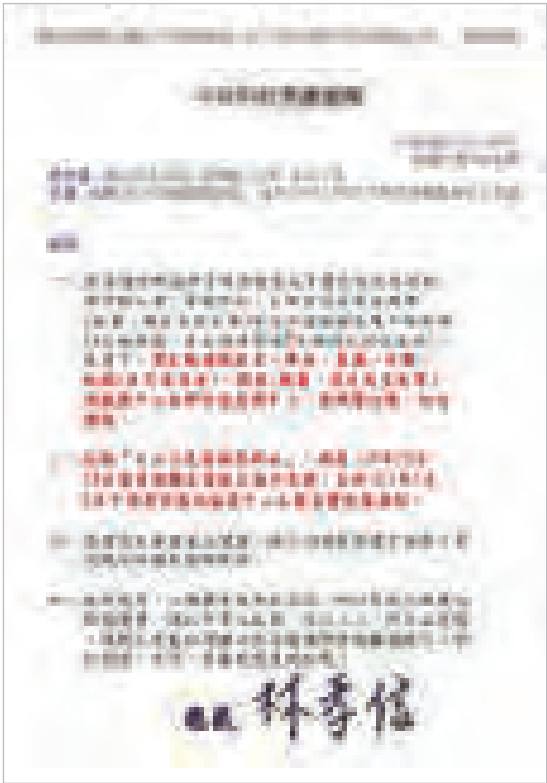
According to the research conducted by the Centers for Disease Control, Ministry of Health and Welfare and CDCs of foreign countries, vaccination effectively prevents severe cases of COVID-19 and significantly reduces the possibility of hospitalization and the risks of death. Taiwan Secom has included the vaccination of employees as a key point for awareness campaigns and review since July 2021. In addition to communicating the importance of vaccination in various meetings, the Company also instructed all units to compile statistics on the vaccination rate and report the results to the Emergency Response Team. The progress of vaccination is reported to the management each month.

◆ Vaccination statistics of all units are reported to the summit meeting



◆ Reporting

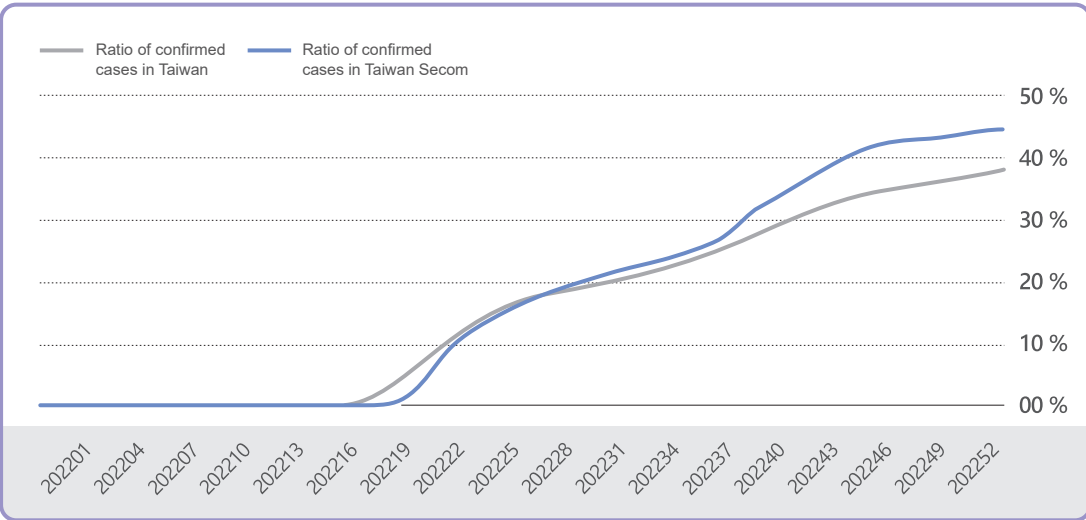
[Activated the Company's epidemic survey group and reported results to the Service Center Headquarters before the end of office hours on January 5, 2022]



IV. Tracking and responding to confirmed cases

The number of domestic infections rose rapidly in the first quarter of 2022 and Taiwan Secom was vigilant and well-prepared. The Company has conducted in response management and exercises for the pandemic, which ensured orderly business operations of the Company despite the risks. The Epidemic Prevention Emergency Response Team assigned dedicated personnel to record reports from all units each day. The contents included the attendance status and list of personnel on sick leave. The detailed results are sent via email to the Commander of the Epidemic Prevention Emergency Response Team, the committee members, and general managers of each headquarters to facilitate immediate risk assessment and management. Since the report of the first confirmed case of an employee in Lingya Branch on April 15, 2022, Taiwan Secom has monitored the number of confirmed cases and number of employees of all units in quarantine at all times to implement emergency response measures such as site disinfection and manpower allocation, ensure uninterrupted operations, and maintain consistent service quality.

◆ Ratio of cumulative number of confirmed cases each week in 2022 (Taiwan and Taiwan Secom).



Explanation:
• Source: <https://nidss.cdc.gov.tw/nndss/disease?id=19CoV> Taiwan National Infectious Disease Statistics System of the Centers for Disease Control, Ministry of Health and Welfare. Daily records of confirmed cases compiled by the Epidemic Prevention Emergency Response Team of the Company.
• Basis for calculation: Calculated based on Taiwan's population of 23,264,640 in December 2022 published by the Ministry of the Interior. The total number of employees in 2022, 2,461 people, was provided by the Human Resources Department of Taiwan Secom.
• The numbers in the figure are provided for reference only (the number of confirmed cases may be underestimated due to failure to report)

V. Business opportunities created by the pandemic

Taiwan Secom never stopped interactions with customers. During the pandemic, the Company learned of a new need for body temperature detection for access control/site management from different customer groups and developed the "human body thermal imaging system" to respond to customer expectations. The system functions by using facial recognition when people enter or exit gates or when using access control to instantly measure their body temperature and determine whether to allow them to pass. It instantly screens people who have a fever. The body temperature data are also uploaded to the customer's cloud records along with the access control data. According to statistics, 259 units of the "human body thermal imaging system" were sold to government agencies, schools, communities, companies, and sports centers in 2022. The revenue totaled NT\$24,139 thousand.

VI. Response to the post-pandemic era

The COVID-19 pandemic ravaged the world for 3 years and created significant and lasting impact on the economy, public health, and regional security. Companies must still face major challenges in similar rare cases of crises and challenges in terms of how to respond, appropriately reduce the impact, continue operations, and even identify new demand or business opportunities. Taiwan Secom has focused on risk management and emergency response. It provided a series of reliable products to increase public safety and learned from crises and challenges to facilitate corporate reforms and improvements. Taiwan Secom believes that companies must continuously improve their operation cycles and preparedness to ensure corporate sustainability.

CH 1 Sustainable Development

Company Overview

The business scope of Taiwan Secom Group includes food, medical, residential, and transportation services. The Group's consolidated revenue totaled over NT\$15.3 billion in 2022 with growth in revenue in five consecutive years and a record high this year. The results demonstrated the Company's outstanding performance despite the difficulties in the economy in recent years as it continues its steady and reliable development and constant reforms and upgrades.

The key development blueprints of the Group this year are as follows:



I. High-tech life at your fingertips

In addition to providing more stable security systems, the Company also uses data monitoring and automated anomaly reports to reduce the workload of security personnel. We also provide cloud security solutions to reduce customer security expenditures while upgrading security. We continue to improve our range of disaster identification sensors and aim to expand residential security customers by providing smart home equipment. We also use the Taiwan Secom G.Life app to connect all services provided by the group for customers to obtain electrical equipment repairs or cleaning services on their phones. The Company will continue to identify the pain points of customers and provide total solutions to transform the traditional security system into a smart housekeeper system and take care of all aspects of people's lives. In terms of commercial services, in addition to the existing smart store solution, integrated store management, anti-theft monitoring, disaster management, access control, and attendance management services, the Company will integrate image recognition systems this year, provide remote store surveillance services, and detect anomalies in data to send automatic reports to customers so that customers can also manage their business on their phones.

II. Smart city with smart protection

The Company has implemented diverse development for many years and continuously upgraded services in response to technological advancements. In an era of technology transformation, the Company is thus able to integrate services and create the most comprehensive smart city solutions to manage operations on land and on the sea with the smart surveillance system. The Company has previously developed a smart parking lot management system and will focus on setting up smart parking meters this year to support high-tech law enforcement and improve traffic. The solid foundations laid by Taiwan Secom's surveillance systems will also be integrated with different services to create a smart and secure environment from small to large areas and from urban to community settings.

In addition to smart urban management, the Company will also actively provide smart energy and energy management solutions this year to ensure a stable supply of energy and protect cities and people. Taiwan Secom will also use green energy for power generation to provide cities with clean and sustainable energy options.

◆ Scope of new products (services) under development in 2022

- | | |
|--|---|
| 01 Development of Minibond 4G compact on-board unit | 08 Development of integrated electronic lock/gate equipment |
| 02 Development of integrated Minibond video on-board unit | 09 Development of health care wearable equipment and system |
| 03 Import and setup of Minibond backend management system | 10 New generation of My Vita+ main units and sensors |
| 04 Establishment of comprehensive image integration platform | 11 Development of cloud intercom software and hardware |
| 05 Development of integrated facial recognition equipment | 12 Add recognition functions to AI-Box and expand hardware performance |
| 06 Development of touch-screen access card reader | 13 Energy storage system development |
| 07 Development of bar code card readers | 14 Development of the signal forwarding customer service platform for the Patrol Exchange Project |

Operation organization

Taiwan Secom provides services in Taiwan with seven major service centers including the Information Center, Neihsu Technology R&D Center, Tamsui and Yilan Yuanshan Education and Training Center, Computer Control Center, Cloud Data Center, Customer Service Center, and Production Manufacturing Center as well as 60 service stations across Taiwan.

With the rise of cloud computing and IoT that have created a new wave of industrial revolution, the intelligence-based development has expanded beyond technological advancements and created significant impact on individuals, families, businesses, buildings, and cities. In response to these developments, Taiwan Secom Group has upheld its core service motto of safety and trust and consolidated professional teams in the Group for smart city developments so that users can enjoy a more secure and convenient environment and live better lives.



Official website of the Taiwan Secom Group

Service Locations



Important affiliated companies of Taiwan Secom Group

Company name	Services
Kuohsing Security Co., Ltd.	<ul style="list-style-type: none">Protection against burglary, fire, and natural disasters of office premises and residential buildingsSystem planning, design, maintenance, repairs, and installation of equipment and appliances related to theft prevention, fire prevention, and disaster prevention
Goyun Security Co., Ltd.	<ul style="list-style-type: none">Protection against burglary, fire, and natural disasters of office premises and residential buildingsSystem planning, design, maintenance, repairs, and installation of equipment and appliances related to theft prevention, fire prevention, and disaster prevention
Gowin Building Management and Maintenance Management Co., Ltd.	Management of apartment complexes
Leebao Security Co., Ltd.	Security services, safeguarding for transportation of cash or other valuables
Pao Hung Technology Co., Ltd.	Automatic control equipment construction, machinery installation, computer equipment installation, wholesale of computing and business machinery equipment, wholesale of telecommunication equipment
Lee Way Co., Ltd.	Police-community connections, trading and leasing of AEDs and electronic equipment, retail sale of medical equipment, biotechnology services
Aion Technologies Inc.	R&D, design, manufacturing, processing, sales, and maintenance of computers, microcomputers, data communication equipment, and peripheral equipment; development and maintenance of application software
Baohwa Trust Co., Ltd.	Computer equipment installation, wholesale of computing and business machinery equipment, wholesale of information software, international trade, intellectual property rights, management consulting business
Ching-Dian Tech Co., Ltd.	Retail of electronics and warehousing equipment, restaurant business
Goldsun Express & Logistics	Logistics transportation, warehousing services
TransAsia Catering Services Co., Ltd.	Airline catering, manufacturing of baked goods, manufacturing of instant food, other general retail, wholesale and retail of tobacco and alcohol products
Living Plus Food & Beverage Co., Ltd.	Restaurant business, baked and steamed food manufacturing, beverage, alcoholic beverages, international trade
Golden Harvest Food Enterprise Ltd.	Fresh produce processing and trading for refrigerated food Manufacturing, processing, and wholesale of Chinese and Western baked goods, manufacturing, processing, and wholesale of frozen food products
Comlink Fire Systems Inc.	Wholesale, inspection, and installation of fire safety equipment
Brighton Technology and Engineering Corporation	Fire safety equipment installation and construction, automated control equipment construction, lighting equipment installation and construction, computer equipment installation, telecommunications
DPS Co., Ltd.	Environmental testing services
Star Power Solutions Taiwan Limited	Energy technology services, lighting equipment installation and construction, automation engineering, management consulting
Epic Tech Co., Ltd.	Information software services, data processing services, supply of electronic information, general advertising services, product design services
Tai-Shun Shi Ye Co., Ltd.	Textile, laundry service, apparel manufacturing, other textile products manufacturing
Lots Home Entertainment Co., Limited	Sound publishing, arts performance activity, video tape programs broadcasting, retail of cultural education, musical instrument, and educational entertainment necessities
My Story Entertainment Co., Ltd.	Sound publishing, software publishing, film production, film distribution, broadcasting and television program distribution, arts performance activity, wholesale of information software

Financial Performance

The total market value of Taiwan Secom Co., Ltd. in 2022 was approximately NT\$45.1 billion. The operating revenue was NT\$7.287 billion; the net income after tax was NT\$2.579 billion; the earnings per share was NT\$5.85.

The return on assets (ROA) and return on equity (ROE) were 10.76% and 21.25%, respectively.

The Group's consolidated revenue was NT\$15.357 billion.



Unit: In NT\$ thousands; %

Item	2018	2019	2020	2021	2022
Capital stock	4,511,971	4,511,971	4,511,971	4,511,971	4,511,971
Total market value of capital stock -year-end total	39,885,823	40,066,302	40,021,182	46,924,498	45,119,709
Retained earnings	5,541,725	5,810,983	6,302,407	6,575,176	6,977,205
Earnings per share	4.64	4.85	5.42	5.73	5.85
P/E ratio	19.05	18.31	16.37	18.15	17.09
Dividend allotment					
Cash dividend (NT\$/share)	4.00	4.00	5.00	5.00	5.00
Stock dividend (NT\$/share)	-	-	-	-	-
Return on assets (ROA)	10.19%	10.19%	10.81%	11.19%	10.76%
Return on equity (ROE)	19.66%	19.80%	21.30%	21.75%	21.25%

Direct economic value generated and distributed by the organization

Direct economic value generated

Secom's individual revenue (Note 1)	7,653,283	7,838,173	8,102,160	8,411,868	8,731,049
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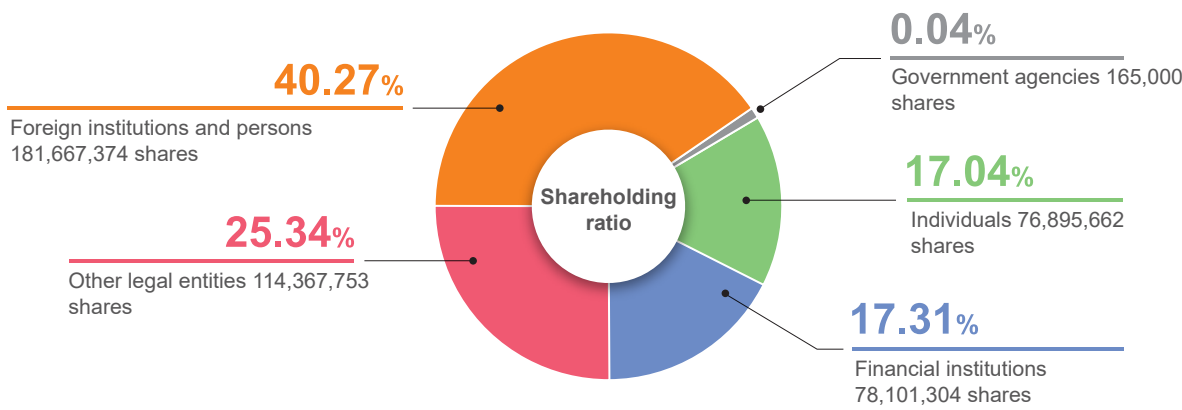
Economic value distributed

Operating costs	2,330,389	2,433,922	2,433,271	2,601,263	2,630,785
Employee salaries and benefits	2,304,532	2,236,633	2,289,600	2,337,145	2,488,438
Total dividends distributed	1,804,788	1,804,788	2,255,985	2,255,985	2,255,985
Payment of income tax	211,977	362,240	302,852	295,74	289,362
Donations	14,872	31,677	6,739	22,100	10,961
Economic value retained	986,725	968,913	813,713	899,627	1,055,518
The Group's consolidated revenue	13,393,619	13,411,677	13,706,365	14,134,897	15,357,445

Note 1: Revenue includes the net operating revenues and non-operating revenues

Equity Structure

Taiwan Secom's main shareholders include Taiwanese and international legal entities and individuals, and foreign institutions and foreign persons other legal entities, and financial institutions holding the highest percentage of shares. According to the statistical data as of June 23, 2022, the percentages of shares held by foreign institutions and foreign persons, other legal entities, and individuals were 40.27%, 25.34%, and 17.31%, respectively.



R&D and Service Innovation

The Company continues to invest in independent research and innovation, integrate advanced technologies and products, and leverage the Company's management, dispatch, and service platform to accomplish the missions of "providing safe and secure products and services" and enhance the Company's competitiveness and sustainable development.

Policies and Commitments:

Establish the Company's own software, hardware, firmware, project, and quality management R&D teams and continue to invest in R&D and integration of new technologies and products. Actively apply for patents to secure intellectual property rights, delay imitation and copying by other companies, and enhance overall competitiveness.

Targets:

Patent target: 25 new patent applications and 15 new patent acquisition each year	Patents	2022			2023
		Target	Actual	Completion rate	Target
	New patent applications	25	29	116%	25
R&D investment target: Invest 1.5% of the total annual revenue in R&D expenditures each year	New patent acquisitions	15	55	367%	15
	2022			2023	
	Target	Actual	Completion rate	Target	
R&D expenditures	NA	108,625	NA	NA	
Annual revenue	NA	7,287,461	NA	NA	
Proportion of R&D expenditures in revenue	1.5%	1.49%	99%	1.5%	

Responsibilities:

Set up specialized departments for market demand, technology and product development, intellectual property management, and big data analytics:
Business and service requirements: Business Planning Office, Sales Planning Office, Service Planning Office
Technology and product development: Integration Business Headquarters.
Intellectual property management: Legal Affairs Office, Intellectual Property Management Committee.
Innovation in big data analytics: CEO's Office/Information Services Office.



Resources:

Testing Lab: In addition to commissioning the Electronics Testing Center (ETC) and other impartial third parties for testing, the Company established its own quality management testing lab to ensure the quality of research and development meets the specific reliability standards required for the Company's leasing services.
Titan Star International Co., Ltd.: A group affiliate that assists in trial and mass production of core electronic products.
Aion Technologies Inc.: A group affiliate that assists in the management of networks, data centers, servers, information security, and operations.

Patent Innovation

To enhance R&D innovation and strengthen intellectual property protection, the Company applied for 29 new patents and acquired 55 new patents (17 invention patents, 17 utility model patents, and 21 design patents). The following patents were granted in the fields of one-time online identity verification mechanisms, video distress signal response mechanisms, and automatic fire alarm applications:

- 1. One-time password system and method for obtaining one-time password.
- 2. Cloud customer service intercom system.
- 3. Non-extension remote telephone and notification device.

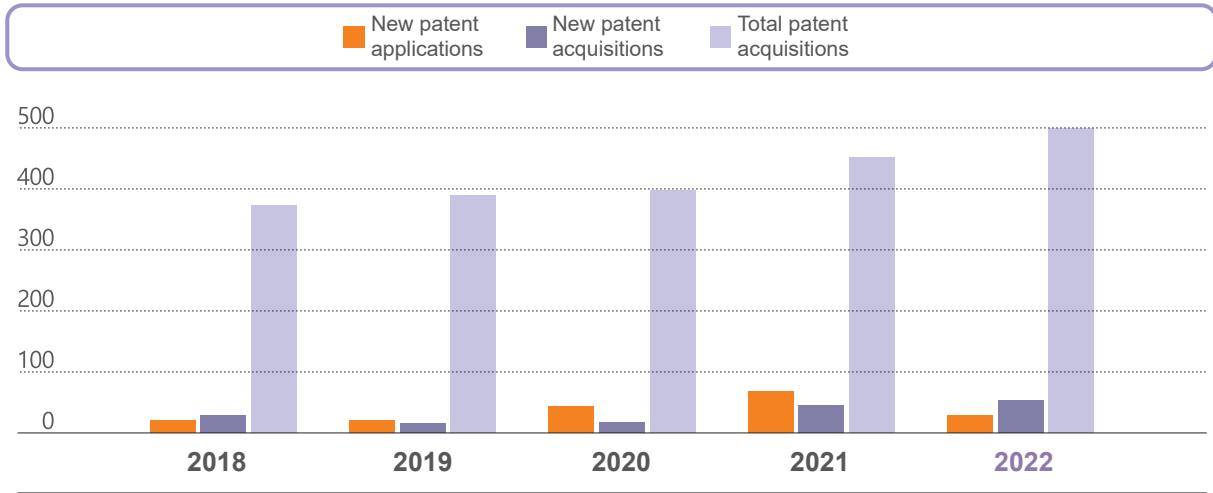
The Company's patent applications and acquisitions in the past five years are as follows:

◆ Number of patents of Taiwan Secom in the past 5 years

Calculation period: (As of December 31, 2022)

Item/Year	2018	2019	2020	2021	2022
New patent applications	21	20	43	67	29
New patent acquisitions	27	16	16	46	55
Total patent acquisitions	366	382	398	444	499

◆ Number of patents of Taiwan Secom in the past 5 years



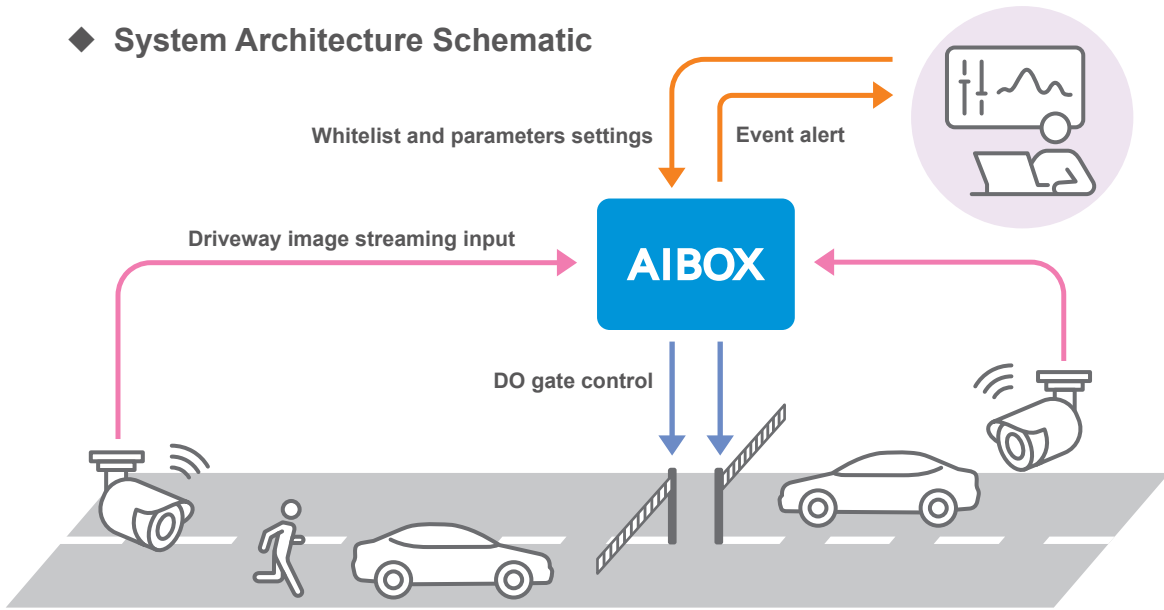
Innovative products

Development of AI smart image recognition box functions

Artificial intelligence has been adopted in numerous industries due to technology development. It has contributed to improved management automation and reduced the response time and labor costs. The security industry has also invested resources to develop related technologies and applications, with a special focus on smart image recognition. It uses AI recognition algorithms to capture and analyze data with specific features from big data sources. It reduces the false alarm rate and transmits alarm signals in real time to achieve preemptive monitoring and control and ensure security with artificial intelligence.

Taiwan Secom adopted edge computing equipment to develop an intrusion detection system that focuses on human shapes as the core criteria of identification. When the system detects the entry of individuals in the alert area, it transmits an alarm signal and retains images at the time of the event. It alerts the user and the control unit that something unusual has happened and fully utilizes the surveillance system. The system prevents losses caused by the distraction of the monitoring personnel who fail to adequately respond to the situation in a timely manner. In addition, the Company also develops license plate recognition functions and uses AI machine learning with image recognition as the core. It collects data from a large number of identified objects and uses repeated computation and learning to reduce the number of analysis errors in the system. It effectively improves the accuracy of license plate recognition and the efficiency of the recognition system. The system architecture is as follows:

◆ System Architecture Schematic



People in residential communities mostly relied on the use of remote control and sensors when they entered or exited the parking lots. However, such items are sometimes lost or fail to function and people must wait for assistance from the management personnel, which wastes time and money. Lending identification badges to friends and family members can also create hassles for management and increase security vulnerabilities for communities. As vehicle license plate recognition systems are adopted, the parking lots of public and residential buildings gradually adopted the application. With image recognition equipment, customers do not need to replace their front-end image sensors with a specific model and are able to quickly adopt recognition applications to achieve automation for the parking lot. Once the system recognizes a vehicle registration number registered in the database, it can open the gate. It saves the time required for remote control or sensing, increases the efficiency of entry and exit, and enhances the security and surveillance of communities. In the future, the intruder detection and vehicle license plate recognition systems will both be used to monitor vehicle entry and exit and monitor whether intruders enter such passages on foot. It prevents the entry and exit of parking lots from becoming potential security vulnerabilities.

Small-scale energy storage system and platform development

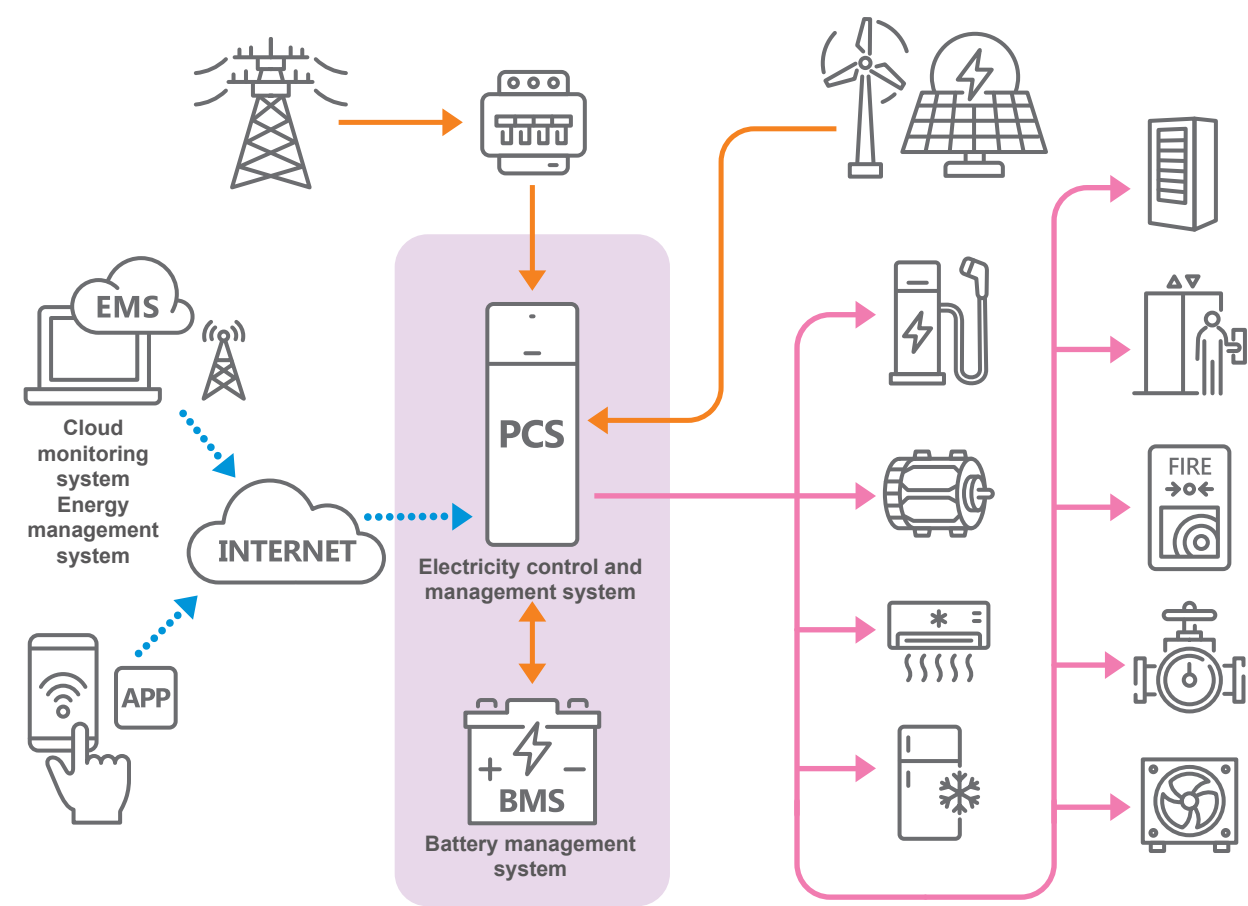
The government has continuously promoted energy transition in recent years and renewable energy power generation has increased rapidly. However, it has created severe challenges for Taiwan's electrical grid in terms of rapid changes, stability, and reliability. Taiwan's total electricity consumption in 2021 reached 283 billion kWh with an annual increase of 4.3%. As of the end of April 2022, the peak load was 360 billion kWh. Several major blackouts have occurred in Taiwan recently such as the major blackout in March last year, which not only affected 5.49 million households but also affected the petrochemicals, fish farming, semiconductor, and steel industries. The total estimated loss exceeded NT\$10 billion. It is evident that a stable electricity supply is critical for people as well as economic development of industries.

The world still relies mostly on fossil fuels for power generation. However, the share of renewable energy in the grid will continue to increase as countries make progress toward their targets for attaining net zero emissions. With the large-scale adoption of new energy power generation and consumption, the entire electricity system will encompass power source, grid, load, and energy storage to overcome the intermittency and variability of wind and solar power. Energy storage will become the fourth basic element of new power systems and new energy storage technologies are set to power the decarbonization of the electrical grid.

The substations in Taiwan are generally old and the replacement rate cannot keep up with the electricity consumption of companies. As Taiwan decommissions nuclear power plants and suspends the construction of thermal power plants, and as renewable energy output remains unstable, energy storage systems play a key role for ensuring net zero emissions and stable electricity supply. As major multinational companies continue to set up plants in Taiwan, Taiwan Secom has also entered the energy storage market and built energy storage systems that can adjust load in the grid. They convert the excess electricity during periods of low demand to chemical energy, kinetic energy, or potential energy for storage and release the energy during peak periods. The demand for energy storage and load balancing in the grid increases as more renewable energy systems are constructed.

Taiwan Secom plans to build energy storage systems as shown in the system architecture schematic on the right. It integrates the power conditioning system and battery management system with back-end energy management system and mobile phone app monitoring to meet the user's operational needs.

◆ System Architecture Schematic



(I) Power conditioning system (PCS)

- ◆ Several electricity consumption modes can be set such as "peak shaving" time-of-use rate for reducing grid load.
- ◆ A bidirectional power conditioning system that controls and manages the charging and discharging of the battery to create a device with bidirectional AC/DC power conversion connection.
- ◆ Support for several types of electricity sources such as solar energy, generators, and grid power, so that multiple backup mechanisms can be used in case of a Taipower power outage.

(II) Battery management system (BMS)

- ◆ It monitors and manages the state of the battery and measures the voltage and health of the battery.
- ◆ Battery protection functions for battery management to prevent overheating and other anomalies.
- ◆ Monitor the state of each battery cell to maintain the normal operations of the energy storage system.

(III) Energy management system (EMS)

- ◆ It collects energy data provided by the PCS and BMS for processing and statistics.
- ◆ It implements monitoring, analysis, and diagnosis to control the entire energy storage system to attain effective management and monitoring.
- ◆ The user can view the power consumption status and related data on the web page and mobile phone app and set the charging and discharging schedule based on conditions.



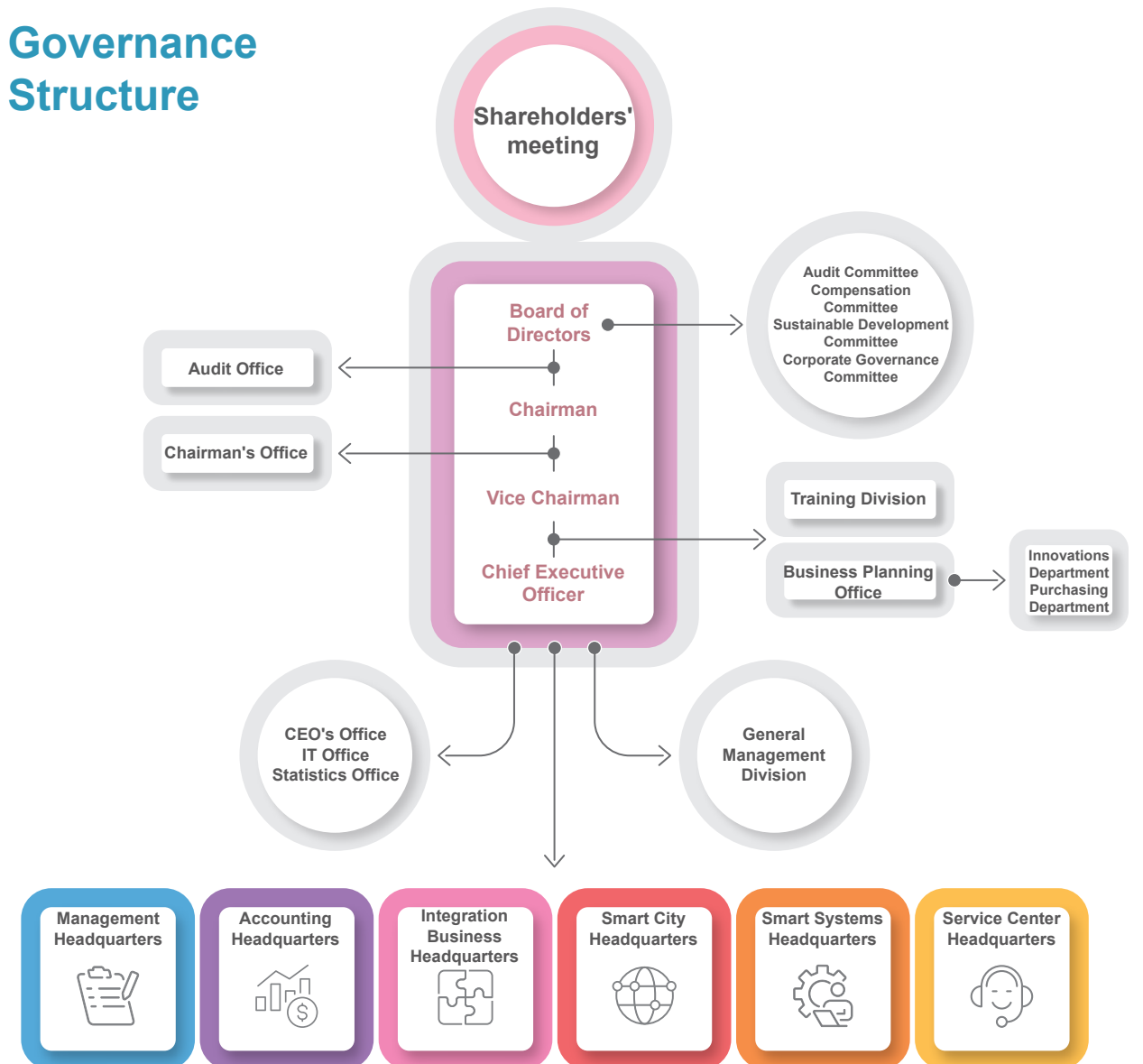


CH2 Corporate Governance

The Board of Directors of Taiwan Secom has 11 members including 8 directors and 3 independent directors that are elected by all shareholders. The average age of the board members is 66 and it consists of 10 male members and 1 female member. Their extensive experience in the industry and management expertise help improve the corporate operation system and protect the interests of investors.

Board meetings are held at least once every quarter. A total of 4 meetings were held in 2022 and the average attendance rate was 98%. Four meetings of the Audit Committee were held in 2022 and the attendance rate of independent directors was 100%. Taiwan Secom established the "Audit Committee", "Compensation Committee", "Sustainable Development Committee", "Corporate Governance Committee", and "Nominating Committee" under the management of the board to ensure that the board performs its governance responsibilities and enhance the functions of the board. Taiwan Secom will continue to enhance the functions of the board, implement the Company's Regulations Governing Procedure for Board of Directors Meetings, and enhance information transparency of the board to maximize board functions.

Governance Structure



◆ Gender Ratio of the Board of Directors of Taiwan Secom

Male	Age range	Female
8	50 and above	1
2	Between 30 and 50	0
0	Under 30	0
10	Total	1

◆ Members of the Board of Directors of Taiwan Secom

Title	Name	Experience
Chairman	Lin Hsiao-Hsin	Chairman, Taiwan Secom Co., Ltd.
Vice Chairman	Hsin Lan Investment Co., Ltd. Representative: Lin Chien-Han	1. CEO, Taiwan Secom Co., Ltd. 2. Vice Chairman, Taiwan Secom Co., Ltd.
Director	Secom Co., Ltd. Representative: Sadahiro Sato	1. Executive Director, Secom Co., Ltd. (Japan) 2. Executive, Group International Headquarters
Director	Secom Co., Ltd. Representative: Hiroshi Onodera	1. CEO, Taiwan Secom Co., Ltd. 2. Director, Taiwan Secom Co., Ltd.
Director	Secom Co., Ltd. Representative: Takashi Nakada	1. Executive Director, Secom Co., Ltd. (Japan) 2. Deputy, Group International Headquarters
Director	Yuanxin Investment Co., Ltd. Representative: Lin Ming-Sheng	1. Director, Taiwan Secom Co., Ltd. 2. Vice Chairman, Goldsun Building Materials Co., Ltd.
Director	Du Heng-Yi	1. Chairman, Wan Yuan Textiles Co., Ltd. 2. Chairman, Taiwan-Japan Cultural and Economic Association 3. Chairman, Young President's Organization (YPO) (1996) 4. Country Representative, International Cotton Advisory Committee (ICAC)
Director	Gold Flora Investment Company Representative: Hsu Lan-Ying	1. Chairman, Goldsun Building Materials Co., Ltd. 2. General Manager, General Management Division, Taiwan Secom Co., Ltd.
Independent Director	Chen Tian-Wen	1. Chairman, Sanhe Industry Co., Ltd. 2. Chairman, Jiashi Construction Co., Ltd. 3. Independent Director, Taita Chemical Company, Limited 4. Independent Director, Yeong Guan Holdings Co., Limited 5. Consultant, Chinese National Association of Industry and Commerce, Taiwan 6. Independent Director, Taipei Private Tsai Hsing School
Independent Director	Jiang Yong-Zheng	1. Attorney, Cheng Bang and Cheng Young Law Firm 2. Independent Director, Top High Image Corp. 3. Independent Director, Long Da Construction & Development Corporation 4. Independent Director, Nan Pao Resins Chemical Co., Ltd.
Independent Director	Dong Jun-Yi	1. Chairman, Ability Venture Management Co., Ltd. 2. Chairman, Dongguan Chengguang Hardware Products Co., Ltd. 3. Chairman, Lik Tin Century Investment Co., Ltd.

Anti-Corruption and Ethical Corporate Management

Anti-Corruption and Ethical Corporate Management

Material Issue	Anti-Corruption and Ethical Corporate Management
Importance	As the Company pursues sustainable development to prevent legal liabilities and damage to good will due to unethical conduct, it incorporates ethical values into the management strategy and engages in business activities based on the principles of fairness, integrity, trust, and transparency. We also aim to communicate ethical corporate management ideas and incorporate them as the core values of the Company.
Management Approach	To implement the Ethical Corporate Management Policy and actively prevent unethical conduct, the Company established the following regulations to regulate matters of note for employees in business operations. (1) Management of measures for preventing insider trading (2) Ethical Corporate Management Best Practice Principles (3) Ethical Corporate Management Operating Procedures and Code of Conduct (4) Procedures for Handling Material Inside Information. (5) Whistleblower System Implementation Regulations (6) Supplier Commitment Statement.
Goals of the Management Policy	Establish a corporate culture of integrity and healthy development of the Company to maintain a sound business model and enhance corporate governance.
Policy and Commitment	(1) Management of measures for preventing insider trading (2) Ethical Corporate Management Best Practice Principles (3) Ethical Corporate Management Operating Procedures and Code of Conduct (4) Procedures for Handling Material Inside Information. (5) Whistleblower System Implementation Regulations (6) Supplier Commitment Statement.
Goals and Targets	The Company will abide by related regulations and prevent incidents of corruption to create an ethical corporate management culture.
Responsibility	The Company's personnel (including directors, managers, employees, appointees, and persons with substantial control over the Company and the Group's businesses and organizations) shall fulfill their duties as prudent managers to prevent unethical conduct, review implementation results of policies at all times, and continue to make improvements to ensure the integrity governance policy is implemented.
Resources:	1. Business Planning Office: The Company has assigned the Business Planning Office to carry out the revision, implementation, explanation, consultation service, and registration of report contents and other operations, as well as the supervision of the implementation of the Ethical Corporate Management Operating Procedures and Code of Conduct, and report to the Board of Directors at regular intervals. 2. Legal Affairs Office: The Company's Legal Affairs Office is the special unit charged with formulating and implementing procedures for the management, preservation, and maintenance of the Company's trade secrets, trademarks, patents, works, and other intellectual properties and it shall regularly review the results of implementation to ensure their effectiveness. 3. Human Resources Department: If an employee's unethical conduct is proven, appropriate disciplinary actions will be taken in accordance with related laws and regulations or the Company's regulations for rewards and penalties, including dismissal or termination of employment. 4. Audit Office: Investigation of violations of the Company's integrity policy and related laws and regulations or reported cases.
Complaint Channels	The Company has set up the website service mailbox floatbird@secom.com.tw and the service line 02-25575050#869 as complaint channels. It compiles lists of anonymous reports at regular intervals and mails them to Independent Directors. It also cooperates with requests to access information.
Specific Actions	The Company established the "Ethical Corporate Management Best Practice Principles" and "Ethical Corporate Management Operating Procedures and Code of Conduct" and announced that employees are enrolled under the "employee integrity insurance" in group reports.
Results	1. Number of employees penalized or terminated for violation of ethical corporate management principles this year: 1 case. 2. The Company implemented the Corporate Management Policy and did not receive penalties due to violations of related laws for ethical corporate management in 2022.

- I. The "Business Planning Office" of the General Management Division is the designated unit for promoting ethical corporate management. It is responsible for assisting the board and the management in formulating and monitoring the implementation of the Ethical Corporate Management Policy and the Code of Conduct to ensure the implementation of ethical corporate management. It reported its implementation status along with the CRS Report to the Board of Directors on August 10, 2022.
- II. The Company abides by the Ethical Corporate Management Policy and the implementation status in 2022 is as follows:

1. Education and training.

The Company plans courses on regulations, audits, risk management, disaster prevention, and security courses and provides regular training on laws, service guidelines, and code of conduct. It also uses case studies in the courses to enhance ethical corporate management concepts and implementation to manage and prevent unethical conduct. The Company implements online self-assessment for all employees each year and the scope covers ethical corporate management and the Code of Conduct. The Company also focuses on ethical management of business activities, prohibits unethical conduct and damage to stakeholders' interest, and strengthens the confidentiality obligations for its intellectual property rights.

2. Compliance awareness campaigns.

The Company's implementation of ethical management and the training on laws and case studies include using the employee database of the Group and the reporting website to communicate legal requirements, Code of Conduct, Ethical Corporate Management Procedures, and other related regulations.

3. Regular audits

To prevent employees from engaging in dishonest or unethical conduct and account for the risks of fraud, the Company designated the Legal Affairs Office as the special unit charged with formulating and implementing procedures for the management, preservation, and maintenance of the Company's trade secrets, trademarks, patents, works, and other intellectual properties and it shall regularly review the results of implementation to ensure their effectiveness.

4. Whistleblowing system and whistleblower protection.

The whistleblowing system is established in the "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Ethical Corporate Management Operating Procedures and Code of Conduct". The Company actively prevents unethical conduct and encourages internal and external personnel to report unethical conduct or inappropriate actions. The Company also designated the Legal Affairs Office of the General Management Division to process reports regarding employees' involvement in unethical conduct. The Stakeholders section on the official website provides employees, shareholders, stakeholders, and external individuals with effective communication methods. The Company compiles lists of anonymous reports at regular intervals and mails them to Independent Directors. It also cooperates with requests to access information. If a report is made against a director or senior executive, it is directly submitted to the independent directors. The Company also established a whistleblower protection system to maintain the confidentiality of the identity of the whistleblower and contents of the report. It is committed to protecting whistleblowers from inappropriate disciplinary actions due to their whistleblowing.
- In addition, if an employee's unethical conduct is proven in the investigations conducted by the Human Resources Department, appropriate disciplinary actions will be taken in accordance with related laws and regulations or the Company's regulations for rewards and penalties, including dismissal or termination of employment. Audit Office: Investigation of violations of the Company's integrity policy and related laws and regulations or reported cases.
- I. Article 13 of the Rules of Procedure of Board of Directors' Meetings stipulates that if a director has a conflict of interest in a meeting, he/she or the legal entity he/she represents shall state the material content of his/her interest at the current board meeting. If such interest is likely to be detrimental to the Company's interests, he/she may present her opinion and answer questions, but shall not join the discussion and voting, and shall recuse himself/herself from the discussion and voting and shall not exercise his/her voting rights on behalf of other directors.
- II. The internal auditors regularly report the results of audits to the Board of Directors.
- III. The Company reminds employees of the ethical corporate management regulations during orientation training and provides related channels for accessing information so that employees can access ethical corporate management information at any time.

◆ Ethical Corporate Management Whistleblowing and Complaint Channels

Complaint hotline

02-25575050 #869

E-mail

floatbird@secom.com.tw

Mailing address

10F, No. 139, Zhengzhou Rd.,
Taipei City
Legal Affairs Office

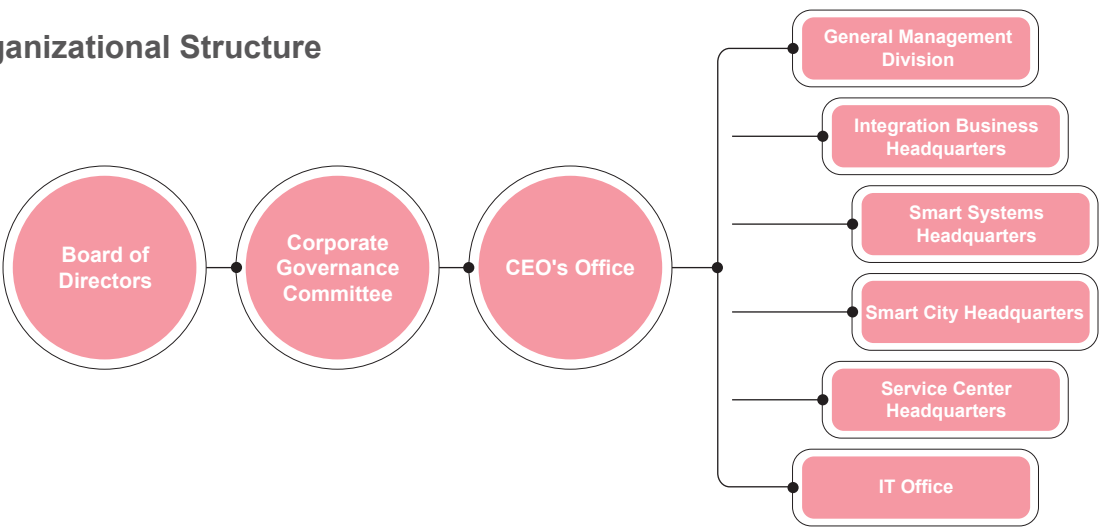
Regulatory compliance

Material Issue	Regulatory compliance
Importance	Compliance is a key foundation for sound corporate growth and sustainable development. It helps the Company avoid any possible impact on operations or damage to goodwill caused by violations of laws and regulations.
Management Approach	Taiwan Secom has designated units to manage and comply with regulations and assigned the audit units to conduct audits on compliance matters. The Company also establishes and implements management regulations such as the "Corporate Social Responsibility Best Practice Principles", "Ethical Corporate Management Best Practice Principles", "Ethical Corporate Management Operating Procedures and Code of Conduct", "Corporate Governance Best Practice Principles", "Procedures for Handling Material Inside Information", "Personal Information Protection and Management Regulations", "Personal Information Security and Physical Environment Management Regulations", and "Branch Company Personal Information Management Guidelines".
Goals of the Management Policy	Taiwan Secom implements compliance policies to protect the Company from the impact caused by violations of laws and regulations or penalties.
Policy and Commitment	Taiwan Secom's compliance policy focuses on "ensuring compliance and establishment of regulations" to ensure that the Company's operations meet regulatory requirements and prevent corruption.
Goals and Targets	The Company complies the laws and regulations of the competent authority to prevent material violations of related regulations.
Responsibility	The Company assigns relevant units to process the compliance with laws and regulations and management.
Responsible Units	1. Service Center Headquarters: Process the training, management, and inspections of security personnel in accordance with the regulations of the Private Security Service Act. Process the establishment, management, training, and implementation of systems in accordance with the Personal Data Protection Act. 2. Human Resources Department: Compliance with the Labor Standards Act and the communication, management matters for the Occupational Safety and Health Act, and processing employees' complaints. 3. Business Planning Office: Compliance with the Company Act and Securities and Exchange Act and the establishment and management of the systems of a public company. 4. Legal Affairs Office: Compliance with regulations for patents, trademarks, copyright, and trade secrets, establishment and implementation of the management system, and consultation on other laws and regulations. 5. General Affairs Department: Compliance with government energy management regulations and environmental protection regulations. 6. Audit Office: Audit of compliance with laws and regulations.
Complaint Channels	The Company has set up the website service mailbox service@secom.com.tw and the 24-hour service telephone 0800-22-11-95 to set up complaint mechanisms and channels.
Results	Taiwan Secom ensures the implementation and management of the Company's Compliance Policy of all units. In 2022, the Company committed no material violations [i.e., NT\$1 million or above] of laws or regulations or other penalties in terms of environmental or social matters.

Risk Management and Internal Control
Risk Management

Material Issue	Risk Management
Significance and Purpose of Management	Compliance with Article 44 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies". Implemented to enhance corporate governance, implement operation risk management, and ensure the integrity of the Company's risk management system.
Policy and Commitment	The Company adopts a proactive and cost-effective approach to integrate the material risks in the business activities, including but not limited to governance risks, strategy risks, operation risks, financial risks, and compliance risks. In addition to compliance with related laws and regulations, business activities must also be implemented in accordance with this policy.
Target	1. Risk avoidance: Avoid activities that might involve risks. 2. Risk reduction: Take measures to reduce the impact and/or likelihood of the occurrence of risks. 3. Risk transfer: Transfer risks, in part or in whole, to another party. 4. Risk bearing: Take no measures to change the possibility and impact of risks.
Responsibilities and Resources	Board of Directors: The Board of Directors is the highest governing unit of the Company for risk management. It is responsible for approving the risk management policy, structure, and culture. Corporate Governance Committee: The Committee assists the Board of Directors in its risk management duties and it is responsible for reviewing the risk management issues proposed by the Review and Implementation Team. Audit Office: The Audit Office reports to the Board of Directors, assists the Board of Directors and managers in inspections and reviews of the deficiencies in the internal control system, and measures the results and efficiency of operations. Each year, the Audit Office formulates the annual audit plan in accordance with the risk assessment results. It also reports the results of audits to the Audit Committee and the Board of Directors. Business units: They are responsible for the actual implementation of the risk plans including risk identification, risk analysis, risk assessment, response and control measures for risks, and self-supervision. The business units must report the risk management implementation status for various risks to the Risk Management Committee at regular intervals or when requested by the Committee.
Resources Invested and Action Plans	A. Risk monitoring: Each business unit shall monitor and control its business risks, propose countermeasures, and provide regular management reports on material risks to the executive team of the Corporate Governance Committee. B. Risk reporting and disclosure: Each business unit shall report all risk management information to supervisors at each level immediately, daily, or at regular intervals based on the scope of duties and the nature of their activities. They must report material or irregular risks immediately. To record risk management procedures and results in detail, the Company shall report the risk conditions to the Board of Directors on a regular basis or whenever necessary.

◆ Organizational Structure



Scope of Risk Management

In terms of the risk management for units on each level, the Company adopts a proactive and cost-effective approach to integrate the material risks in the business activities, including but not limited to governance risks, strategy risks, operation risks, financial risks, and compliance risks.

◆ Responsible Authority for Risk Management



Risk Management Operations

Taiwan Secom plans to report to the Corporate Governance Committee on August 10, 2023. The contents of the report shall include the business strategy, product risks, and business risks. The risk assessment shall be conducted by the departments based on the risk factors considered for the business scope in the formulation of institutions and regulations to determine the risks for the implementation of each policy. The Audit Office assists each department in performing annual risk assessments based on their business items. Risks are assessed based on their likelihood and materiality and are classified into four risks levels: highest, high, moderate, and

low. The Audit Office compiles the assessments results and responses of each department on risks items and provides management recommendations for operations with a risk rating higher than moderate. The Audit Office also carefully assesses the business risks for the audit plan of the following year or project audits based on the materiality of business risks to fulfill risk assessment and management functions. The Audit Office plans to report the business items and implementation status of risk management by the Company's units charged with risk management to the Board of Directors on August 10, 2023.

In 2022, the Audit Office compiled the risk assessments results of each department and identified 7 moderate-risk items and 2 high-risk items. They were included in the key audits of the business management units, tracked in routine performance management, or included in the 2023 audit plan by the Audit Office.

Internal control

Taiwan Secom established the "Internal Control System" and "Internal Audit Implementation Rules" in accordance with the "Regulations Governing Establishment of Internal Control Systems by Public Companies" of the Financial Supervisory Commission, Executive Yuan. The internal control system includes 8 major operational cycles (operating revenue and collection cycle, purchasing and warehousing cycle, personnel payroll cycle, financing cycle, property, plant and equipment cycle, investment cycle, research and development cycle, and information operations) and other internal management systems to strengthen the control of operational risks, ensure the safety of the Company's assets, protect the rights and interests of shareholders, and comply with relevant regulations.

◆ Taiwan Secom's Internal Control System

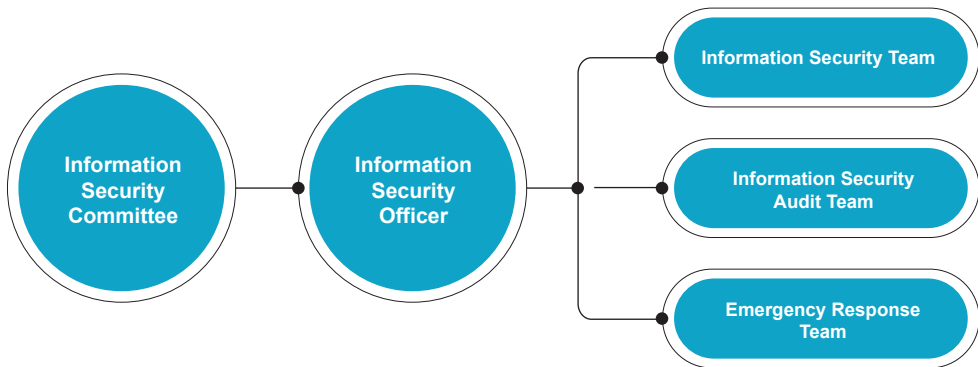


The Audit Office of Taiwan Secom reports to the Board of Directors and assists the Board of Directors and the management in overseeing the Company's systems and processes to ensure the effective implementation of the Company's internal control system and to provide timely recommendations. The Audit Office prepares an internal system checklist before the end of November each year and sends it to each unit for self-assessments based on the assessment criteria. Each unit conducts internal control self-assessments based on the items in the checklist before the end of December each year and provides samples as evidence. Finally, the Audit Office reviews and summarizes the deficiencies of the results of the current year into an "overall assessment of internal control" and submits it to the Chairman and the CEOs of each headquarters for review as the basis for determining the effectiveness of the implementation of Taiwan Secom's internal control system.

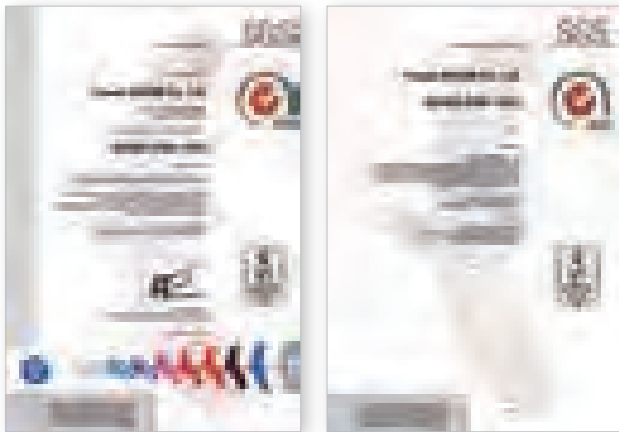
Information security and customer privacy

Item	Contents
Material Issue	Strict protection of customer privacy
Materiality to Taiwan Secom and Purpose of Management	Information security and customer data protection are the Company's commitments to customers, shareholders, and employees. Enhancing information security has become increasingly critical due to the increase in the diversity of cybercrime and the frequency and complexity of cyberattacks.
Policy and Commitment	Establish the Business Continuity Plan (BCP), protect related policy development and implementation, and organize information security training for employees. Ensure the continuous operations of the Company's businesses and increase the standards of information services. Follow a Plan-Do-Check-Act (PDCA) cycle of information security to manage information security risks. Implement a multi-layer structure to effectively monitor information security management and continuously review and improve the information security.
Target	Short term Comply with the requirements of laws and regulations without violations. Implement personalized management with training programs and awareness campaigns to enhance information security concepts and personal data protection awareness to reduce the number of information security incidents to fewer than 6 cases each year.
	Medium and long term Full adoption of the Information Security Management System (ISMS) to enhance employees' information security concepts and reduce the number of information security incidents to fewer than 2 cases each year.
Responsibilities and Resources	Build an information security system, evaluate new information security technologies, and integrate them into the system whenever necessary to ensure the security of the system and customers' personal information. The Company established the "Information Security Committee", assigned information security officers, and established the information security team and emergency response team for information security management. <ul style="list-style-type: none">Information Security Team: Overall planning and implementation of information security policies, framework, and guidelines, including the information security management of operational technology, physical environmental security, and personnel security.Information Security Audit Team: Responsible for annual audits of the overall information security cycles.Emergency Response Team: Responsible for emergency response to information security incidents and processing information system and network issues.
Resources Invested and Action Plans	<ul style="list-style-type: none">The Information Security Team convenes quarterly meetings to review information security policies, enhance management, and improve service quality standards.It implements vulnerability scans and intrusion detection every six months to ensure that resources are not compromised or misused.It conducts annual disaster recovery drills to review the system and the proficiency of the staff in system operations and disaster response.It implements annual information security audits to verify the integrity and availability of the information security system and the employees' information security awareness in day-to-day operations.
2022 Implementation Results	Reviewed information security and personal information protection for non-compliance; no major information security incidents occurred in 2022 and there were no customer complaints of privacy violation of leaks of confidential information.

Information Security Management Organization



ISO 27001 certificate



To enhance customer information security, the Company invests considerable manpower and resources each year to ensure customer information security and personal privacy as well as the security of customers' assets. Taiwan Secom implements security management of customers' personal information to prevent attacks by hackers and viruses and to ensure the normal operation of information systems, equipment, and networks. We introduced network protection measures to provide real-time monitoring through 24/7 round-the-clock maintenance to detect and identify information security incidents before they occur and provide safe and secure services.

Taiwan Secom protects the information collected from customers and considers security a key issue in its operations. We emphasize the importance of information security management and ensure the confidentiality, integrity, and availability of the information assets protected by the Company. We also meet requirements in relevant regulations to protect against intentional or accidental damage by internal or external forces to ensure the sustainable development of the Company. We established the Personal Information Protection and Management Regulation and the personal information protection management organization and conduct simulations and drills to protect customers' personal information. Taiwan Secom implements the Plan-Do-Check-Act (PDCA) cycle to ensure comprehensive information security. The information security management framework is shown in the figure below:

Information Security PDCA



During the COVID-19 outbreak in 2022, the staff of Taiwan Secom worked from home and offsite. We strengthened the information system services and network connection security for employees working offsite or from home and implemented management procedures for their virtual private network (VPN) account applications to ensure the Company's continuous operations and protect employees from the COVID-19 pandemic.

The Company provides updates on recent material information security incidents in the internal website and established an information security incident reporting platform for dedicated units to process incidents. It ensures horizontal and vertical communication between departments and rapid resolution for information security incidents. We also continue to enhance employees' information security awareness with information security campaigns from time to time to remind employees to abide by information security regulations and protect customer privacy.

Taiwan Secom is the most reliable partner for customers. The Company follows the Private Security Service Act and prioritizes the protection of customers' freedom of life and property in all services. We also perform customer instructions as a good administrator and build relationships with customers as a reliable partner in life. Customer information, data, special requirements, or requests are deemed as important assets of the Company.

Customer service quality

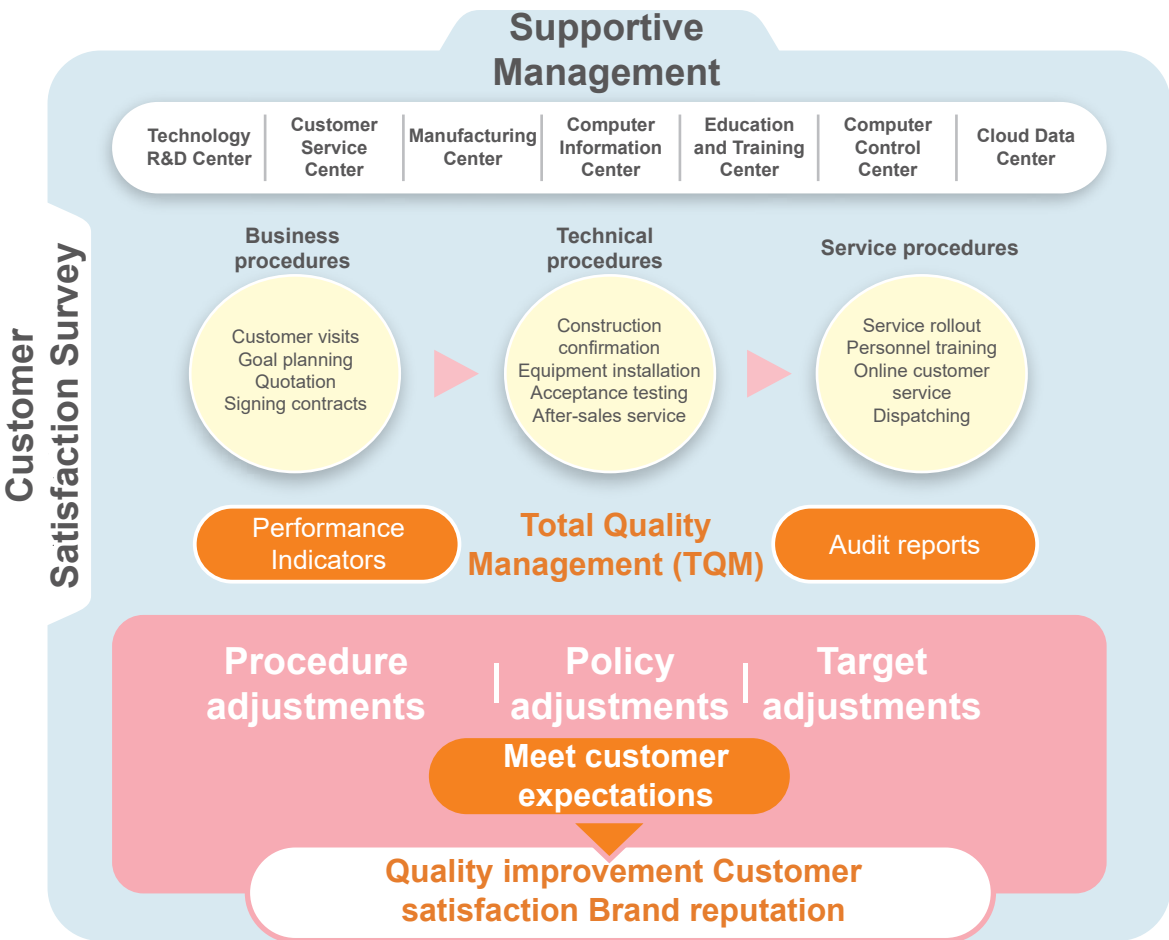
The quality of services is the core value of the corporate brand and operations of Taiwan Secom. It directly affects the revenue, brand reputation, market competitiveness, and the Company's sustainable development. Taiwan Secom aims to become a leader in smart living and create future lifestyles. Taiwan Secom thus established management policies for the service quality enhancement structure and related management procedures based on the motto "Caring Beyond Basic Human Needs". In terms of the quality of services, Taiwan Secom firmly believes that "there is only better service and no best service".

Service quality management policies



Taiwan Secom is committed to improving the quality of services and creating a strong internal support organization and activities. The Company established action plans and measures and standardized the three major operating procedures. We use questionnaire surveys in the service process and survey the satisfaction rate after completing services. We collect market information from different sources and accurately monitor consumer needs. We use the performance indicators and audits to comprehensively enhance the efficiency and performance of key process management. The Company adjusts the service model for continuous service quality enhancement/improvement to provide consistently high-quality customer experience.

Service Quality Improvement Framework and Management Procedures



Understand Customer Needs: Customer Satisfaction Survey

Taiwan Secom has always paid close attention to customer feedback. We adjust our product and service strategies based on customer experience to provide thoughtful services beyond customer expectations. To create friendly interaction model between Taiwan Secom and customers, the Customer Service Center regularly conducts consumer satisfaction surveys, establishes performance benchmarks and targets, and tracks and manages service quality issues to verify whether all departments meet customer expectations.

Taiwan Secom developed the [Smart Audio Customer Service System] in 2022 to use smart technologies to resolve the existing telephone service quality issues. The development includes [incoming] and [outgoing] calls totaling five items. The outgoing calls include the [customer satisfaction surveys for new customers] and [case closure satisfaction rate of customers receiving services]. The [customer satisfaction surveys for new customers] was selected developed and certified in August 2022. Outgoing telephone interview calls were launched in September 2022.

Customer Satisfaction Survey Items and Targets



Consumer satisfaction survey and targets:

I. Customer satisfaction surveys for new customers Target >95%

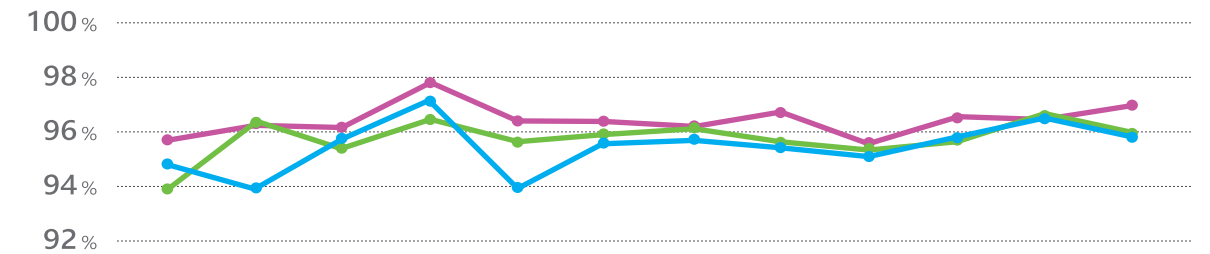
The Company surveys new customers on operations, construction, and services. After calculating the weighted satisfaction rate for the three items and the ratio of invalid responses, the Company announced the rankings of each team to encourage them. Units that fail to meet the standards must propose improvement measures in the monthly project meeting. The smart telephone interview was launched in September 2022. The basis for calculating the satisfaction rate was slightly different from the original but the overall satisfaction rate was still 95%.

New customer satisfaction rate survey trends and analysis (2022)

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Operations	94.8	93.9	95.8	97.1	93.9	95.6	95.7	95.4 <small>AI telephone interview conversion *20%</small>	4.756	4.791	4.827	4.785
Construction	93.8	96.5	95.4	96.4	95.6	95.9	96.1	95.6 <small>AI telephone interview conversion *20%</small>	4.769	4.789	4.830	4.796
Service	95.7	96.2	96.2	97.8	96.4	96.4	96.2	96.7 <small>AI telephone interview conversion *20%</small>	4.781	4.826	4.827	4.848
									95.6	96.5	96.5	97.0

Monthly trends of customer satisfaction surveys for new customers

2022	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Operations	94.8	93.9	95.8	97.1	93.9	95.6	95.7	95.4	95.1	95.8	96.5	95.7
Construction	93.8	96.5	95.4	96.4	95.6	95.9	96.1	95.6	95.4	95.8	96.6	95.9
Service	95.7	96.2	96.2	97.8	96.4	96.4	96.2	96.7	95.6	96.5	96.5	97.0



In 2022, we recovered 14,039 valid questionnaires (82.6%); 199 customers declined to be interviewed (1.2%); we recovered 2,758 invalid questionnaires (16.2%). A total of 16,996 telephone interviews were carried out.

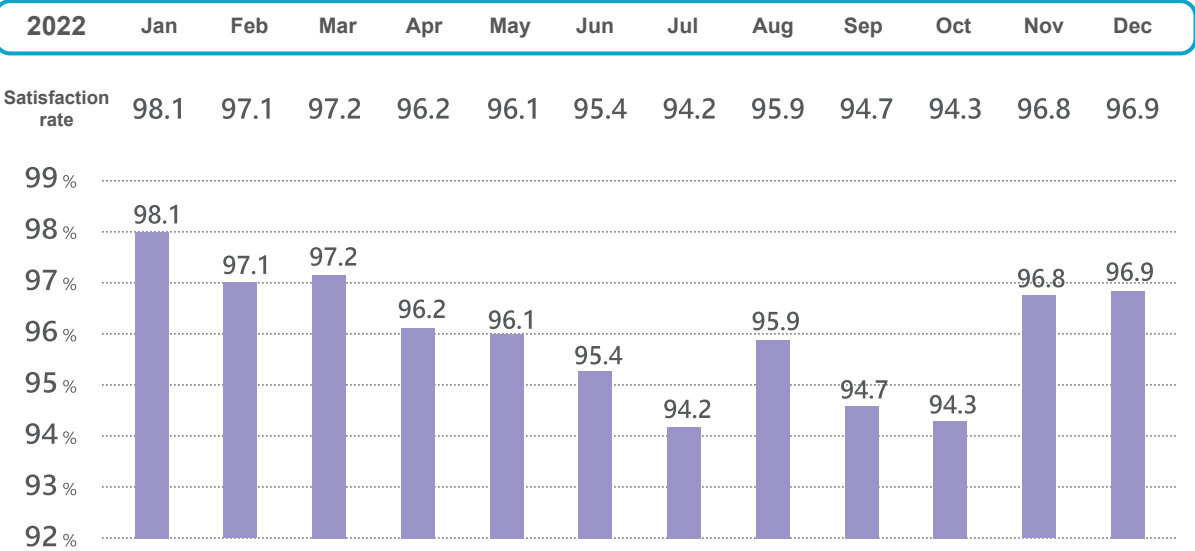
Taiwan Secom regards the information that customers are willing to communicate or correct as valuable assets. For new cases with customer satisfaction below standards, the Company instructs the technical supervisor of the branch to conduct onsite visits to monitor and improve operations. If there is a major deficiency, the branch manager must visit the site to obtain more information. The Company also requires branches to compile related case studies and send them to the head office for the responsible department to convene project meetings to review the items and improvement procedures. After analyzing the cause, the Company swiftly and actively implements adjustments. The technical department corrects the technical/construction operating procedures and updates regulations. The Education and Training Center enhances training and administers tests to require employees to meet consistent standards. We restore normal construction satisfaction rate for new customers within the planned time.

II. Satisfaction rate of telephone interviews of residential customers
Target >90%

The Customer Service Center implements the residential customer telephone interview to improve the user experience and meet the true needs of residential customers. It defined the 14 telephone interview questions and the key points of the telephone interview are as follows:

- 1. Is the customer satisfied with the system functions? Does the customer need additional functions or adjustments of certain functions?
- 2. Help customers use the automated services in the app or LINE@ to increase convenience.
- 3. Identify issues early and assign supervisors to visit the customer.
- 4. Explore customer needs and recommend new products of the Company to create business opportunities for value-added services.

◆ Telephone interviews of residential customers (2022)



In 2022, the Company planned to carry out 22,270 surveys. After deducting the 11,151 cases involving customer privacy, 11,119 cases were implemented. 6,029 telephone interviews were completed (54.22%) and 5,796 customers expressed satisfaction with the user interface (96.1%). The telephone interviews identified 35 issues for which supervisors were assigned to visit customers. 24 customers expressed their intent to use value-added services.

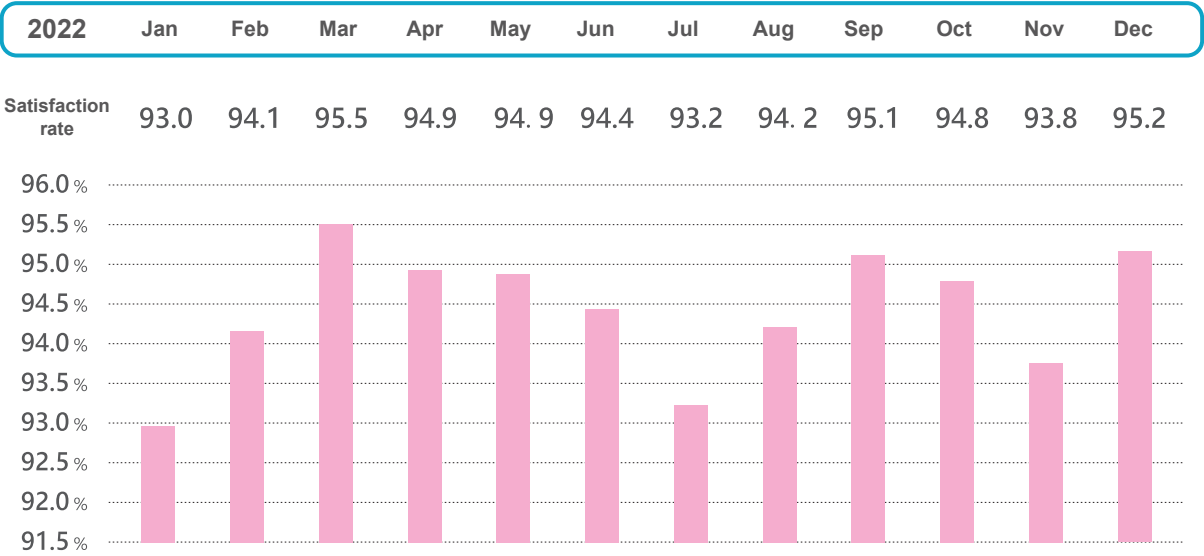
Due to the epidemic prevention measures in 2022, the Customer Service Center implemented rotations in separate groups and remote work in separate phases. All manpower and operations were flexibly allocated in compliance with laws and regulations. After the head office evaluated the impact, the original targets of the [telephone interviews of residential customers] for [full efforts for completion] was adjusted to [authorization for the Customer Service Center to conduct telephone interviews based on the availability of personnel] to continue to collect customer feedback. Therefore, the completion rate of the [telephone interviews of residential customers] in 2022 was only 54.22%. As shown in the figure above, the satisfaction rates of telephone interviews of residential customers in July and October 2022 were volatile due to the low number of samples. The annual satisfaction rate of 96.1% met quality requirements and the overall performance deviation remained under control. The Company shall adjust or restore the targets according to the policies of the head office based on the development of the pandemic in 2023.

III. Case closure satisfaction rate of customers receiving services Target >90%

Taiwan Secom established a comprehensive system with 15 major categories, 36 codes for instructions, and 1,556 sub-items for instructions to ensure zero loss of information and respond appropriately to customers' complaints. When the Customer Service Center processes a customer complaint, it specifies the case type with precision based on customer needs and registers all necessary information on customer needs. The system automatically assigns personnel to provide services. After the completion of services, the service provider must ask the customer to sign on the "Customer Service Visit Table" to close the case. All customer complaints and records are recorded in detail on the "Service Requests Management Platform".

To enhance service quality, Taiwan Secom treats the 40 sub-codes as key audit items. Once a case is closed, the request status becomes "issue addressed and awaiting confirmation". The Customer Service Center must perform the telephone interview procedure for the "customer request satisfaction survey" within a certain time frame. Three key points of the telephone interview: Did the staff provide service onsite? Was the situation properly handled? Please rate the service of the staff. The head office verifies the results of the telephone interview and announces the performance rankings of the branches each week. Awards are given to the top-performing units and those with special service records.

◆ Customer Service Center Request Satisfaction Rate Confirmation
Entire company (2022)



Taiwan Secom focuses on customer needs in its marketing strategy and product design. It therefore implements a diverse range of market surveys to monitor the service quality and continuously implement service improvement plans. The Company uses incentives and warnings to encourage employees, provide superior service quality than competitors, and take the lead in brand value.



Comprehensive Support Management: Taiwan Secom's 7 Major Centers

Taiwan Secom continues to invest significant resources in the creation of the 7 major centers (1. Computer Information Center, 2. Computer Control Center, 3. Technology R&D Center, 4. Education and Training Center, 5. Customer Service Center, 6. Manufacturing Center, and 7. Cloud Data Center) to provide comprehensive supportive management.

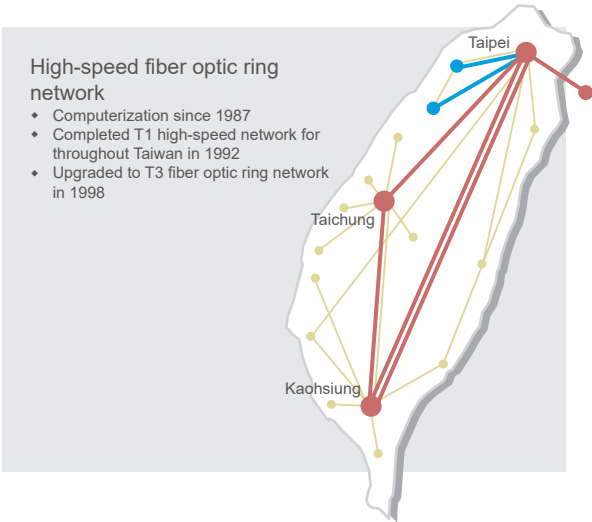
◆ Description of Taiwan Secom's 7 Major Centers



01The Digital Giant of High-Tech Security

Computer Information Center

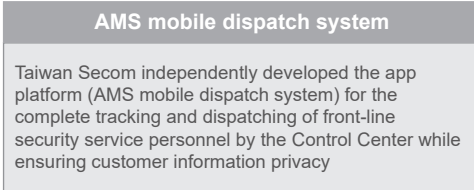
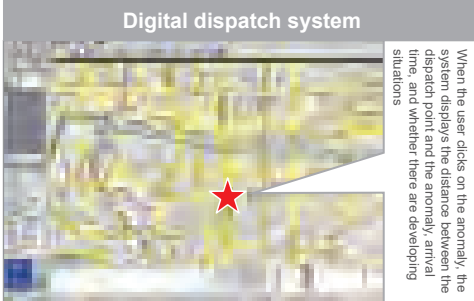
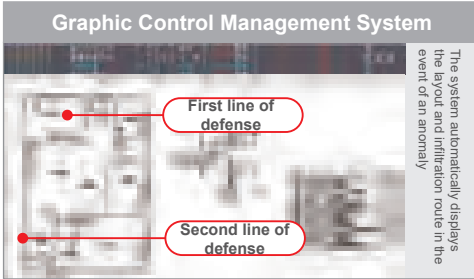
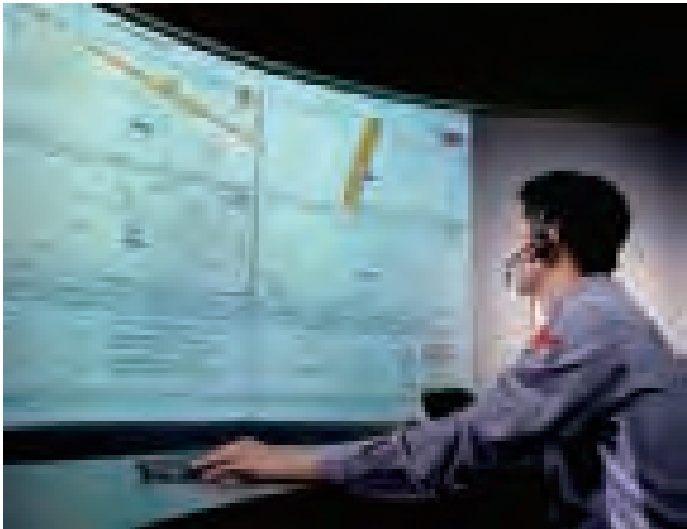
- ◆ Network structure with fiber optics as the backbone to connect 94 branches and over 200,000 customers in Taiwan
- ◆ Independent development of the necessary software and extensive industry experience to create operation and management systems with high confidentiality
- ◆ Value-added network platform for full rollout of the group's digital transformation



02The Planning and Operation Hub

Computer Control Center

- ◆ Two control centers in Taipei and Kaohsiung work around the clock to ensure information security for more than 200,000 users in Taiwan
- ◆ It launched the advanced Integrated Security System (ISS) to monitor user security updates with precision



03

Heroes Behind-the-Scenes

Technology R&D Center

- ◆ More than 200 software and hardware developers develop and improve systems based on market demand in Taiwan
- ◆ It integrates foreign security technologies to take the lead in the security industry in Taiwan
- ◆ It connects and integrates the industry technologies of affiliates to develop unique and thoughtful services
- ◆ It uses services as the core and technologies as the backbone to provide competitive advantages in the industry and expand the Company's competitiveness



04

High-quality service personnel development base

Education and Training Center

- ◆ Comprehensive talent development training with professional equipment in training facilities and training centers (Tamsui and Yuanshan) in Taiwan to train professional talents
- ◆ Diverse competency training with strict assessments to provide entry-level employees and mid-level to senior executives with comprehensive training programs
- ◆ The professional certification system incorporates promotions and incentives to enhance employees' professional competencies
- ◆ Only high-quality talent cultivation can attain the highest number of patent applications in the industry



05

Listening to Customers and Services

Customer Service Center

- ◆ 24-hour year-round customer service to answer customer questions, troubleshoot, and provide services
- ◆ Customer service representatives have professional experience in direct and effective communication for satisfying customer needs within the shortest time possible
- ◆ The Company hires multilingual customer service personnel to provide services to users of different nationalities in Taiwan and provide comprehensive services
- ◆ Rigorously implement case follow-up and regular satisfaction surveys

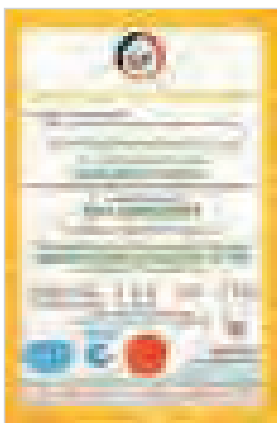
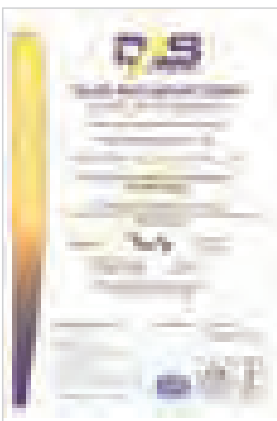


06

Rigorous Equipment and Facility Quality Control

Manufacturing Center

- ◆ The Company produces the most critical equipment and facilities
- ◆ Comprehensive quality management throughout the process from production, assembly, and testing to after-sales service and recycling
- ◆ Rigorous testing from production to quality management to improve product stability and reliability
- ◆ Obtained ISO 9001:2015 Quality Management System and ISO 14001:2015 Environmental Management System certifications (Titan Star International is a subsidiary of Taiwan Secom Group and it specializes in producing security and surveillance equipment for Taiwan Secom) to implement strict management of products



07

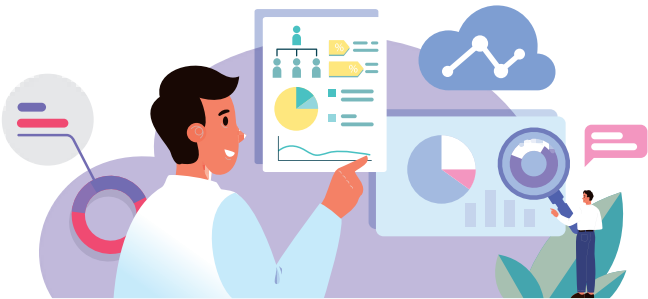
Smart Life with Analytics and Improvements

Cloud Data Center



- Establish a big data analysis platform as the infrastructure for data analyses and applications
- Use data analysis results to improve service quality and customer satisfaction
- Rigorously implement the information security policy and appoint impartial third parties to audit the setup and implementation of information security measures to implement data security protection

Taiwan Secom is committed to using technologies and information management to verify the quality of services including R&D, production, service, and listening to verify the service quality and implement quick corrections. The strong and comprehensive structure of the 7 major centers facilitates precise exchange of information and communication and active adjustments of internal resources and strategies. Taiwan Secom believes that it must continue to consolidate the service quality, improve service contents, and continuously implement innovation to truly become thoughtful partners of the customers.



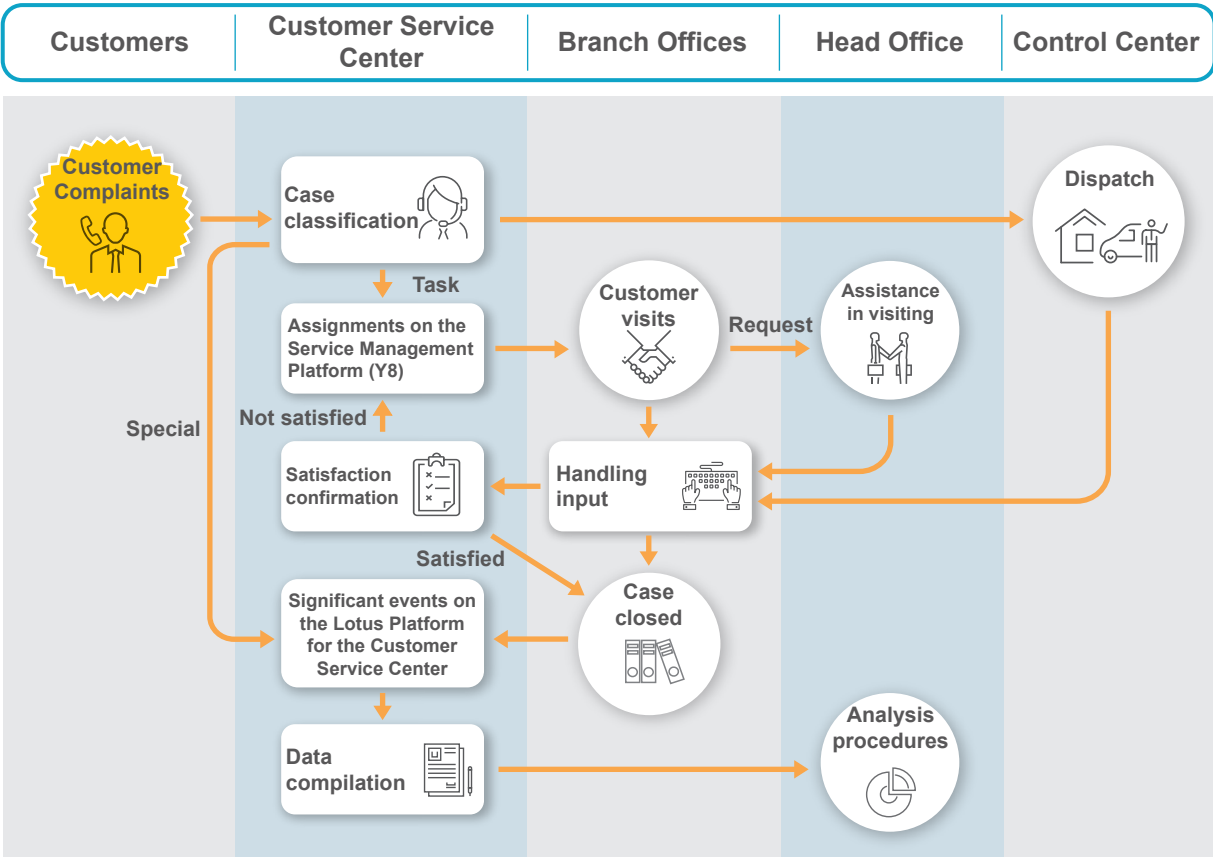
Continuous Improvement Cycle and Valuing Each Incoming Call

Taiwan Secom values each incoming call from customers and upholds the spirit of customer service when processing customer complaints. The Company converts customers' views of its products and services into quantitative data for PDCA review and improvements. It also tracks and manages service quality issues to verify whether all departments meet customer expectations.

Customer Service Improvement Cycle



Handling Customer Feedback



When a customer submits a complaint to the Customer Service Center, the handling personnel shall enter the case details into the Service Requests Management System. After providing details of the complaint, the instructions shall be delivered to the branch office of the customer. For urgent cases, employees are immediately dispatched to the site. For special cases, the handling personnel shall explain the cases to the unit manager on the telephone and register results on the Lotus platform for disclosure during the morning briefings.

The handling personnel process the case based on the case description. Where necessary, the department supervisor or branch manager shall visit the customer in person. If a case cannot be adequately handled by the branch office, it may seek assistance from relevant departments of the head office. After a customer complaint is appropriately processed, the case shall be closed customer after the customer signs the document.

For special cases disclosed in morning briefings on the Lotus Platform, the onsite manager shall track the progress of the branch office. Once the case has been appropriately processed, the review of responsibilities and improvement measures shall be recorded, and the onsite manager shall review and provide a response in the morning briefing. The case is then transferred to the Customer Service Center for follow-up and case closure.

For special cases, the responsible department shall convene project meetings to review the items and improvement procedures. After analyzing the cause, the Company swiftly and actively implements adjustments. The technical department corrects the technical/construction operating procedures and updates regulations. The Education and Training Center enhances training and administers tests to require employees to meet consistent standards.

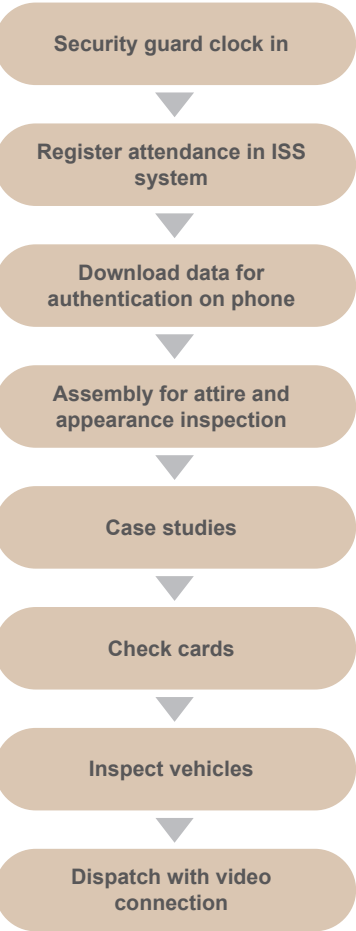
Rigorous Procedures

Taiwan Secom actively learns about customer needs and continuously improves the operation cycle to refine sales, technical, and service procedures and cultivate talents for the industry. The employees follow the principles of loyalty, diligence, courage, and integrity and aim to achieve customer satisfaction. They serve customers with diligence and passion in every part of their work. Taiwan Secom has set benchmarks in the security service industry with its products, service model, operating procedures for various services, contributions to social security, and giving back to society.

As an example, the "pre-duty inspection and training" requires officers to conduct alcohol tests in accordance with standard operating procedures before employees start work to ensure traffic safety. The officer assembles employees to inspect their attire and appearance to protect the image of the brand. Personal equipment is inspected to ensure service quality. The Company organizes daily baton training to improve self-defense skills and ensure employees work at their best.



◆ Pre-duty training procedures



Meet Customer Expectations: Service Performance and Social Contribution

Taiwan Secom has developed a proud and outstanding service team with its corporate values, solid systems, strong organization, comprehensive training, good communication, rigorous requirements, and long-term service commitment. All employees firmly believe that we can do our jobs to the best of our abilities.

◆ Taiwan Secom's 2022 Service Performance and Contributions



All employees of Taiwan Secom are passionate about their jobs. They value every piece of information from customers and cherish every opportunity for providing services. They regard all valuable opinions of customers as important basis for adjusting and improving service procedures. We collect market information from different sources and accurately monitor consumer needs and feedback to create strong internal support organizations and activities, implement inter-organization relationship management, and continue to launch innovative smart applications. We establish action plans and methods and use questionnaire surveys in the service process and survey the satisfaction rate after completing services. We use the performance indicators and audits to comprehensively enhance the efficiency and performance of key process management. We continue service quality enhancement/improvement to provide consistently high-quality user experience and meet customer expectations for Taiwan Secom.

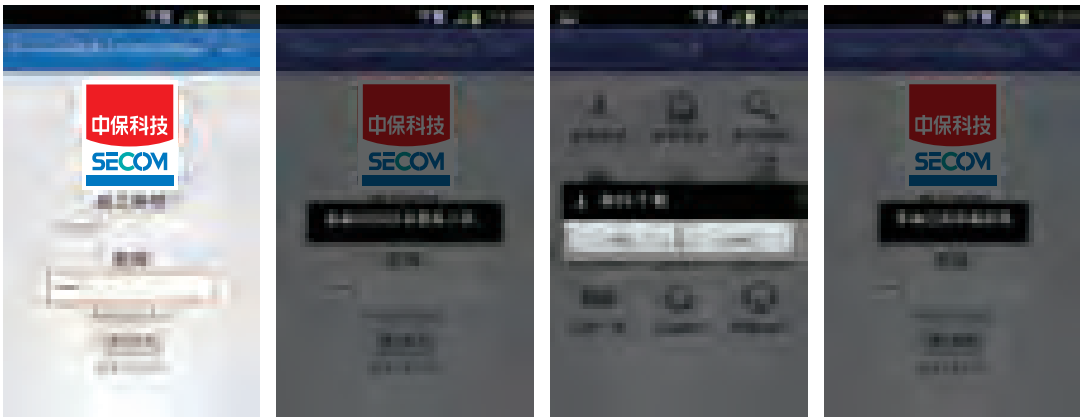
Strict protection of customer privacy

Taiwan Secom is the most reliable partner for customers. Taiwan Secom follows the Private Security Service Act and prioritizes the protection of customers' freedom of life and property in all services. We also perform customer instructions as a good administrator and build relationships with customers as a reliable partner in life. Customer information, data, special requirements, or requests are deemed as important assets of the Company.

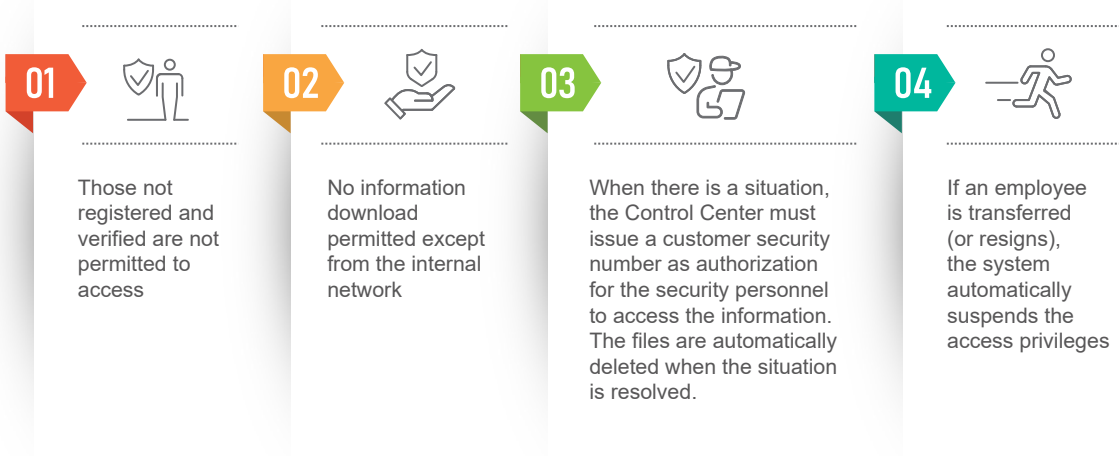
To protect customer data and privacy, Taiwan Secom implements an authorization-based management approach for customer data security. The available resources on the information platform for each employee is based on the employee's unit and duties. The Company uses the Active Directory (AD) to monitor the access privileges of hardware equipment users. Starting from 2012, the customer data conversion (spreadsheet) file function was canceled on all system platforms for comprehensive digitalization in order to reduce the risks of inappropriate transfer of data.

With regard to the limited use of privacy data, in the case of dispatches, Taiwan Secom independently developed the mobile app platform (AMS mobile dispatch system) and set up multiple management mechanisms. All front-line security service personnel must install an app on their smart phones for the Control Center to track and dispatch them at any time.

Mobile app platform (AMS mobile dispatch system)



AMS mobile dispatch system data protection control points



Taiwan Secom uses multi-layer management mechanisms to rigorously protect customer privacy and prevent any potential harm. There were no complaints regarding breaches of customer privacy and losses of customer data in 2022.

Sustainable Supply Chain

Sustainable Supplier Standards

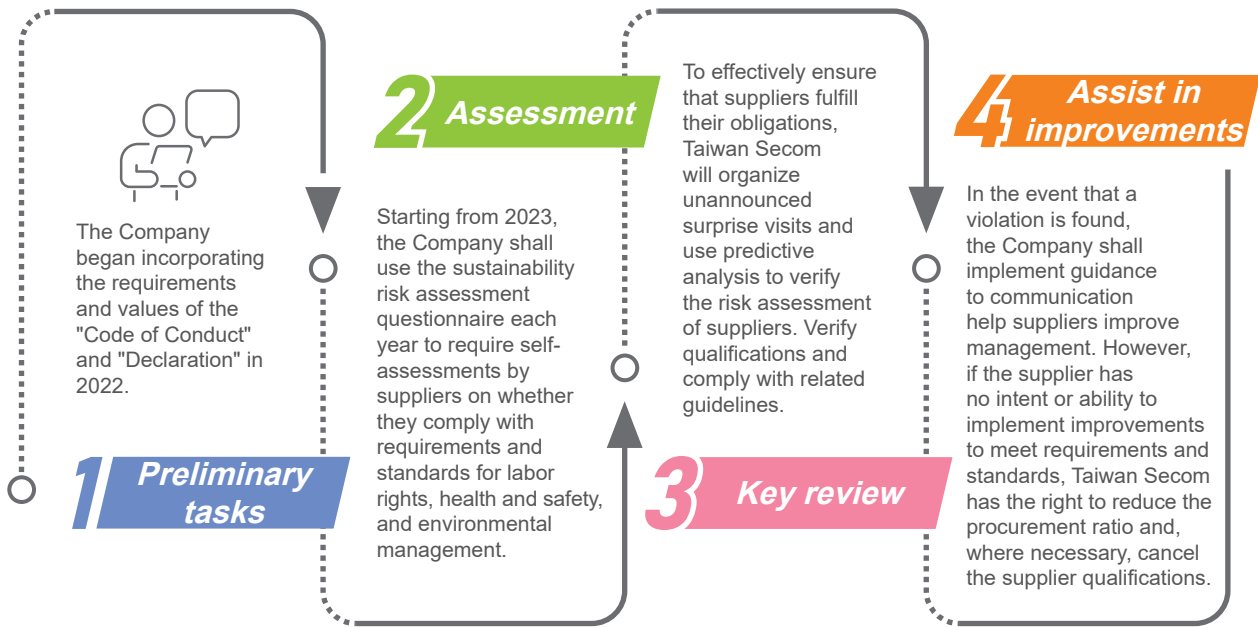
Taiwan Secom provides home/commercial/video/mobile security products. Our commitment to the security of people and communities extend to our sustainable supply chain for people and the Earth.

In May 2022, Taiwan Secom established the Group's internal "Supplier Management and Product Procurement System Platform" (hereinafter referred to as the "Platform"). 204 suppliers signed product procurement contracts in the first year and agreed to abide by the "Taiwan SECOM Responsible Business Alliance Code of Conduct", "Supplier Corporate Social Responsibility Declaration", and the "Supplier Commitment to Ethical Conduct". Link: <https://reurl.cc/aVao33>; They uphold the standards to protect the dignity of every individual in the supply chain. We respect the rights and health of employees in the supplier's teams and we also respect our shared planet Earth. Taiwan Secom is committed to implementing consistent targets and working with suppliers to continuously create a more hopeful future.

"Taiwan SECOM Responsible Business Alliance Code of Conduct" (hereinafter referred to as the "Code of Conduct") and the "Supplier Corporate Social Responsibility Declaration" (hereinafter referred to as the "Declaration") were formulated based on universal principles and values. We use the documents to assess and identify the suppliers' environmental, social, human rights, and governance risks and request suppliers to implement and comply with requirements for labor rights, health and safety, environmental protection, moral ethics, and management systems.

The "Code of Conduct" and the "Declaration" are provided to suppliers and published in Chinese and English on the official website of Taiwan Secom.

Implementation Methods



The entire engagement process integrated with the recovery of the mandatory sustainability risk assessment questionnaire.

It provides suppliers with a means to demonstrate their achievements and helps Taiwan Secom provide the necessary bilateral communication and assistance to promote growth and progress in the supply chain.

Suppliers Data

As Taiwan Secom grows its business, its supply chain bears greater responsibilities. The number of suppliers with fixed amounts of transactions reached 279 in 2022. If there are compliance issues in the supplier selection process, we provide friendly assistance for improvements to expand the overall scale of the supply chain.

Item	2022 Target	2022 Completion Rate	2023 Target
"Code of Conduct" and the "Declaration" were distributed in 2022	100%	73%	-
Supplier sustainability risk assessment questionnaire will be distributed in 2023	-	-	100%
Surprise review evaluation qualification rate will be published in 2023	-	-	80%

Customer Privacy

- I. Material topics: Information and communication security and personal data privacy protection
- II. Topic boundaries: Supply chain of the Taiwan Secom Group
- III. Description of impact: Information security is critical for the continuous operations of companies. Information security is not merely a technical issue but affects corporate operations of performance as well as a company's brand and trust in the company.
- IV. Related policies or commitments of Taiwan Secom:
 - ◆ Require product warranties and after-sales service to meet the government's information security regulations in the "Product Procurement Agreement".
 - ◆ Require suppliers to guarantee that products meet the Cyber Security Management Act and to provide related information security certifications in the "Commissioned Development Contract".
- V. Actions taken:
 - ◆ Taiwan Secom invited Microsoft consultants to evaluate and review the information security framework and R&D procedures in 2022.
 - ◆ Taiwan Secom Group and CHT Security Co., Ltd. established the joint venture Baohwa Trust Co., Ltd. in 2022 to create a secure and reliable AIoT environment.
 - ◆ Taiwan Secom Group appointed Baohwa Trust Co., Ltd. to establish the details information security regulations for Taiwan Secom Group.
- VI. Follow up on action effectiveness indicators: Taiwan Secom Supplier Information security rating.



Supply chain management

Taiwan Secom's supply chain system includes security equipment supply and contractor installation services. The equipment suppliers include security uses and product distribution/agency.



◆ Current management regulations for equipment suppliers

- 01

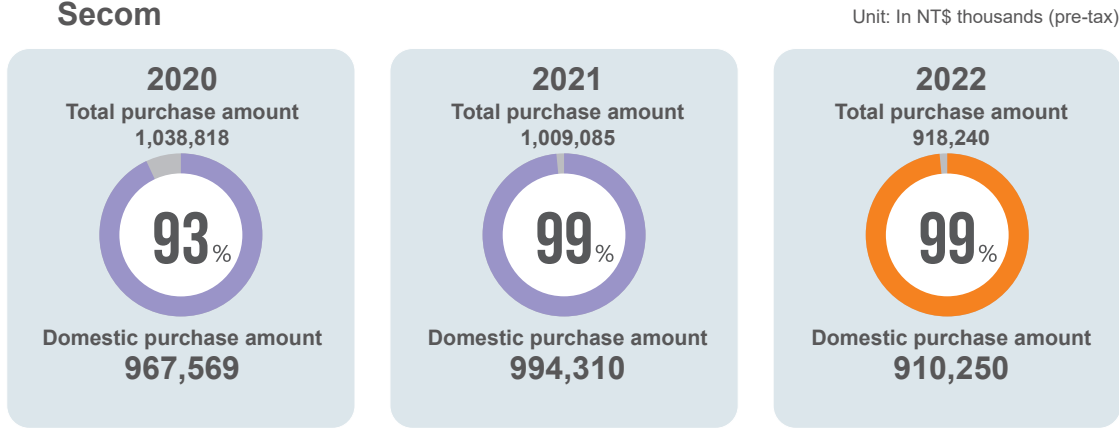
Direct or indirect personal gratuities, meals, bribes, kickbacks, or other inappropriate interactions with the Company's employees are prohibited
- 02

Ban on the hiring of child labor under 16 years old

Taiwan Secom provides management regulations for service providers based on the operation conditions of the supply chain system. We have incorporated environmental protection/safety/human rights clauses into related contracts and invited main onsite installation contractors to participate in related training seminars to demonstrate Taiwan Secom's resolve in supply chain management and encourage main suppliers to jointly fulfill Taiwan Secom's corporate social responsibility ideals. As of 2022, 16 companies have signed contracts with a procurement amount of over NT\$1 million.

Taiwan Secom ensures that suppliers meet the Company's business needs in terms of product quality, prices, and services, and that they support Taiwan Secom's resolve in the fulfillment of corporate social responsibility in environmental protection, occupational safety, and human rights. For procurement projects, Taiwan Secom requires suppliers to provide related factory reports and rigorously monitors the quality, prices, and after-sales services of purchased equipment.

◆ Percentage of domestic purchases by Taiwan Secom



CH3 Social Responsibility

Human Rights Protection

Human Rights Policy and Management

Taiwan Secom is committed to compliance with Taiwan's laws and regulations regarding labor and gender equality in the workplace. We established related measures for human rights protection, labor policies, and implementation. We continue to improve the work environment and conditions for all employees and employee benefits to protect employees and fulfill our social responsibility.

To ensure sustainable development and fulfillment of social responsibility, we are committed to employee health, work safety, and all other work-related human rights policies and systems as well as compliance with



national labor laws and regulations. All human resources management policies and HR regulations are established in accordance with the aforementioned values. We uphold the principle of fairness and do not allow any form of discrimination or sexual harassment. By implementing continuous awareness campaigns, there were no cases of sexual harassment, human rights infringements, or discrimination, and no violations of minimum wage and other legal requirements for employees' life and safety at the Company in 2022. The Company comprehensively protects labor rights and pays close attention to human rights issues.

Implementation of Human Rights Risk Mitigation Measures

I. Key Issues and Practices

Item	Provide a safe and healthy work environment	Eliminate unlawful discrimination to ensure unlawful discrimination to ensure equal employment opportunities	Ban on the use of child labor	Ban on forced labor	Assist employees to maintain physical and mental health and work-life balance
Targets and Actions	Promote occupational disease prevention and improve the physical and mental health of employees.	Abide by the government's labor regulations and the Company's Human Rights Policy, and implement related internal regulations and internal control procedures. Disclose the non-discrimination principles in the "Internal Control Procedures for Candidate Interviews" and prohibit discrimination on the basis of race, class, language, ideology, religion, political affiliation, ancestral home, place of birth, gender, sexual orientation, age, marital status, pregnancy, physical appearance, facial features, or physical or mental disabilities. Non-discrimination is included in the "Basis of Hiring" for hiring managers. The Company reminds interviewers in the internal review notice that they should not ask questions unrelated to the position during interviews. At the beginning of the recruitment process, the Company follows internal control procedures to eliminate unlawful discrimination and does not ask applicants to provide personal information unrelated to the position on their resumes.	According to the Company's Human Rights Policy, only applicants who are at least 18 years of age are eligible. The Company checks hired employees to ensure there are no errors.	The Company abides by the government's labor regulations and the Company's Human Rights Policy and does not force or coerce any individuals to provide labor against their will. The Company specifies in the Work Rules that if overtime work is required, the consent of the employee must be obtained and overtime pay or compensatory time off shall be provided afterwards.	Provide diverse activities such as sports, leisure, entertainment, and family activities, and use clubs to expand interpersonal interactions for employees and enhance their work-life balance. Provide subsidized childcare to help employees resolve childcare problems so that they can work without worries.
Risk Assessment	Document occupational diseases caused by: 1. ergonomic hazards (carpal tunnel syndrome), 2. biological hazards (hepatitis B or C), 3. other risk factors (overwork, occupational induced cerebrovascular and heart diseases (except those caused by trauma), etc.). The volunteer participation rate in the non-legally required health programs demonstrates the effectiveness of the Company's support for employee health.		Applicants must provide the required identification documents (e.g., national ID card, driver's license, academic certification) to the Company to verify that they are over 18 years of age.	In addition to the work hour management in the internal system, the Company also offers complaint channels and implements regular awareness campaigns and reviews.	Review the participation rate and childcare subsidy applications.
Mitigation Measures	The highest-ranking executive of the Human Resources Department organizes the employee health management project and leads the employee health promotion management by controlling the physical, ergonomic, biological, and psychological occupational disease risk factors. The Company appoints nursing personnel in accordance with regulations to provide comprehensive management plans for health care, health promotion, and employee assistance.	The Company implements lawful hiring procedures starting from recruitment to eliminate unlawful discrimination.	The Company implements lawful hiring procedures starting from recruitment to eliminate the use of child labor.	The Company implements monthly work hour reviews and management in the attendance and overtime work application system.	Unit managers work together to promote, encourage, and participate in activities.
Remedies	1. Immediate removal from the original position. 2. Provide adequate medical assistance. 3. Provide leave of absence and salary compensation in accordance with laws to prevent recurrence.	No such concerns.	No such concerns.	If cases of forced labor are found, the Company takes necessary improvement measures with the managers and restore the rights of employees.	Provide employees with diverse options for suitable and reputable childcare facilities.
Complaint Channels	1. Occupational Safety and Health Committee. 2. Human Resources Department.	The Company set up the employee feedback e-mail, complaint telephone, and complaint fax to create open complaint channels for employees to report problems at any time.	The Company set up the employee feedback e-mail, complaint telephone, and complaint fax to create open complaint channels for employees to report problems at any time.	The Company set up the employee feedback e-mail, complaint telephone, and complaint fax to create open complaint channels for employees to report problems at any time.	The Company set up the employee feedback e-mail, complaint telephone, and complaint fax to create open complaint channels for employees to report problems at any time.

II. Human Rights Protection Training Practices

1. Provide compliance training in orientation training

The contents include: Ban on forced labor and use of child labor, anti-discrimination, anti-harassment, and provide a healthy and safe work environment.
2. Provide sexual harassment prevention courses

Understand the concept of sexual harassment, its prevention, and response to sexual harassment incidents.
3. Implement preventive awareness campaigns against workplace bullying

Use awareness campaigns and public statements to help employees understand what constitutes workplace bullying and how to avoid bullying in order to create a friendly work environment with zero workplace bullying. Disclose the complaint hotline to create a friendly work environment.
4. Provide comprehensive occupational safety training

The contents include: Health promotion, fire safety training, labor safety and health and fire safety training, first aid personnel training, etc.
5. Establish effective training programs for skills development for employees

Use internal training and external programs to plan diverse learning methods to build effective training programs for skills development for employees. Ensure that the business performance or achievements of the Company are appropriately reflected in the employee remuneration policy to ensure the recruitment, retention, and motivation of human resources and achieve sustainable development goals.



III. Ban on the use of child labor

Taiwan Secom's human resource policy strictly prohibits the use of child labor below the minimum legal age. New employees must provide identity documents to the Company for inspections to ensure there are no errors. There were no instances of the use of child labor in the internal and external audit statistics compiled in 2022.

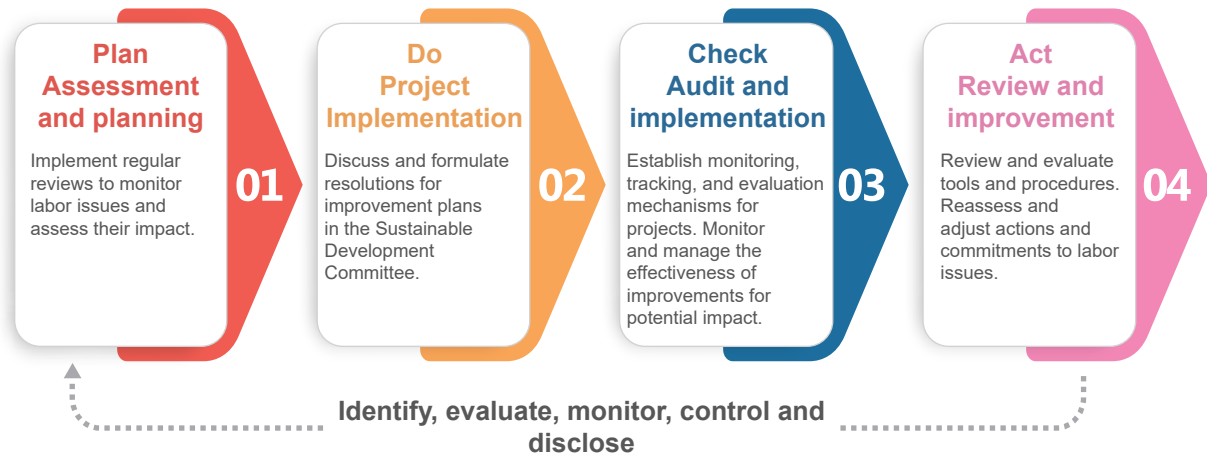
IV. Human Rights Policy Management Indicators

Item	Contents	2021 - 2022
Non-discrimination	Total number of discrimination disputes	No such occurrences
Freedom of association	Operations identified has having significant risks to the freedom of association and collective bargaining rights	No such occurrences
Child labor	Operations identified has having significant risks of child labor disputes and actions that help eliminate child labor	No such occurrences
Forced labor	Operations identified has having significant risks of forced or compulsory labor and actions that help eliminate forced or compulsory labor	No such occurrences
Work hours, breaks, and leaves	Operations identified has having significant risks to employees' work hours, breaks, and leaves and actions that help ensure compliance with labor regulations	No such occurrences

◆ Taiwan Secom's Communication and Response Concerning Human Rights Issues of Employees

Affected Groups	Human Rights Issues	Evaluation/Communication Channels	Mitigation Measures
1. Indigenous women 2. Persons with disabilities	1. Protection of indigenous peoples 2. Safety of the work environment 3. Anti-discrimination 4. Child labor issues 5. Work hours and compensation 6. Freedom of speech, religion, and association	1. Employee suggestion e-mail 2. Complaint hotline 3. Labor-management meetings	1. Training: Training courses for new employees 2. Awareness campaigns for sexual harassment and personal information protection to increase employees' human rights awareness 3. Employee suggestion e-mail
Pregnant and breastfeeding employees	Health (pregnancy and breastfeeding)	Fetal abnormality, miscarriage, or breastfeeding issues	Formulate and implement maternity health protection programs
Employees' dependents	Health (cancer)	Diagnosed with cancer	Periodic health promotion seminars Periodic health consultation services provided by doctors or nurses
All employees	Health	Poor health examination results	Health examination reminders, communication, and care Organize health promotion programs
All employees	Health (occupational diseases)	Occupational diseases or occupational accidents	Implement overwork prevention programs

◆ Human Rights Management Projects and Procedures



Creating a Diverse and Inclusive Workplace



Uphold the core value of a people-oriented philosophy and commitments to the society to create a workplace of equality and inclusiveness. The number of Taiwan Secom employees as of the end of 2022 is shown in the table below. The ratio of male to female is 82:18. In terms of the age groups of Taiwan Secom employees, those under 30 years old account for 12.19%; those between 30 and 50 account for 68.47%; those above 50 years old account for 19.34%. Taiwan Secom has continuously maintained the stability of its human resource structure in recent years by recruiting and retaining outstanding talents and arranging talent development programs. New employees are provided with orientation training and internal work instructions in accordance with the employee training regulations to gain the necessary skills for operations. The Company implements an equitable, open, and fair selection system to select excellent and suitable talents while ensuring diversity and equal opportunities.

Workplace equality

The HR management rules of Taiwan Secom expressly prohibit any discriminatory action on the basis of employees' nationality, color, age, gender, sexual orientation, race, disability, pregnancy, religious beliefs, political opinions, membership in organizations, or marital status in hiring, compensation, rewards and penalties, promotions, and termination of employment.

◆ Workplace diversity data

(Unit: person)

Year		2019		2020		2021		2022	
Category		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Permanent contract employees	 Male	2,037	82.88%	2,013	82.74%	1,992	81.61 %	2,008	81.59%
	 Female	421	17.12%	420	17.26%	449	18.39%	453	18.41%
Workers who are not employees		0	0%	0	0	0	0%	0	0%
Total (number of people)		2,458	100%	2,433	100%	2,441	100%	2,461	100%

◆ By job category

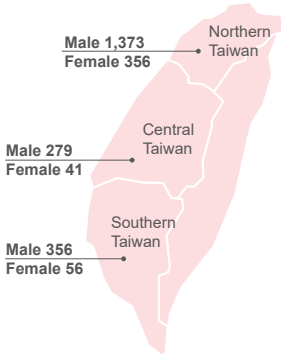
(Unit: person)

2,461 employees	Operations	Service	Management	Technical	R&D	Others	Total
Male	375	798	78	566	59	132	2,008
Female	81	1	7	15	7	342	453

◆ By job category

(Unit: person)

2,461 employees	Northern Taiwan	Central Taiwan	Southern Taiwan	Total
Male	1,373	279	356	2,008
Female	356	41	56	453

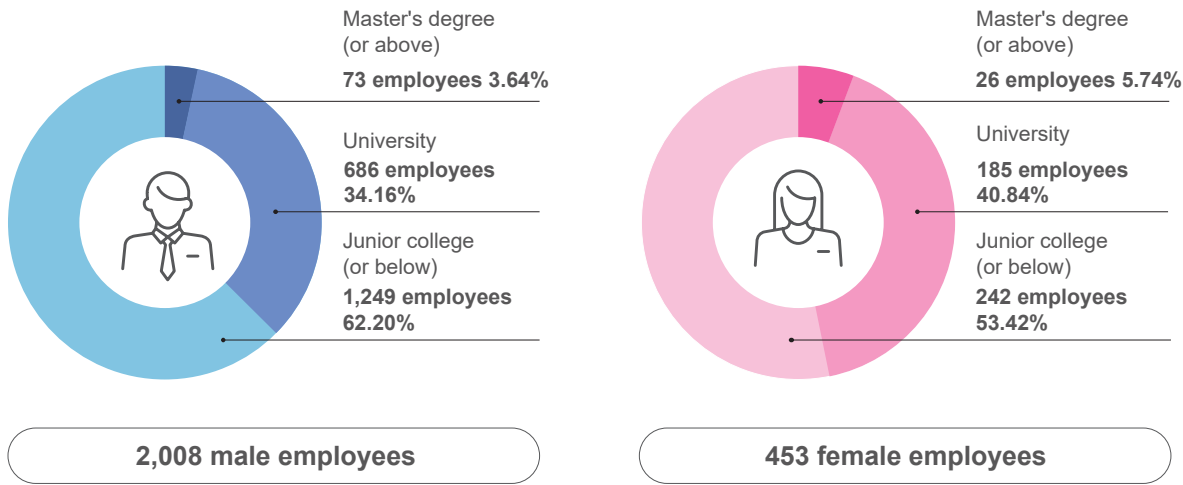


◆ By employee age group

(Unit: person)

2,461 employees	50 and above	Over 30 and under 50	Under 30	Total
Male	346	1,422	240	2,008
Female	130	263	60	453

◆ Academic qualifications



◆ Managers

(Unit: person)

Item/Year	2019	2020	2021	2022
Male	174	181	196	204
Female	22	23	26	29
Number of employees as of the end of the year	2,458	2,433	2,441	2,461
Ratio of managers	7.97%	8.39%	10%	9.47%

Note: Managers refer to executives ranked deputy managers (or above)

◆ Other diversity indicators

(Unit: person)

Item/Year	2018	2019	2020	2021	2022
Persons with disabilities	24	22	23	21	23
Indigenous peoples	23	29	28	29	35
Foreigners	5	4	3	4	5

◆ Female diversity indicators

Item/Year	2019	2020	2021	2022
Ratio of female employees among all employees (%)	17.13%	17.26%	18.39%	18.41%
Ratio of female executives among all employees (%)	0.85%	0.95%	1.07%	1.18%
Ratio of female executives among all executives (%)	10.77%	11.27%	11.71%	12.45%
Ratio of female employees under 30 years old (%)	1.87%	1.81%	2.58%	2.44%
Over 30 and under 50	10.82%	10.65%	10.82%	10.69%
50 and above	4.43%	4.81%	5%	5.28%

Note: Managers refer to executives ranked deputy managers (or above)

A Happy Workplace

A Stable Work Environment

Taiwan Secom upholds the values of "gratitude" and "accountability" as well as the service motto of "respect human dignity, serve the public, and create value" as the guiding principles of its human resource policy. We continue to create a stable work environment to provide talents with opportunities and facilitate continuous growth, which facilitate the Company's transition from a security service company to an IoT service company. These are the highest guiding principles for the human resource policy. As of the end of 2022, Taiwan Secom had a total of 2,461 employees in Taiwan.

Taiwan Secom consistently implements a policy of employing full quotas of people with disabilities as required by law, no employment of contract workers, and providing equal work opportunities for disadvantaged groups. In response to business development requirements, we use recruitment methods such as campus recruitment, intermediary services provided by job centers, local job fairs, online job bank, and print media to publish recruitment information to maintain stable growth in the number of new employees. We also continuously provide referral bonuses for internal employees and mechanisms for rehiring former employees with outstanding performance to attract talents.

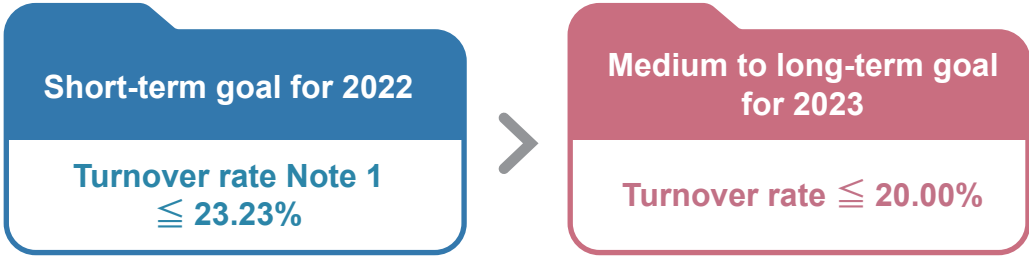
We organize regular employee promotion procedures in accordance with the "Taiwan Secom Group Regulation on Routine Employee Promotion" and adopt performance, character, and integrity as the criteria. In response to the developmental needs of the organization, we assign personnel to receive training in different roles and regions and assign officers with good performance to rotate to different locations of operations to enhance their operation and management capabilities. In 2022, the Company promoted 587 employees and transferred 652 employees.

The design of the compensation system accounts for the variations in local living conditions, job contents, and professional functions, but does not discriminate based on age or gender. In addition to the monthly salary, the Company also distributes festival bonuses for Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival, and sets aside annual earnings for employee compensation. The Company continues to implement a wide variety of incentives including the "Patent Reward Regulations", "Contest Reward Regulations", and "Professional Certification Allowance Regulations" to empower employee creativity and continue to encourage and recognize employees with exceptional performance.



Talent Recruitment and Retention

High-quality manpower assets are critical for the success of a company. The Company has always implemented the principles of merit and assigning the right person to the right job so that employees can work without worries, concentrate on their skills, make the most of their abilities. The Company is therefore committed to creating a harmonious and stable workplace environment and providing welfare measures for employees to thrive with the Company without worries. If employees cannot work without worries, the Company's business performance stagnates and the turnover rate increases, which affects the Company's overall business performance. Therefore, we are committed to providing our employees with comprehensive benefits including employee bonuses, leaves, insurance, and transportation and club allowances to create a happy and harmonious workplace environment, increase employee stability, and reduce turnover. We have also set the following targets:



Note 1: Non-fixed term contract employees and retired employees are included

Taiwan Secom also provides employee complaint channels including an employee complaint hotline, employee complaint fax, and employee complaint e-mail for employees to provide feedback on their workplace experience and suggestions.

Recruitment Policy

Taiwan Secom is committed to creating a friendly workplace environment to attract talents. We adhere to the Company's recruitment policy and do not permit discrimination on the basis any personal characteristics. We convene regular meetings to ensure all systems comply with legal requirements. To recruit and train talents, we will also promote the exclusive aptitude test developed for Taiwan Secom to create a talent database. Taiwan Secom encourages employees to refer talents and set up a referral reward program that provides cash incentives for both the referrer and referee for the reinstatement of former employees with good performance records. We also encourage employees to refer talents and create a better future together.

◆ Employee talent referrals

By region	Reinstatement	By employee age group	Reinstatement
Northern Taiwan	88	50 and above	1
Central Taiwan	22	Over 30 and under 50	87
Southern Taiwan	36	Under 30	58
Total	146	Total	146

◆ Employee reinstatement referrals

By region	Reinstatement	By employee age group	Reinstatement
Northern Taiwan	19	50 and above	1
Central Taiwan	5	Over 30 and under 50	19
Southern Taiwan	5	Under 30	9
Total	29	Total	29

Taiwan Secom received the 1111 Job Bank Happy Enterprise Award



The pandemic has persisted for several years but Taiwan Secom remains committed to zero layoffs, zero salary deduction, and zero compulsory unpaid leave despite the impact of the pandemic and its negative effects on the employment market. It has won the approval of the employees and remains committed to sustainable development. High-quality manpower assets are critical for the success of a company. The Company has always implemented the principles of merit and assigning the right person to the right job so that employees can work without worries, concentrate on their skills, make the most of their abilities.



Analysis of the number of new employees

◆ Number of employees and annual new recruitment trends

(Unit: person)

Item/Year	2019	2020	2021	2022
Male 	530	533	454	606
Female 	91	67	113	117
Number of new recruits	621	600	567	723
Number of employees as of the end of the year	2,458	2,433	2,441	2,461
Percentage of new recruits in the current year	25.26%	24.66%	23.23%	29.38%

Note 1: Non-fixed term contract employees and fixed-term contract employees are included
Note 2: The percentage of new recruits in the current year = number of employees at the end of the year

◆ New recruits By age group



(Unit: person)

Year		2019		2020		2021		2022	
Age group	Gender	Male	Female	Male	Female	Male	Female	Male	Female
	Under 30	239	36	231	28	215	44	262	38
	30-50 years old	281	47	300	35	235	64	333	71
	50 and above	10	8	2	4	4	5	11	8
Number of people at the end of the year		2,037	421	2,013	420	1,992	449	2,008	453
Percentage of new recruits in the current year		26.01%	21.61%	26.47%	15.95%	22.79%	25.17%	30.18%	25.83%

Note 1: Non-fixed term contract employees and fixed-term contract employees are included
Note 2: The percentage of new recruits in the current year = number of employees at the end of the year



◆ New recruits By job category

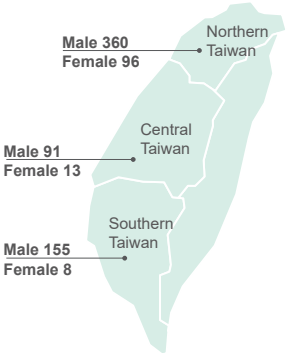
(Unit: person)

723 new employees	Operations	Service	Management	Technical	R&D	Others	Total
Male 	120	403	1	57	1	24	606
Female 	37	1	0	6	3	70	117

◆ New recruits By region

(Unit: person)

723 new employees	Northern Taiwan	Central Taiwan	Southern Taiwan	Total
Male 	360	91	155	606
Female 	96	13	8	117



Turnover and Harmonious Workplace Interactions



All employees of Taiwan Secom have the legal right to terminate their employment at any time. The work conditions of employees meet requirements in government regulations including the minimum wage, work hours, overtime pay, Labor Insurance, National Health Insurance, and pension payments. The Company also provides group insurance and other employee benefits.

The average turnover of general companies is approximately 12%. It is often 20% to 30% for manufacturing industries and many companies in the service sector have a turnover of 50% to 60%. However, the turnover of employees of property management companies, including security personnel and maintenance, is approximately 80% to 300%, which far exceeds that of other service-sector companies. The Group's turnover as of the end of 2022 was 26.25%. We will continue foster a happy workplace environment by offering comprehensive benefits and compensations systems to reduce the turnover. We will also enhance the disclosure of internal vacancies and increase the internal hiring rate to reduce employee turnover each year.

We also encourage employees to attend external courses in their spare time. Subsidies are provided based on their grade and the course. We seek to enhance the Company's sustainability by promoting lifelong employability among employees.



◆ Turnover statistics (Non-fixed term contract employees and fixed-term contract employees are included)

(Unit: person)

Item/Year	2019	2020	2021	2022
Male 	530	543	473	537
Female 	130	63	92	109
Number of resigned employees	660	606	565	646
Number of employees as of the end of the year	2,458	2,433	2,441	2,461
Annual turnover rate	26.85%	24.91%	23.15%	26.25%

◆ Resigned employees By job category

(Unit: person)

646 employees resigned	Operations	Service	Management	Technical	R&D	Others	Total
Male 	108	332	2	64	5	26	537
Female 	33	1	0	5	2	68	109

◆ Resigned employees By age group



(Unit: person)

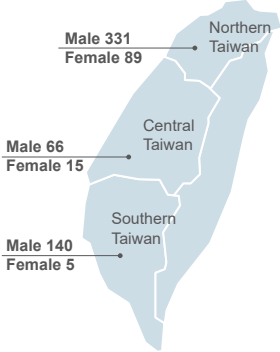
Year	2019		2020		2021		2022		
Age group	Gender	Male	Female	Male	Female	Male	Female	Male	Female
	Under 30	210	46	173	6	183	23	192	29
	30-50 years old	291	66	344	40	269	49	313	66
	50 and above	29	18	26	17	21	20	32	14
Number of people at the end of the year		2,037	421	2,013	420	1,992	449	2,008	453
Annual turnover rate		26.01%	30.87%	26.97%	15.00%	23.74%	20.49%	26.74%	24.06%

Note 1: Annual turnover = number of resigned employees / number of employees at the end of the year
Note 2: Non-fixed term contract employees and retired employees are included

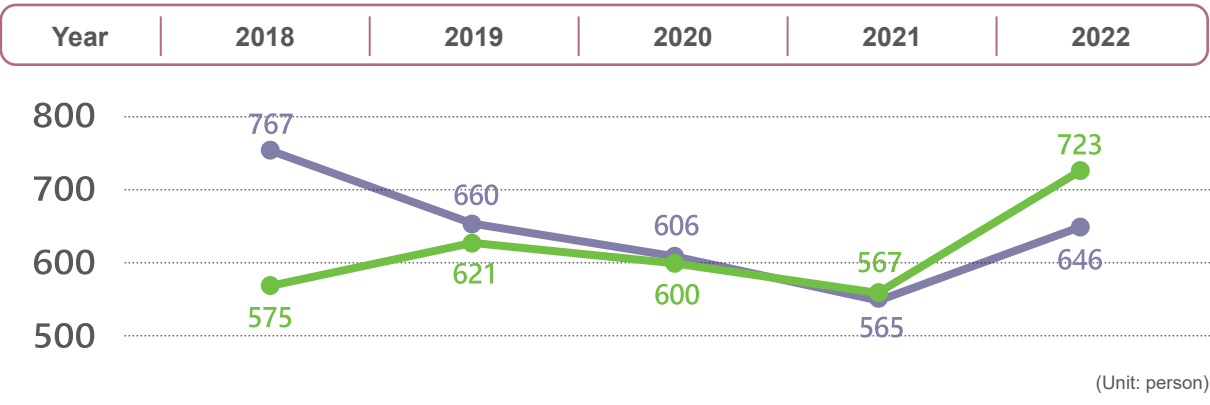
◆ Resigned employees By region

(Unit: person)

646 employees resigned	Northern Taiwan	Central Taiwan	Southern Taiwan	Total
Male 	331	66	140	537
Female 	89	15	5	109



◆ Number of new employees / resigned employees in past years



Intellectual property rights incentives

Encourage employees to apply for patents to win market share and business opportunities

(I) Overview of Patent Reward Regulations

Patent category / phase	Invention	Utility model	Design
Phase 1 (Patent application)	\$5,000	\$1,000	\$1,000
Phase 2 (Patent collection)	\$30,000 + announcement	\$0	\$3,000
Others (all new utility model patent reports meet novelty requirements)	Not applicable	\$5,000	Not applicable

(II) Professional Certification Allowance Regulations

Qualifications	Occupational Safety and Health Management Personnel	Occupational Safety and Health Management Officer
Obtaining new qualifications	\$3,000	\$5,000
Registered as the Company's internal dedicated personnel	\$3,000	\$5,000

Workplace Safety and Labor Standards

Taiwan Secom established the Work Rules, labor-management meetings, Employee Welfare Committee, and improvement proposal system to jointly create a safe and healthy workplace environment. In terms of the safety in the work environment, the Company established the Work Rules to implement safety and health management measures and create a comfortable and secure work environment. We also encourage employees to continue their studies and support their career development.

01

Provide related compliance training in orientation training

02

Provide sexual harassment prevention and complaint channels

03

Provide comprehensive occupational safety training

Provide different types of security training for employees in different job roles such as fire safety training, emergency response training, first aid personnel training, and general safety and health education and training.

04

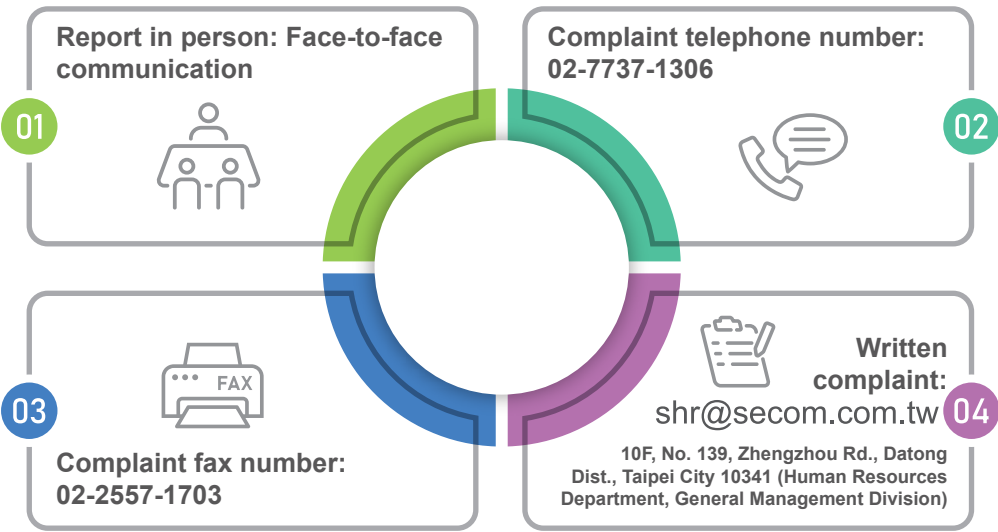
Implement preventive awareness campaigns against workplace bullying

Help employees understand what constitutes workplace bullying and how to avoid bullying in order to jointly create a friendly work environment with open communication and friendly management.

Complaint Channels / Voice Employee

The Company established the "Employee Voice" system which specifies the internal and external whistleblowing channels and response procedures to implement the Code of Ethics and Ethical Corporate Management Best Practice established by Taiwan Secom and protect the legal rights of the whistleblower and related personnel.

In addition to the "Employee Voice" channel, the Company also established the "Rules for Prevention, Complaint, and Discipline of Sexual Harassment" and organizes related awareness campaigns to strictly prohibit sexual harassment, sexual discrimination, or verbal coercion.



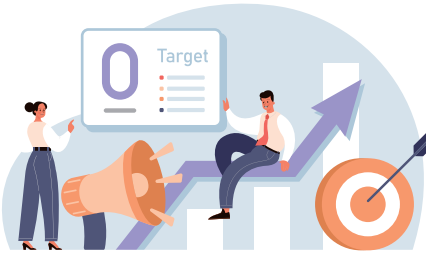
For reports made verbally in person or on the telephone, the recipient of the processing unit shall prepare written records based on the description and label the information as confidential. Taiwan Secom shall provide comprehensive protection for whistleblowers or persons involved in investigations and the confidentiality of their identities and information they provide, so that they will not be subjected to unfair treatment or retribution.

Taiwan Secom values and respects employee feedback. We set up several communication channels for employees to monitor changes in the Company and voice their opinion or questions regarding any matter in the workplace. The Human Resources Department provides several bilateral channels including:

- Intranet: Publication of the latest news of the Company
- E-mail notifications: Announcements of Group information and delivery of letters from senior executives to employees
- Bulletin Board: Information on labor policies, health and safety, and company activities
- Labor-management meetings: Regular quarterly meetings between HR and employee representatives

Occupational Safety Policy and Targets

Taiwan Secom is committed to abiding by all occupational safety and health regulations and other related requirements. We strengthen employees' occupational safety and health awareness to reduce the risks of accidents. The Company's overall targets based on the Occupational Safety and Health Policy: Zero major occupational safety incidents (incidents involving deaths are defined as major occupational safety incidents).



Overall targets: 0 major occupational safety incidents

Specific measures for occupational safety

Item		Contents
Material Issue		Occupational safety and health
Materiality to Taiwan Secom and Purpose of Management		A healthy and safe work environment is the most important requirement for labor conditions. The Company must therefore continue to reduce safety and health risks, prevent and reduce occupational accidents, and continue to improve safety and health performance to demonstrate our commitment to safety and health.
Policy and Commitment		We will continue to reduce safety and health risks, prevent and reduce occupational accidents, and improve employee health
Target	Short term	0 disabling injuries in 2023
	Medium term	0 disabling injuries in 2024
	Long term	0 disabling injuries in 2030
Responsibilities and Resources		Add or update equipment to reduce occupational safety and health risks
Resources Invested and Action Plans		Obtain statistics for "number of disabling injuries" and "failure rate in health examination results" each year and propose a review report to the management in the annual management review meeting. Review the performance in the previous year to propose improvement measures and review the effectiveness of the improvement measures. The evaluation results show the number of disabling injuries and the failure rates in health examination results in the past three years.
2022 Implementation Results		There were 0 disabling injuries in Taiwan Secom in 2022 and the target was attained.

Taiwan Secom will use the following measures to continue to reduce occupational safety and health risks to attain the targets. It has integrated the environmental management system and the occupational safety and health system and established occupational safety and health as well as environmental protection policies to implement the following strategies:

- ♦ Implement risk management and continuous improvement of safety, health, environmental protection, and disaster prevention through institutionalized PDCA management cycles, and pay close attention to the physical and mental health of employees and disease prevention.
- ♦ Use the best available technologies and management for sorting and preserving resources and protecting the health and safety of employees and contractors.
- ♦ Implement continuous employee training, communication, and consultation to encourage full employee participation and enhance communication with contractors and customers so that they fully understand the Company's occupational safety and health and environmental protection policies.

Workplace safety and employee health and safety

Taiwan Secom's occupational health and safety management target is "zero accident". A low occupational injury rate is a key indicator for evaluating the health and safety of employees. The Company pays close attention to the safety and health of each employee and implements risk assessment, hazard identification, safety and health awareness campaigns and announcements, pre-work toolbox meetings, and Safety and Health Month events to increase employees' risk awareness and safety knowledge.

Therefore, the Company convenes regular meetings of the Occupational Safety and Health Committee each quarter to increase awareness and provide care. The current safety and health management regulations include the "Occupational Safety and Health Management Regulations", "Occupational Safety and Health Management Plan", "Occupational Safety and Health Work Rules", "Ergonomic Hazard Prevention Plan", and "Abnormal Workload-Triggered Diseases Prevention Plan" to ensure improvements and prevent recurrence.

The Company also commenced the on-site health service in January 2022 for contracted medical personnel to provide regular services and health evaluations at the Company and provided services to 258 employees in 2022. It also implemented four major programs regarding ergonomic design, overloading, workplace violence, and maternity health protection. The Company organized health examinations and distributed questionnaires to grade employees' health conditions, interview and evaluate the conditions of employees with medium to high heal risks. There have been no cases of workplace violence in this period and the Company continues to provide support for employees who qualify for the maternity health protection program.

Labor and management co-create safe and healthy work environment

Taiwan Secom established the Occupational Safety and Health Committee as the highest governing unit for reviewing and preparing safety and health management. It is responsible for formulating, coordinating, and supervising the safety and health affairs of all units to implement safety and health management. Please refer to the Company's internal website for the operations of the Occupational Safety and Health Committee.

Taiwan Secom has adopted a framework based on the Occupational Safety & Health Act and cycle management to effectively identify workplace hazardous risks, ensure workplace safety, and promote health. We use self-inspections and multilateral communication channels to compile the health risk matrix based on key indicators such as the analysis results of the four major protection programs, nature of work, operation environment, and impact on health.

According to the evaluations in 2022, the high-risk items were prevention of high blood pressure, high blood sugar, and high cholesterol and traffic accidents. Most employees of Taiwan Secom remain inactive for extended periods of time and most lack exercise habits despite necessary field work from time to time. When employees discover imminent danger at work, employees may, without jeopardizing the safety of other workers, suspend operations and evacuate to a safe location and immediately report to their direct supervisor. The Company is also committed to enhancing maternity health protection.

Occupational injuries

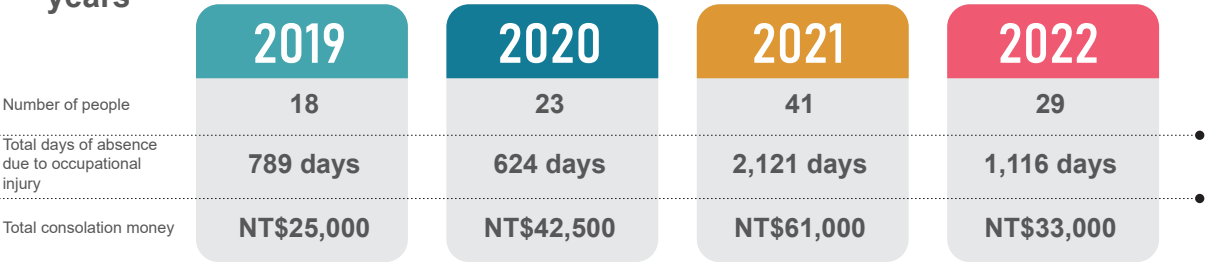
Traffic accidents accounted for the highest proportion of occupational accidents with 21 accidents (72.41%). They are generally caused by employees' lack of safety awareness or failure to understand or ignore hazardous factors. To prevent occupational accidents, Taiwan Secom has proposed preventive measures for the causes of the hazards including strengthening employee safety and health training, organizing safety and health awareness campaigns, implementing pre-work hazard awareness, and implementing management measures for safety and health for the operational environment, main equipment, maintenance, and autonomous management.

◆ Employee occupational injury statistics in past years

Item	2019	2020	2021	2022
F.R.	3.05	3.93	6.99	4.66
S.R.	133.74	106.94	362.08	179.71
F.S.I.	0.63	0.64	1.59	0.91
TRIR	0.61	0.78	1.39	0.933
Occupational disease rate	0	0	0	0
Total number of occupational fatalities	0	0	0	0

Note 1: Injury Frequency Rate (FR) = Number of injuries X106 / total work hours.
Note 2: Injury Severity Rate (SR) = Number of days of absence X106 / total work hours.
Note 3: Frequency-severity indicator (FSI) = √ "(F.RxS.R.)/1000".
Note 4: Total recordable incident rate (TRIR) = Number of injuries x 200,000 / total work hours.

◆ Cumulative total number of work hours without disabling injuries in past years



Note: The number of work hours lost due to traffic accidents during commutes is included in the statistics of disabling injuries

◆ Analysis of occupational injuries in past years

Year	Traffic accidentsNote 1	Falling	InjuryNote 2	Total
2019	10	4	4	18
2020	13	4	6	23
2021	28	6	7	41
2022	21	1	7	29
Total	72	15	24	111

Note 1: Time of injuries include: During work, commute to work, commute from work.
Note 2: Types of injuries include: Cuts, collision, burns, biting, stabbing, falling, choking, sprains, and fractures.

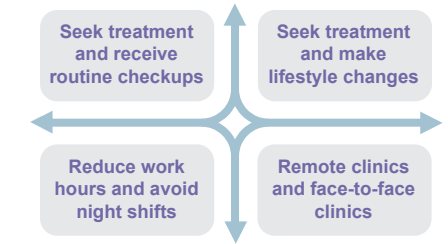
Friendly services and health care

New employees are required to receive health examinations in medical institutions for labor physical examination and health examination approved by government agencies before they report for duties. We commission a qualified large-scale hospital to provide employees with health examinations every three years to protect their physical health. We also report the examination results to competent authorities for reference as necessary. We provide health education, health examinations, repeated health examinations, tracking, and treatments based on the results of the examinations, health rating, and physicians' recommendations. We implement management or transfer employees to other work sites.

Although the rate of sub-par health examination results is directly or indirectly attributed to age, personal lifestyle, and other objective factors, we still take actions to strengthen the health awareness of employees with higher sub-par rates, formulate annual health promotion plans, and carry out each health promotion program as specified below:

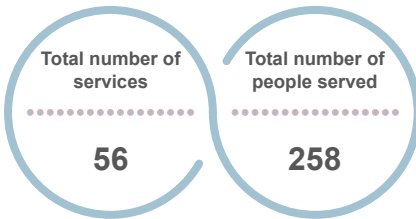
- ◆ After each examination, we ask the doctor of the hospital to meet regularly with employees for checkups, explanation, and follow-up for employees to learn about their health conditions, communicate with doctors face to face, and receive doctors' recommendations for their physical state after the health examination.
- ◆ Provide health education for employees with abnormal results in the general health examination.

◆ Follow-up and Caring for Employees with Abnormal Test Results



Health Promotion

In addition to the operations and management of the Company, Taiwan Secom also pays close attention to the physical and mental health of employees. We encourage employees to take part in public welfare activities and we assign doctors and nurses to visit factories regularly to provide medical services such as free medical consultation or health guidance for employees to learn about their physical and mental health issues and increase employees' health management awareness and motivation.



Epidemic Prevention Measures

In response to the outbreak of the global COVID-19 pandemic in 2021, Taiwan Secom implemented epidemic prevention measures during the pandemic, enhanced the cleaning and disinfection work of the public environment, and prepared comprehensive and sufficient epidemic prevention supplies (e.g., alcohol, face masks, forehead thermometers, and automatic body temperature monitoring devices). We led employees in epidemic prevention tasks starting with themselves to reduce anxiety and help them focus on their work.

Health Risk Map

To promote workplace health and safety and effectively monitor hazardous factors in the workplace, we established the labor risk matrix for potential labor risks of all employees based on the framework of the Occupational Safety and Health Act and PDCA management cycle.

We also plan related mitigation and compensation measures for the potential risks and we disclose labor issues with medium risks to implement labor policies, manage health risks more effectively, and create a friendly workplace environment.

◆ Labor Risk Matrix

Level of concern	Degree of Impact		
	Low		High
	Minor risks	Secondary risks	Major risks
	<ul style="list-style-type: none">◆ Diversity and inclusiveness◆ Talent recruitment, retention, and welfare◆ Talent training and education	<ul style="list-style-type: none">◆ Maternity health protection◆ Diversity and inclusiveness◆ Physical labor◆ Occupational safety	<ul style="list-style-type: none">◆ Workplace health and safety◆ Occupational accidents◆ Privacy and data security
	<ul style="list-style-type: none">◆ Labor rights	<ul style="list-style-type: none">◆ Personal data protection◆ Gender equality	
		<ul style="list-style-type: none">◆ Sexual harassment◆ Labor disputes◆ Employee Care	<ul style="list-style-type: none">◆ Workplace bullying

Harmonious and Health Employee Relations

"Employees are the most important assets of the Company. Taiwan Secom has created a friendly work environment and a well-organized HR system to help the Company and its employees grow and prosper together."

Labor Relations, Employee Rights and Benefits

Taiwan Secom complies with domestic labor regulations. We establish and implement related HR policies and set up internal regulations. All employees receive benefits specified in the Labor Standards Act and are protected by the Labor Standards Act. According to the principle of equal employment opportunity, we provide equal opportunities to all job seekers and comply with all regulations in the Labor Standards Act, Employment Service Act, Act of Gender Equality in Employment, and Regulations for Implementing Maternal Health Protection of Female Workers. All employees are governed by the regulations on salary, performance evaluation, promotion, and bonuses in the Company's bylaws, and we implement diverse and smooth communication channels to foster positive labor relations. We incorporate suggestions from employees to actively protect their rights and interests. We established policies in accordance with regulations and include the rights and interests of employees into consideration.

To help employees balance work and life, we provide diverse benefits and leave policies based on the Labor Standards Act to provide care, support employees and their family members, and retain young talents. Pension for retired employees is provided in accordance with the "Employee Pension Payment Regulations". Laid-off employees are provided with severance pay and wages for the advance notice period in accordance with the work rules to support them after retirement or when they seek employment.

Item	Contents
Material Issue	Labor Relations, Employee Rights and Benefits
Materiality to Taiwan Secom and Purpose of Management	(I) Harmonious and positive labor relations are the driving force for the growth of the Company. We create a good work environment to improve employee performance. (II) We focus on providing security for employees and making the best use of their talents to combine their personal growth with the Company's development.
Policy and Commitment	(I) Build a safe work environment and create harmonious labor relations and comprehensive systems. Adhere to the recruitment principle of hiring the right talents. (II) Protect the equal rights of all employees and create a friendly work environment. Integrate work and leisure to help employees attain physical, mental, and spiritual balance, increase productivity, and increase the work quality of employees.
Target	Build a fair and safe work environment, create harmonious labor relations and comprehensive systems, and establish comprehensive benefits to enhance employee welfare. Take action for employees to focus on work without worries and share the results of business success.
Responsibilities and Resources	<ul style="list-style-type: none">Human Resources Department, branch managers, Employee Welfare Committee, and Occupational Safety and Health Committee.External systems: Labor Standards Act, Employment Service Act, Occupational Safety and Health Act, and Act of Gender Equality in Employment.Internal systems: Employer-employee meetings, Employee Work Rules, Retirement Management Regulations, Salary Management Regulations, Safety and Health Work Rules, Annual Safety and Health Management Plans, and other human resource regulations.
Resources Invested and Action Plans	(I) We convene employer-employee meetings in accordance with related internal documents. All topics regarding labor relations are processed by means of comprehensive negotiations between the employer and employees to effectively reduce material disputes. (II) Communication platform: Electronic bulletin boards, website of the Employee Welfare Committee, employee mailbox, and email. (III) Provide employees with comprehensive coverage in all stages: Menstruation leave, pregnancy disability leave, maternity leave, parental leave, family care leave, child care subsidies, employee dormitory, employee group insurance, reinstatement rate after unpaid parental leave, retirement system and planning, and club subsidies.
2022 Implementation Results	<ul style="list-style-type: none">100% compliance with the Labor Standards Act in hiring employees.No risks of forced or compulsory labor in 2022.No cases of violation of labor rights or discrimination in 2022.30% reinstatement rate after unpaid parental leave in 2022.Breastfeeding room used 62 times in 2022.

Excellent Childcare

Due to Taiwan Secom's special business structure, the ratio of male employees to female employees in the Company has remained higher than other businesses for many years. As Taiwan enters an aging society with a low birthrate, we provide a comprehensive welfare system that ensures the promotions, performance evaluation, and benefits of employees on leave without pay. We also provide employees with menstruation leave, pregnancy disability leave, maternity leave, parental leave, paternity leave, family care leave, and child care subsidies to protect employee rights and interests.



We set up a private lactation room at Taiwan Secom to take care of female employees with nursing needs. The Company and the Employee Welfare Committee also signed a contracted with a reputable daycare institution nearby to provide daycare services to employees at a discounted price. According to the government's unpaid parental leave policy, employees may apply for unpaid parental leave in accordance with the "Act of Gender Equality in Employment" and "Regulations for Implementing Unpaid Parental Leave for Raising Children" and extend it for personal reasons. Employees may also apply for early reinstatement and remain eligible for the Labor Insurance and National Health Insurance at the Company during the unpaid parental leave.

22 employees applied for unpaid parental leave in 2022 and the average reinstatement rate was 53.33%.

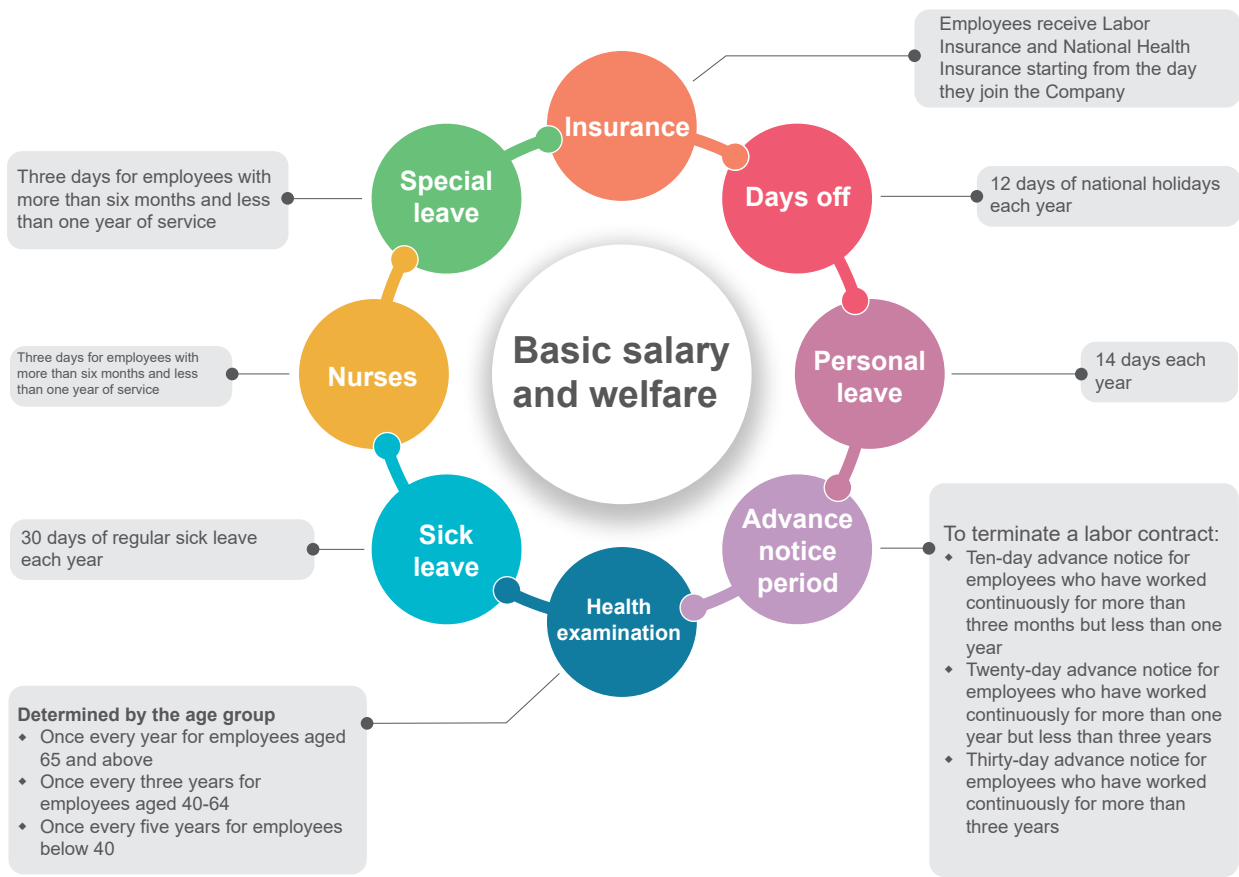
Item	Number of Men	Number of Women	Total
Total number of employees who actually used parental leave in 2022	11	11	22
Total number of employees reinstated from parental leave in 2022 (A)	8	7	15
Total number of employees reinstated during the reporting period after taking parental leave in 2022 (B)	0	3	5
Total number of employees reinstated during the reporting period after taking parental leave in 2021 (C)	0	1	1
Total number of employees reinstated after parental leave ended that were still employed 12 months after their return to work in 2021 (D)	0	1	1
Reinstatement rate (B/A)	62.5%	42.86%	53.33%
Retention rate (D/C)	0%	100%	100%

Remuneration and Welfare

Taiwan Secom upholds its commitment to profit sharing with employees to attract, retain, and develop talents, and it provides a diverse and competitive salary system. We created a business environment that focuses on ethical management, customer satisfaction, quality awareness, teamwork, self-management, and experience sharing to facilitate the growth and development of both the employees and the Company.

All new employees receive a salary higher than the statutory minimum wage. Other allowances may vary based on their positions, education, and experience. However, the Company distributes annual year-end bonuses based on the performance of employees and the business operations of the Company without any gender discrimination.

To stabilize human resources and retain talents, the Company adjusts salaries based on the consumer price index and personal performance and participates in the annual salary surveys for the security industry to evaluate the salary levels in the market and make appropriate adjustments and plans for the remuneration of employees to maintain its competitiveness in the market.



Reliable Employment

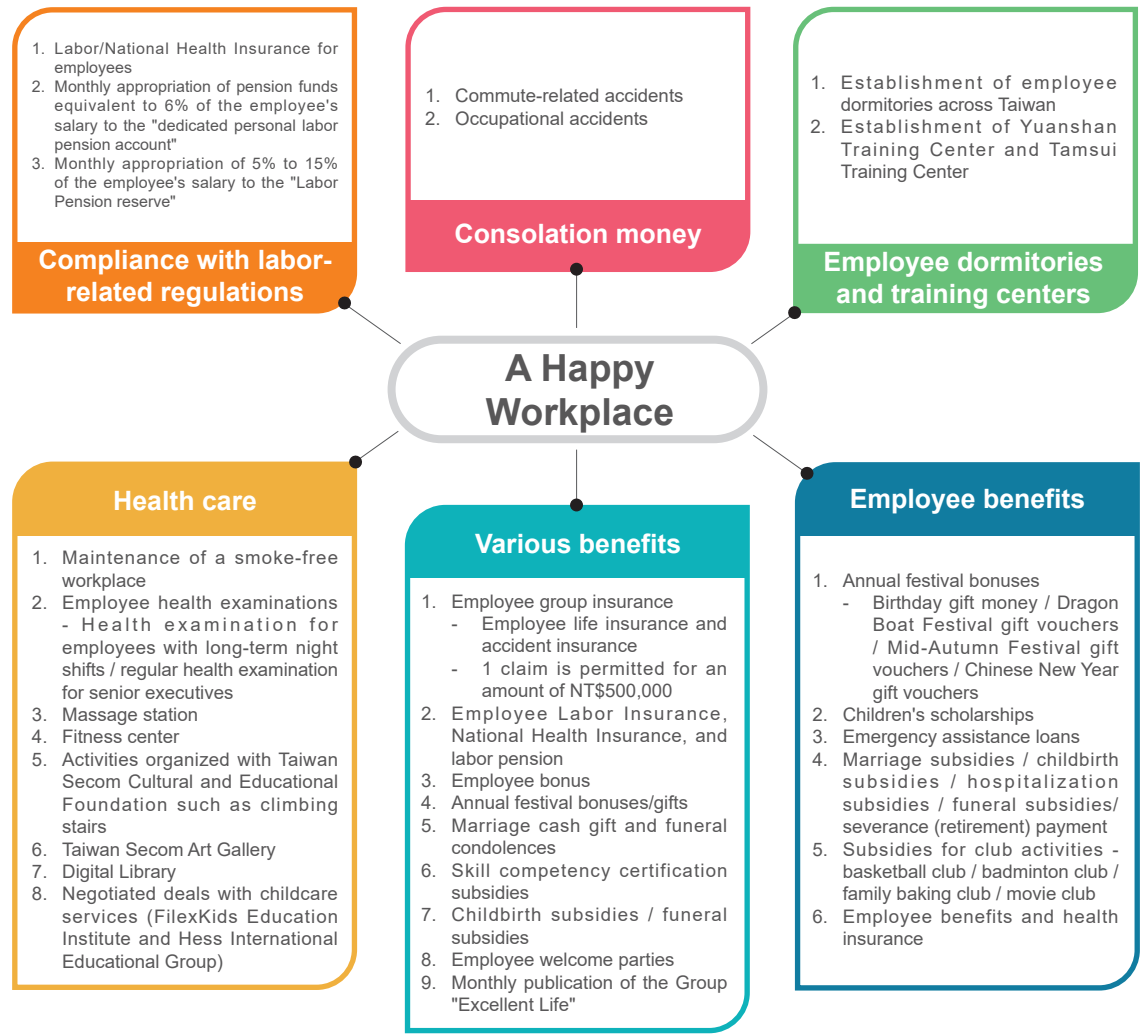
Complete Retirement Care and Plan

1. The Company formulates retirement regulations in accordance with the "Labor Standards Act" and "Labor Pension Act", appropriates employee pension reserve funds, and makes special retirement plans in a timely manner. The payment of employee pension is calculated based on the length of service and the 6-month average monthly salary before his/her approved retirement day.
2. The defined contribution plan (new labor retirement system) was rolled out in July 2005 and the Company established the defined contribution plan in accordance with the defined distribution provision of "Labor Pension Act". For employees who opted for the "New Labor Retirement System", the Company allocates the labor pension contribution to the amount of 6% of the employee's monthly salary to the employee's personal account in the Bureau of Labor Insurance. When employees turn 60, they may choose to withdraw the principal and the accumulated interest from their pension account in one lump sum or apply for monthly pension payments.

Employee Retirement

The retirement policy for all employees of Taiwan Secom is based on the Labor Standards Act. The Company allocates the labor pension contribution to the employee's personal account in the Bureau of Labor Insurance in accordance with the Labor Standards Act. In 2022, 36 employees retired and withdrew pension from the Company's Labor Pension reserve account. The employee participation rate in the old and new pension system was both 100%.

Taiwan Secom takes care of employees like family members. The Company plans benefits for all employees with the aim of helping them achieve a good work-life balance. As the Company works towards becoming a happy enterprise, it also strives to create a good work environment, protect employees' physical and mental health, and strengthen teamwork by providing a diverse range of employee health management mechanisms and benefits.



Employee benefits

Taiwan Secom is committed to creating a safe, harmonious, and joyful workplace environment. The Company established the Employee Welfare Committee in accordance with the "Employee Welfare Fund Act" to provide all employees with subsidies. We also invite employees from all departments to discuss employee welfare issues. We have maintained long-term harmonious labor relations by implementing continuous improvements for various measures. The Company provides benefits for employees' birthdays, childbirth, wedding and funeral subsidies, scholarships for employees' children, and cash gifts for festivals to thank employees for their hard work. The Company organizes travel activities from time to time for employees to relieve their work stress, improve physical health, and bond with each other so as to build team cohesiveness.

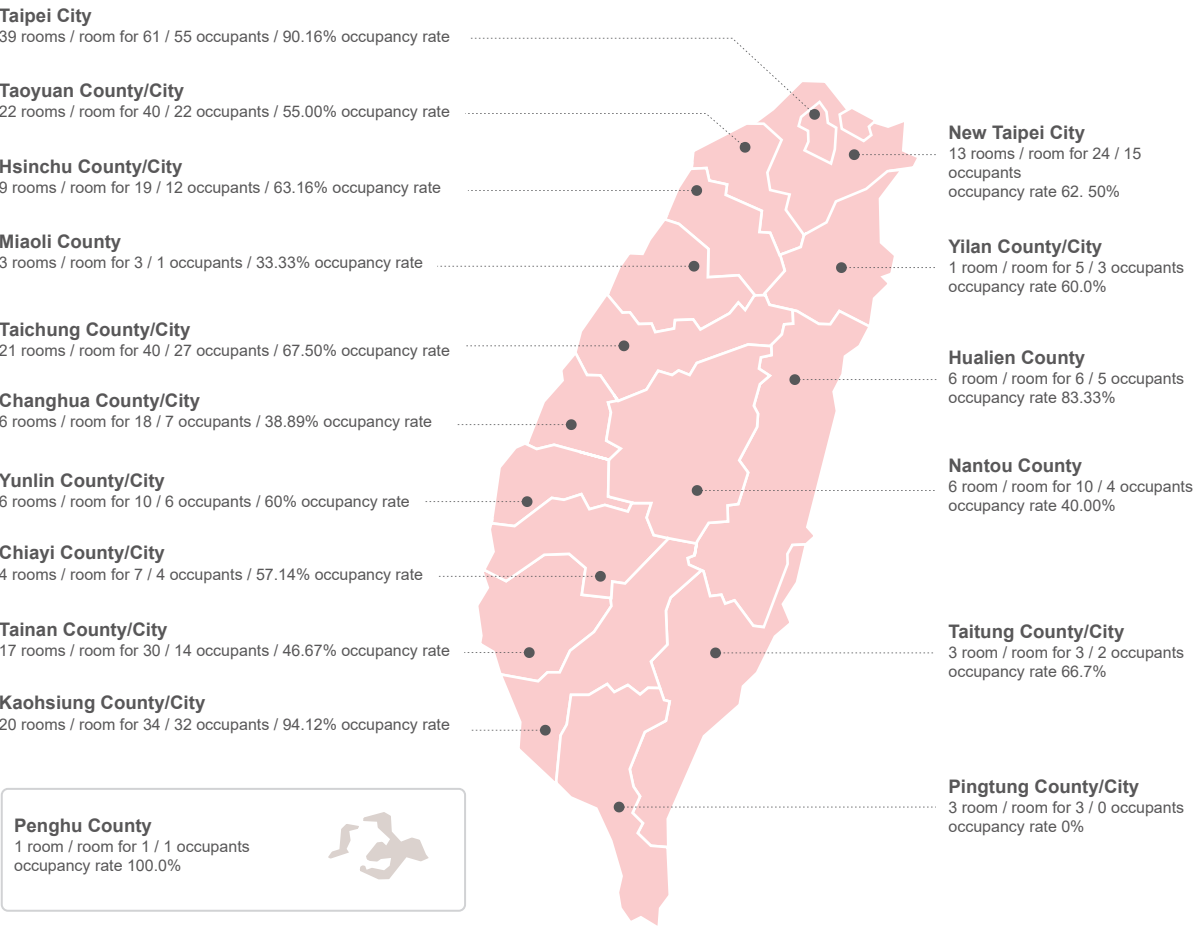
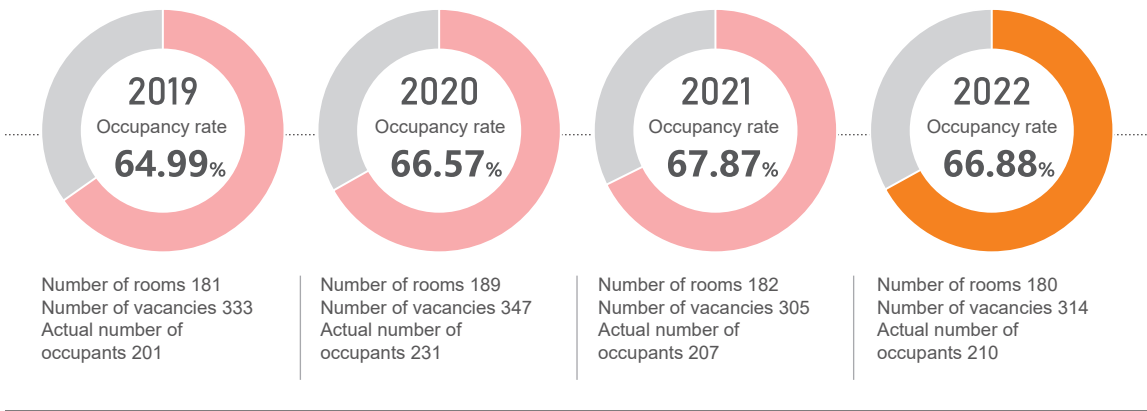
◆ Applications Filed in 2022

Item	Children's scholarships	Year-end, birthday, and three festival bonuses	Marriage, hospitalization, funeral subsidies, severance and retirement subsidies	Club subsidies	Employee benefits and health insurance
Employee benefits and health insurance	1,084	14,192	213	1	385
Total value of applications	1,766,000	10,286,895	3,21 8,339	20,000	8,984,220

Continuous Expansion of Employee Dormitories for Non-local Employees

To recruit talents and retain good employees, Taiwan Secom provides employees with free dormitories with all amenities and no additional water, electricity, or Internet fees for employees seeking work or assigned to work outside their hometown. All employee dormitories are less than 15 minutes away from their place of work. Employees who meet qualifications for working outside their hometown, assignments, or long commute time may file applications. The Company also established the "Employee Dormitory Management Regulations" and a system of accountability of dormitory management units and supervision of the head office to ensure the quality of employee dormitories. The employee dormitory occupancy rate was 66.88% in 2022.

Employee dormitory statistics in past years



Encouraging Employees to Form Clubs and Attend Welfare Activities

Taiwan Secom encourages employees to form a variety of clubs and all employees can apply to set up a club in accordance with the "Clubs and Society Subsidies Regulation". The Company currently has a diverse range of clubs including the badminton club, family baking club, and movie club. By enhancing employees' fitness, we improve their work performance and their sense of belonging to the Company.



Comprehensive training resources

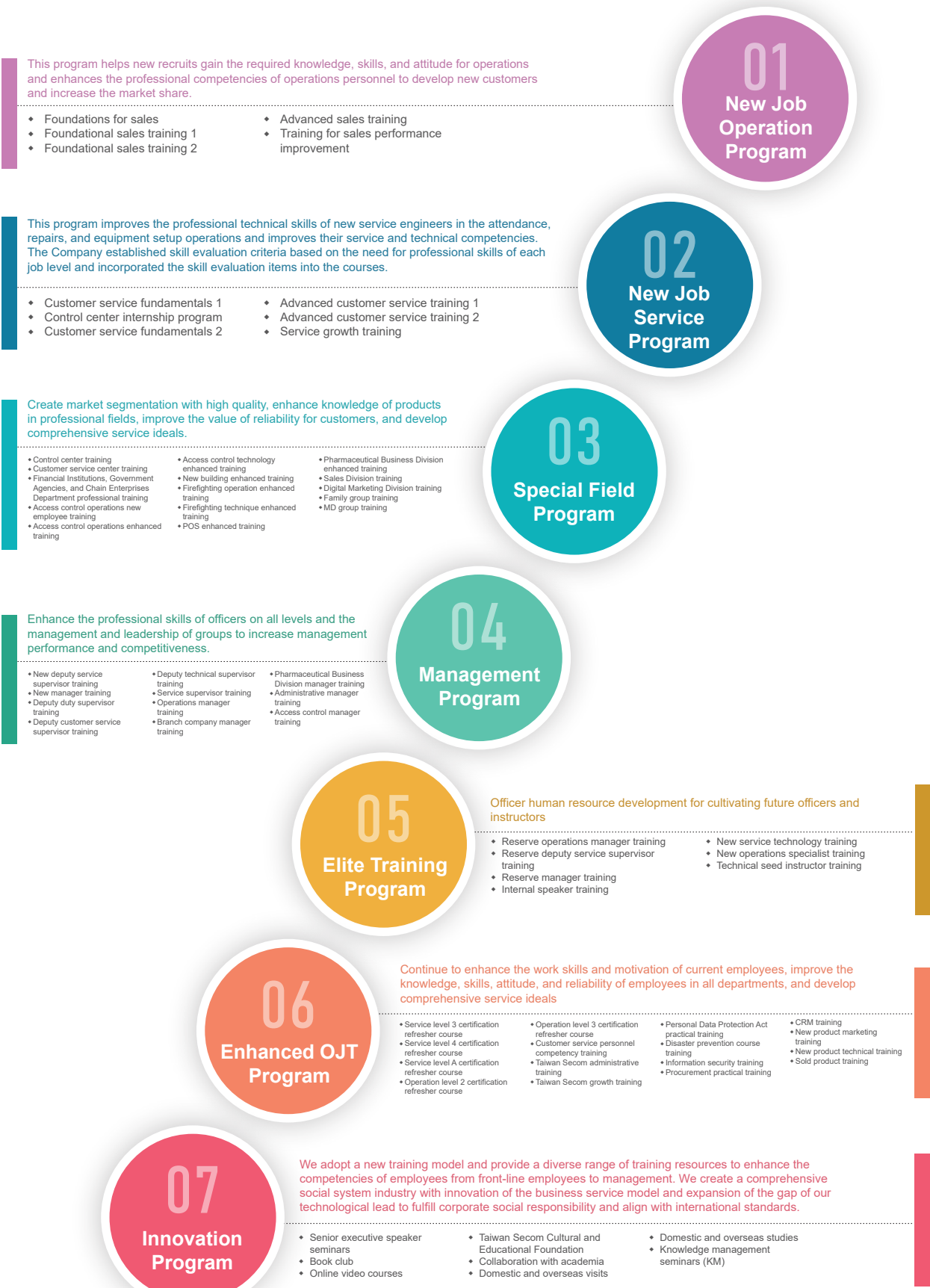
Material Issue	Employee education and training
Importance	Employees are the most important assets of the Company and the foundation of the Company's success. Taiwan Secom focuses on talent development and reserve planning in its human resource development process.
Management Approach	Develop seven major training programs to build more comprehensive skills for employees.
Goals of the Management Policy	The Company actively adopts new technologies artificial Intelligence of Things (AIoT) for general services to improve the work skills of employees, ensure flexible and efficient work procedures, and respond to rapid changes in market demand and work challenges.
Policy and Commitment	Review the necessary competencies of all employees and establish a comprehensive training system.
Goals and Targets	Provide suitable competency training targets and training courses based on the number of years of service at the Company of all employees.
Responsibility	Main responsibilities of the Training Division
Resources:	Provide the most suitable learning environment with two major training centers (Yilan and Tamsui) and four training classrooms in Taiwan with professional instructors. In addition to appointing personnel of the Training Division to serve as lecturers, the Company also assigns seed instructors of branch companies to assist in the training of regional units and appoint external instructors in professional fields based on course requirements.
Complaint Channels	Training Division
Specific Actions	<div>1. Comprehensive training with seven major programs: The training programs are provided for all employees of the Company including new employees, current employees, and supervisors with a comprehensive training framework to help each employee improve their workplace skills and knowledge and improve the Company's overall work efficiency and competitiveness.</div> <div>2. On-the-job training (OJT) for current employees - progress with the times: Provide diverse learning topics and resources, MANAGER Today magazine articles, and Dada Master video platform for employees to use mobile phones, computers, or tablet computers to learn. Digital media remains unaffected by distance or the pandemic and employees can use fragmented free time to learn. The Company organized in-person courses on the Government Procurement Act to respond to employees' needs for training. We hired experienced instructors to speak on the regulations and practices of the "Government Procurement Act" and explain the government procurement procedures, tender documentation, tender procedures, tender award methods, and dispute resolution.</div> <div>3. On-the-job training (OJT) for service personnel - improved professional skills: The Company rapidly launches products with constantly evolving types and functions. To help service personnel maintain their skills in operating the Taiwan Secom Unlimited Plus system, we amended the "Skill Certification Regulations" and planned three levels of skill certification refresher tests in three groups from 2022 to 2024. Employees who received level 3 skill certification before 2018 are included as recipients of refresher tests. We use tests to enhance the skills of service personnel to increase service efficiency and customer satisfaction.</div>
Results	<div>1. Due to the spread of the pandemic in Taiwan in the first half of 2022, the training groups in the first half of 2022 focused mainly on remote video courses. As the pandemic subsided in the second half of the year, the Company gradually allowed in-person classroom courses. Annual training hours totaled 77,318 hours and remote video conference courses totaled 16,067 hours (21% of total hours); online learning courses totaled 11,110 hours (14% of total hours); in-person classroom courses totaled 50,141 hours (65% of total hours).</div> <div>2. The Company successfully completed the enhanced practical training courses for the Government Procurement Act for a total of 117 participants in 3 groups. The 12 departments included the Business Planning Office, Sales Division, Customer Service Department, Branch managers, and related enterprises.</div> <div>3. The Company successfully completed the employee skill review and tests and a total of 535 business/ service personnel passed in 2022. The Company will continue to maintain the Unlimited Plus talent pool.</div> <div>4. The Company provided 4 MANAGER Today magazine articles on communication, stress relief, sales techniques, and motivation, used 24 digital courses on the Dada Master video platform, and provided more than 300 online audiobooks and 5 licensed videos on books. The topics included sales, psychology of communication, project management, and marketing and advertisement. A total of 195 people actively took the digital video courses.</div>

Employees are the most important assets of the Company and the foundation of the Company's success. Taiwan Secom focuses on talent development and reserve planning in its human resource development process. By upholding the idea of "lifelong learning" and continuous advancements towards professionalism, technology, and innovation in the "Taiwan Secom Elite Academy", we continue to use the E-learning platform for mobile learning on apps and digital education management. Employees can obtain important course information on the platform and their personal reading progress/records. They can also use the "Knowledge Management Center" for independent learning at any time.

The training framework of Taiwan Secom is mainly established based on skill requirements. The training format includes "concentrated training" and "regional training". The former is based at the head office and provides skill training for a longer period of time while the latter is provided locally to enhance professional competencies for new roles and enhance skills after concentrated training to build consensus in teams and provide work skills. Finally, the Company passes its values for "self-development training" and "group philosophy" to increase professionalism and enhance skills. The Company planned seven major training programs based on the needs of different roles, including the "Operation Program" for business personnel, "Service Program" for service personnel, "Enhanced OJT Program" for administrative personnel, "Management Program" for officers, "Special Field Program" for products of specific professional fields, "Innovation Program" for the development of new ideas, and the "Elite Training Program" for officers. The Company has trained approximately 130 outstanding internal speakers and seed instructors.

Training Type	Training Hours		Number of Trainees		Average Training Hours	
Physical classroom	Male	Female	Male	Female	Male	Female
Business personnel	8,311	1,530	266	54	31	28
Service personnel	28,423	0	505	0	56	0
Management personnel	216	3	12	1	18	3
Technical personnel	6,727	36	242	3	28	12
R&D personnel	17	0	2	0	8	0
Others	749	4,128	40	134	19	31
Total	44,444	5,697	1,067	192	42	30
Virtual courses	Male	Female	Male	Female	Male	Female
Business personnel	4,579	1,136	306	63	15	18
Service personnel	9,364	0	203	0	46	0
Management personnel	80	0	8	0	10	0
Technical personnel	283	0	9	0	31	0
R&D personnel	0	0	0	0	0	0
Others	125	500	8	27	16	19
Total	14,431	1,636	534	90	27	18
Online learning	Male	Female	Male	Female	Male	Female
Business personnel	1,048	137	357	66	3	2
Service personnel	4,709	2	929	1	5	0
Management personnel	229	5	59	1	4	5
Technical personnel	2,657	5	372	2	7	2
R&D personnel	3	0	4	1	1	0
Others	963	1,351	57	167	17	8
Total	9,609	1,501	1,778	238	5	6

◆ Course Design and Planning for the Seven Major Programs



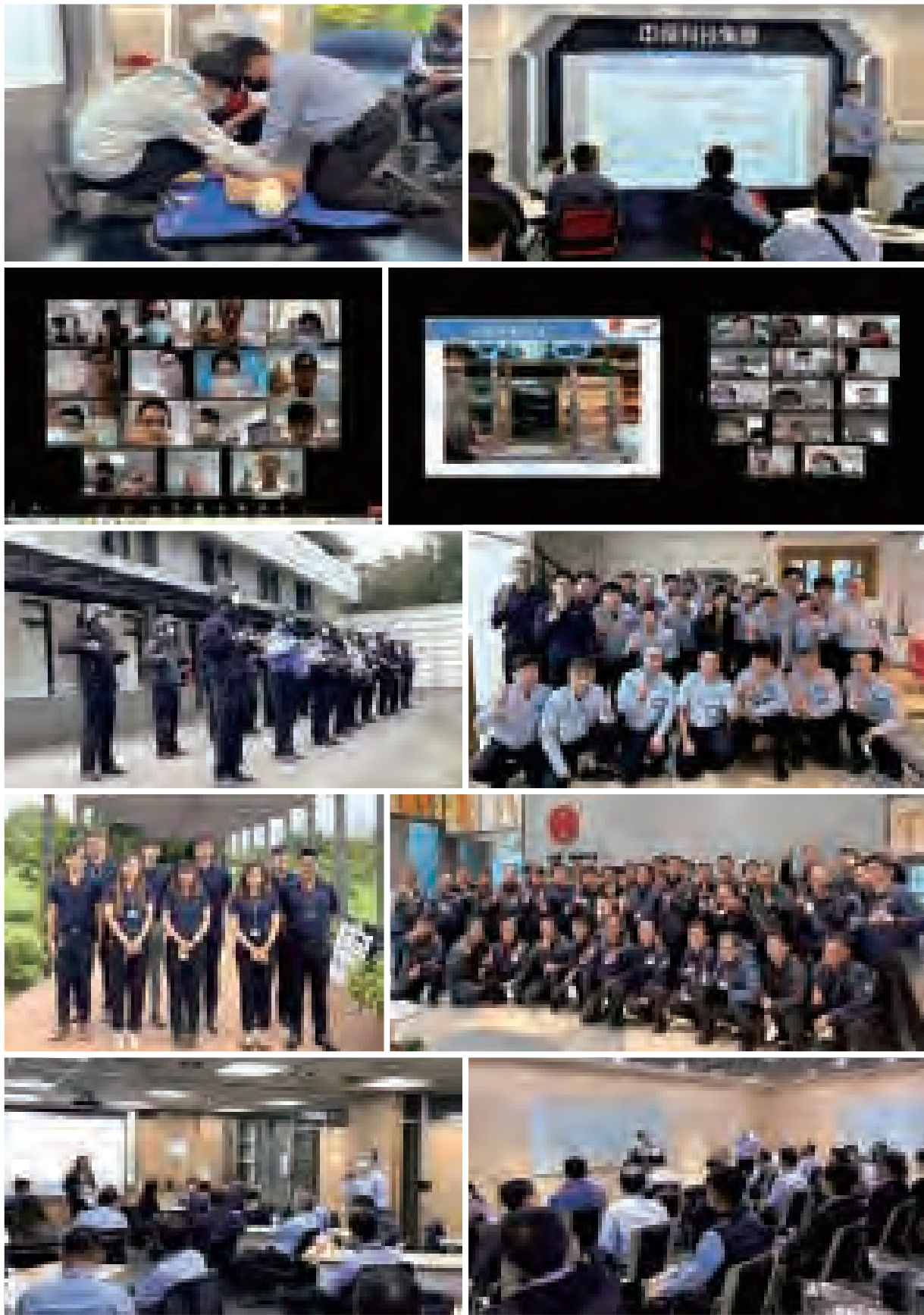
To support the Company's transition from a security service provider to an AIoT lifestyle service provider, we created the Unlimited Plus "Planner Skill" Management System to review employees' professional competencies for planning in Taiwan Secom Unlimited Plus and creating a talent pool of Unlimited Plus planners. We thus train new operation personnel with independent sales capabilities to help them adapt to the workplace and reduce turnover.

Planner level	Skill target	Certification contents (remarks)	Training courses	Personnel to be certified	Number of people certified in 2022
Level 1	Able to perform independent sales procedures	(1) Unlimited Plus planning capabilities (small-scale projects) (2) System, service, procedures, and product knowledge (functions)	Fundamentals 1 Fundamentals 2	Basis for official hiring of service operators (within 3 months)	83
Level 2	Attain performance targets and enhance professional skills	(1) Project planning capabilities (medium-scale projects) (2) System, service, procedures, and product knowledge (applications)	Advanced training OJT training	Specialist promotion criteria	22
Level 3	Attain team performance targets and enhance professional skills	(1) System integration planning capabilities (medium and large-scale projects) (2) System, service, procedures, and product knowledge (applications & integration)	Growth training OJT training	Deputy manager appointment criteria	14

To enhance the assessment of skill certification, make full use of the tests of different categories of skills, and verify whether SE service personnel retain the capabilities for using professional skills and customer management response capabilities for the level, the Company formulated the following skill certification level and the corresponding competency target and training courses:

Skill certification level	Level 1	Level 2	Level 3	Level 4	Level A
Amount	NT\$1,000	NT\$1,000	NT\$2,000	NT\$1,000	NT\$1,000
Skill target	Basic SE capabilities (night shift training) Basic checks, repairs, and on-duty procedures	Advanced SE capabilities (I) (day shift training) Independent troubleshooting / execution of assignments	Advanced SE capabilities (II) (skill training) AI monitoring system / professional troubleshooting / important assignments	Professional SE capabilities (I) (integration and planning) Advanced cloud system applications / important customer assignments	Professional SE capabilities (II) (integration and application) Application of various integrated systems / technical seeds / important customer assignments
Training courses	Customer service fundamentals 2	Advanced customer services 2	Service growth	Skills refresher courses	Skills refresher courses
Length of service	1-2 months	6-8 months	15-18 months	2-3 years	3-4 years
Number of people certified in 2022	208	110	52	(Not yet organized)	46

◆ Photos of Training Activities



Social Care

Taiwan Secom Group has actively participated in community involvement activities and upholds the spirit of "care for the society for beauty and good" and "giving back what is taken from society" to consolidate company resources as well as the knowledge and love of the employees to cultivate the next-generation talents and create a positive cycle.

Taiwan Secom Cultural and Educational Foundation was established in 1996. It consolidates the internal and external resources of the Group to provide abundant resources to the society, support youth development, education for rural communities, and arts and culture activities, and care about our land and ecology to create a positive force for the society. We provided after-school classes for more than 3,200 students, provided 4,335 scholarships, and sponsored art and cultural activities for more than 15,000 participants.

Caring for under-achieving and disadvantaged groups to cultivate an international perspective

After-school tutoring classes established by Taiwan Secom Cultural and Educational Foundation have provided long-term stable tutoring for disadvantaged schoolchildren on a large scale in Yuanshan Township, Yilan for many years. The Foundation pays for the teachers' fees and develops courses to provide learning assistance to students with academic difficulties. It aims to improve the children's basic competencies, motivation for learning, and diverse achievements and encourage Yilan County Government to set up after-school care classes in different schools. Taiwan Secom's after-school classes were changed to after-school class 2.0 with English and computer science education.

Taiwan Secom Cultural and Educational Foundation pays close attention to English education and provides after-school English tutoring courses for students from disadvantaged families based on their age. It appoints foreign teachers who provide language courses for everyday use to incorporate English conversation practices into students' daily lives to increase their academic interests and motivation.



◆ CEO of Lin Teng Cultural and Educational Foundation Ms. Lin Chun-Mei (second from left) and Taiwan Secom Cultural and Educational Foundation CEO Cheng Shu-Chen (third from left) attended the anniversary of Yuanshan Elementary School in Yilan and inaugurated the interactive English classrooms with the Principal Chen Pi-Ching (left).



◆ To enhance the international competitiveness of rural students, Taiwan Secom Cultural and Educational Foundation invested NT\$1 million to build two interactive English classrooms.



◆ Taiwan Secom after-school class organized a Christmas party to support children's learning and growth in a loving environment.



◆ Taiwan Secom Cultural and Educational Foundation provides loving care in the Yuanshan after-school class in Yilan by connecting hundreds of teachers and students in high schools and vocational high schools in Yilan. They created a unique summer vacation for children in the after-school class of Ms. Chuang Su-Chu from Taiwan Secom. Students from Lan-Yang Girls' Senior High School and Lo-Tung Commercial Vocational High School jointly designed a children's summer service and learning camp suitable for children of the after-school class.



◆ The Lantern Star training program continued to be held in Yilan and the students from Lotung Industrial Vocational High School and Yilan Commercial Vocational Senior High School interacted with children of Taiwan Secom's after-school class during winter and summer vacation.



◆ Children practice batting, running the bases, and passing and catching the ball in the Lotung Industrial Vocational High School Baseball Camp. They learn and have fun learning under the guidance of the coach.



◆ Yilan Senior High School Basketball Camp provided a gaming experience for practice and helped children acquire related knowledge and understand the importance of teamwork. Older players appreciated the positive feedback from younger players.

Taiwan Secom Cultural and Educational Foundation sponsored the Academy of Taiwan Strings in the "Remote Children" program to spread music to campuses in Yilan.



◆ Taiwan Secom Cultural and Educational Foundation organized the "Summer Music Festival" for the first time in Yilan. CEO of Taiwan Secom Group Lin Hsiao-Hsin, CEO of Lin Teng Cultural and Educational Foundation Ms. Lin Chun-Mei, and Ms. Chuang Su-Chu of Taiwan Secom's after-school class took a happy group photo with the schoolchildren.



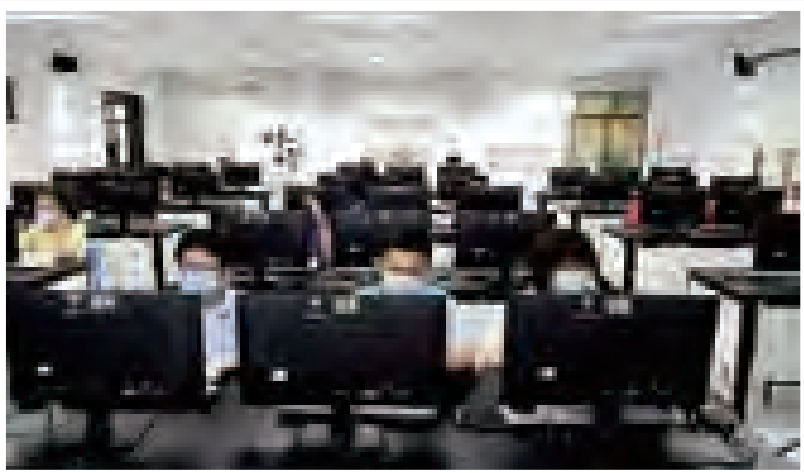
◆ Academy of Taiwan Strings launched the "Remote Children - Music Afforestation Program" to promote classical music appreciation. Taiwan Secom after-school class organized a Christmas party to support children's learning and growth in a loving environment.

Lantern Star Cultivation Program for Talents with Potential

The Lantern Star Cultivation Program focuses on developing core competitiveness and continues to provide education services to junior and senior high school students. It takes real actions to support students and help them shine. The Program mainly develops young students with potential in Yilan. Students take part in winter and summer camps as well as course cycles during the semester to obtain certificates such as intermediate certification in the General English Proficiency Test (GEPT), TOEIC, Advanced Placement Computer Science (APCS), or professional skills in robotics and information network setup. They gain advantages for entering the job market and can use their abundant learning experience and performance to apply for the top universities in Taiwan or abroad. We invested more than NT\$5 million each year for a total of 574 participants. This year, 93 senior high school students obtained the TOEIC certification and 20 junior high school students passed the first stage of GEPT intermediate level. 31 students obtained a score of level 2 and above in the APCS and 22 students obtained level C license for information network setup.

Establishment of three Lantern Star talent development bases to train top talents for contests

Taiwan Secom invested more than NT\$10 million for the establishment of talent development bases in Yilan Senior High School, Lotung Industrial Vocational High School, and Yilan Commercial Vocational Senior High School to cultivate young students with potential in Yilan and respond to the development of the ICT industry. They train the top talents for contests and talents for the ICT industry. We have created a digital education ecosystem in Yilan by combining a professional team from the industry and the education resources of universities.



Lin Deng Technology Education Resource Center

Lin Deng Technology Education Resource Center is located in Yilan Senior High School and focuses on training talented programmers. It allocates more than NT\$1 million each year for education and it has created a digital education ecosystem in Yilan by combining a professional team from the industry and the education resources of universities.



Lin Deng Smart Robot Development Center

Lin Deng Smart Robot Development Center is located in Lotung Industrial Vocational High School and focuses on training talents for skill contests. Its comprehensive training grounds will become the cradle for professional talents in smart robotics.



Lin Deng Information Network Setup Center

CEO Lin Chun-Mei of the Foundation visited Lin Deng Information Network Setup Center. Lin Deng Information Network Setup Center is located in Yilan Commercial Vocational Senior High School. Its establishment elevated Yilan to the most comprehensive and benchmark talent development site for ICT talents and demonstrated the Foundation's commitment to talent development for the ICT industry.

All students gathered at the graduation ceremony of the second "Lantern Star APCS Cultivation Program" and shared their results.



◆ All students gathered at the graduation ceremony of the "Lantern Star ICT Cultivation Camp" and shared the results of the camp.



◆ Group photo of teachers and students in the graduation ceremony of the GEPT Program.

Sponsorship for Art Events

We believe that art events relieve the stress of everyday life and increase the quality of life for people. Therefore, we began sponsoring the Academy of Taiwan Strings before the foundation was established. We organize the annual Taiwan Secom Concert and hold regular music education and seminars to continue to develop music education in Taiwan. We provide a sponsorship of NT\$1.8 million each year. As of 2021, we have provided sponsorship for more than 20 years and accumulated more than NT\$42 million in sponsorship.



Creation of the Group Volunteer Service Team

The team of volunteer led by Taiwan Secom Cultural and Educational Foundation actively participated in the charity blood donation drives promoted by the Foundation. We worked with Taipei Blood Center in setting up a blood donation bus in front of the head office every four months and collected more than 300 bags of blood each year.



Taiwan Secom Group and Taiwan Creative Content Agency jointly established "My Story Entertainment" to support the domestic film industry

Taiwan Secom Group and Taiwan Creative Content Agency (TCCA) jointly established "My Story Entertainment Co., Ltd." and held a press conference on October 28, 2022 to disclose future film collaboration projects. My Story Entertainment is a company funded by Taiwan Secom Group and the National Development Fund under the direction of the TCCA. Its purpose is to use the cross-platform "IP film investment" and "IP in films" investment and co-production to support the cultural and creative industries with the film industry and create a new path for cultural and creative development. According to *China Times*, My Story Entertainment has a capital of NT\$200 million. Taiwan Secom is the main investor and holds 51% of shares while TCCA invested nearly NT\$100 million and holds 47.5% of shares.

Taiwan Secom Group has entered the film industry with "My Story Entertainment Co., Ltd." as well as "Lots Home Entertainment Co., Limited" which is an experienced company responsible for film content production. Lots Home Entertainment participated in the production of *Till We Meet Again*, *Detention*, and *The Bridge Curse*, which achieved spectacular results in the box office.

Protecting the Elderly with Technology and Love

In 2022, the Health Promotion Administration of the Ministry of Health and Welfare stated that Taiwan's population is aging rapidly. As of the end of August this year, more than 4 million people are above the age of 65. According to forecasts by the National Development Council, elderly people will account for 1 out of every 5 persons in Taiwan by 2025. The elderly population will exceed 20% and Taiwan will become a "super-aged society". Taiwan is aging faster than Japan. Creating a healthcare system that meets the health needs of the elderly has become critical in global medical reforms.

Taiwan Secom Group understands the deficiencies in the demand for care in an aged society and established the dedicated business unit "Health Care Business Division" on the basis of a mature network system to give back to society. We have focused on safety and health and provided services to the elderly for more than 16 years. High-tech equipment such as the emergency reporting server, emergency assistance button, and smart sensors passed National Communications Commission (NCC) certification. It also recruits professionals such as nurses and social workers to ensure the safety of the elderly who live alone. The Company pays attention to the physical conditions of the elderly and emergency incident notifications in all weather conditions such as extreme heat, extreme cold, and typhoons. It also helps promote mutual support and referrals for community resources to provide uninterrupted care services for the elderly who live alone and help the government implement smart healthcare and aging in place. We use the conveniences of modern technology and heartwarming care to ensure the health management and safety of the elderly.

In addition to online emergency services, the Health Care Business Division also provides care in physical areas. It continues to work with municipalities to provide equipment or technologies developed by Taiwan Secom Group to create comfortable and convenient daycare centers for the elderly so that their children do not have to worry. In terms of the purpose of setting up these institutions, the Group aims to provide services to external families that need care and support, allow the main care provider to complete other tasks without worrying, and use related activities to delay the aging and loss of cognitive abilities of the elderly. The Group also seeks to use a combination of online protection and offline physical care to improve the quality of emergency aid and daycare, gradually form a comprehensive system, obtain more opportunities for helping more elderly who need care, and provide better services.

Emergency Notification and Rescue

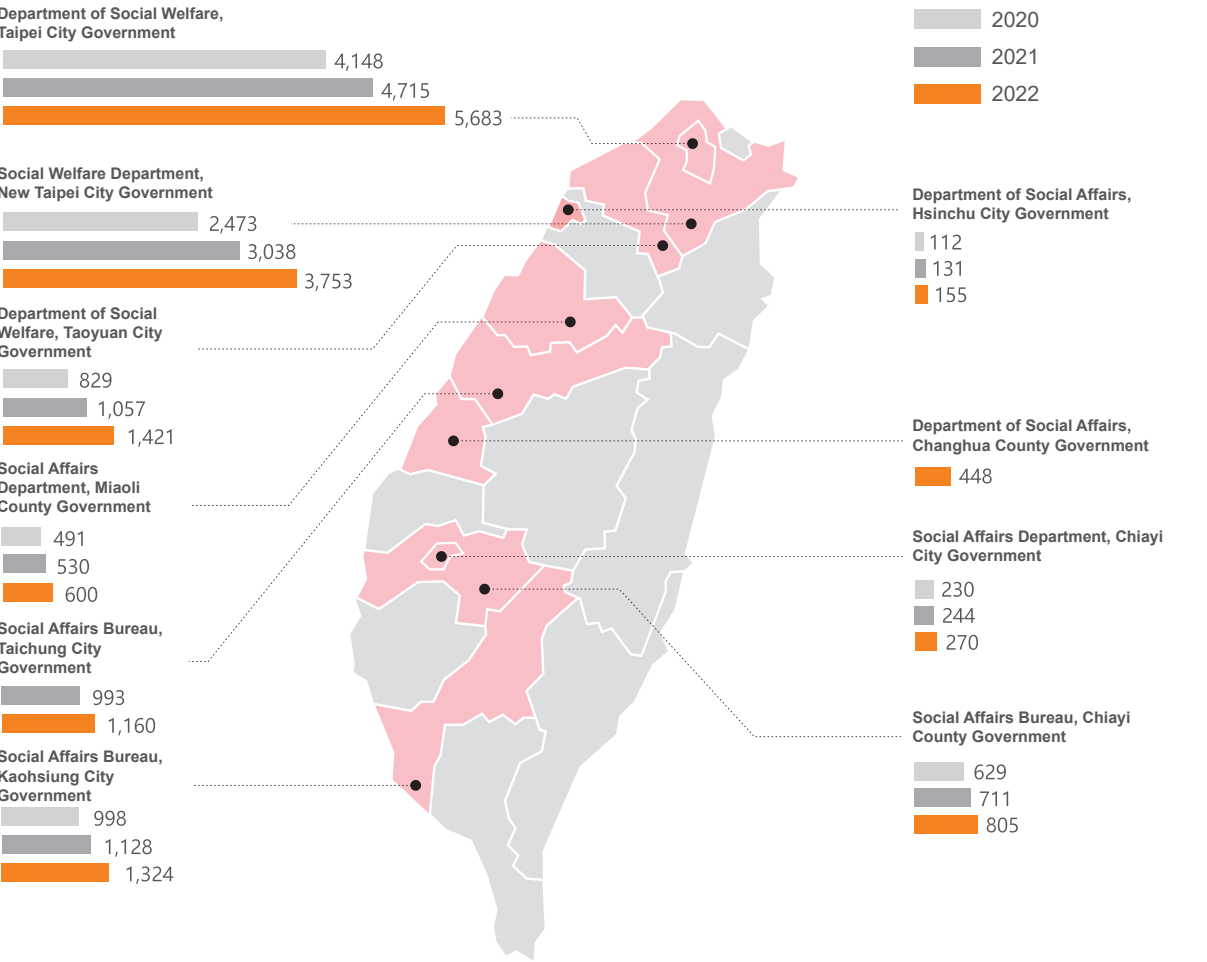
According to statistics on the causes of death compiled by the Ministry of Health and Welfare in 2021, falling ranks second (24.3 persons in 100,000) in the cause of death for elderly people over the age of 65. Falling accidents have always been one of the top three causes of death for elderly people's injuries due to accidents. Falling may cause an elderly person to lose physical functions and independence, suffer psychological frustration, and lose social functions. In more severe cases, the victim may be confined to a bed or face death. Taiwan Secom has noted this social issue and designed a method that does not disturb the independent life of the elderly or persons with disabilities in their familiar home environment but allows them to seek help instantly whenever they need help. With extensive experience in healthcare services accumulated in the past implementation of Technology Development Programs, the Company has developed a full range of remote care equipment to provide emergency notification, emergency contact, and home safety services for the elderly in case of accidents at home. It reduces or prevents cases where no one is aware of an accident at home or delayed medical treatment. It also accelerates the response time in the immediate aftermath of an accident, improves the quality of home safety and care, and use the applications in the real world.

The service provided by Taiwan Secom has received wide acclaim in past years and Taiwan Secom has been appointed by the central and several local governments to provide related services. We have provided the "Emergency Rescue Services for Elderly Living Alone and People with Disabilities" and "Cloud Health" services for more than ten years with coverage in Taipei City, New Taipei City, Taoyuan City, Hsinchu City, Miaoli County, Taichung City, Changhua County, Chiayi County, Chiayi City, and Kaohsiung City. The successful rescues and track records of service earned the trust and gratitude of government institutions and the elderly.



Client and Total Number of People Served

Unit: Person



Items and Times of Service

Service Item (Unit: times)	2020	2021	2022
Telephone support call	413,552	486,231	591,203
Care visit	41,788	42,351	48,013
Emergency rescue services	745	1,050	1,798
Health consultation and resource referral	5,528	6,592	8,382
Distribution of supplies	>1,500	>1,000	>2,000

Recognized and Trusted by the Elderly Who Live Alone

Mr. Lin is in his 50s and has lived alone for more than 10 years. He suffered a loss of consciousness, delayed medical treatment, and a minor stroke. The home visit care provider heard about Mr. Lin's conditions and actively helped him install the Taichung City emergency rescue service device so that he can notify the 24-hour protection center for assistance in the event of an emergency. Home visit care providers also regularly visit him to provide care. In response to emergencies such as Mr. Lin's loss of consciousness which occurs 5-6 times a month, we installed a smart sensor in his home which automatically notifies the Service Center to initiate emergency rescue procedures when the alert level is reached. It ensures that people can remain safe at home and ensures their safety with minimum impact on their life. "I am very grateful to the social workers who take care of me." A simple expression of gratitude is not merely Mr. Lin's gratitude for the emergency rescue services but his heartfelt affirmation for the team and the employees.



Track records of care services for the elderly who live alone in other municipalities

Improved home safety

Improved home lighting

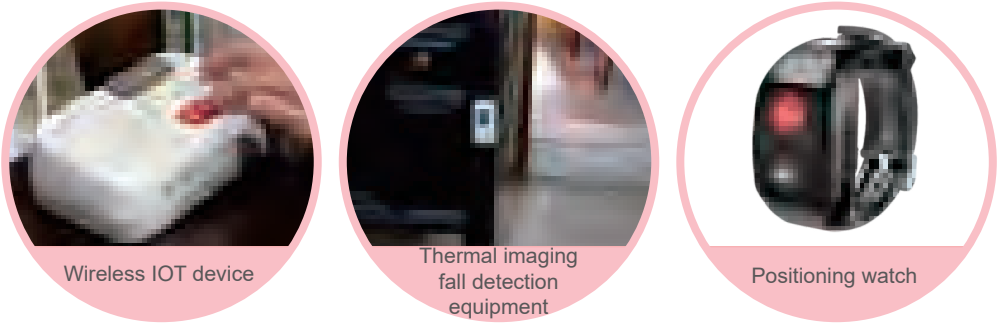
Heartwarming festival activities for the elderly

Sports meet event for the elderly

Annual donation of supplies to the disadvantaged

Care for disadvantaged elderly people in rural areas

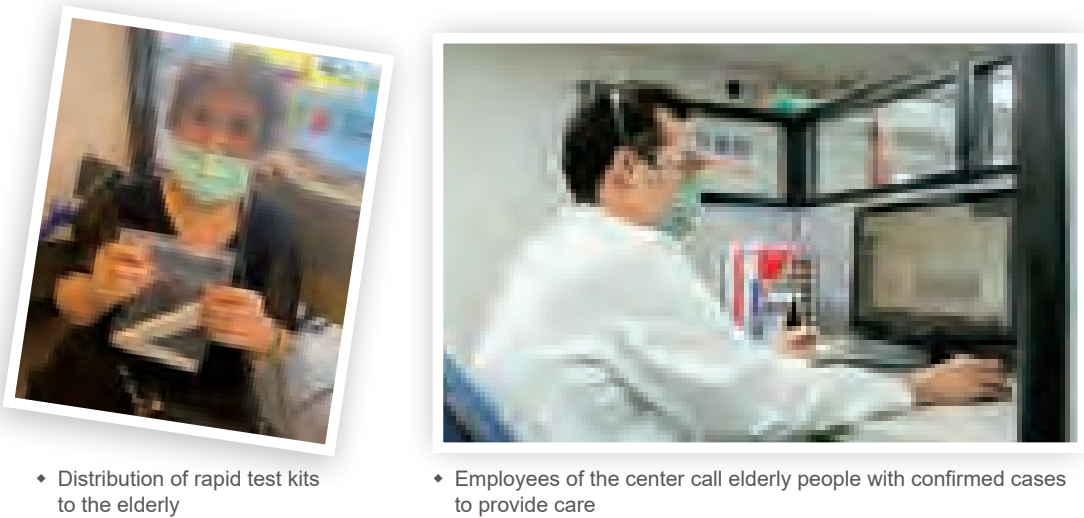
To do a job well, one must have the right equipment. Service providers need suitable equipment to increase their capabilities and quality of service. Therefore, Taiwan Secom Group has continuously developed and improved equipment in recent years based on experience gained in past services and developed the wireless IOT device, thermal imaging fall detection, and positioning watch. Elderly people who do not have a landline at home will still be able to access emergency rescue services even if they don't have a telephone. Elderly people who often fall do not have to worry about being helpless if they happen to fall while alone at home. For elderly people who often go out and become lost, their family members no longer have to worry about whether he/she is safe at home or lost when going out. The aforementioned equipment was all developed by Taiwan Secom Group based on decades of experience in providing care for the purpose of providing services to more elderly people who need emergency rescue and providing their children with thoughtful services.



Epidemic Prevention Care Includes the Elderly Who Live Alone

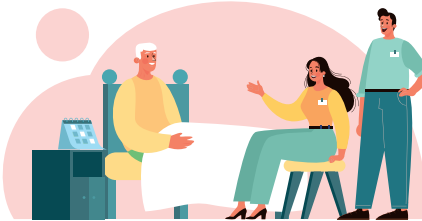
As the COVID-19 pandemic persisted last year, the number of gatherings and activities were reduced to prevent cluster infections. Most elderly people were aware of their vulnerabilities as a high-risk group and reduced their outings. However, reduced outings meant that the elderly who live alone and normally rely on the community to provide care needed more care and warmth. As such, Taiwan Secom continued the emergency rescue operations without interruption and continued to care for the elderly who live alone during the pandemic. We also cooperate with the government's epidemic prevention policies to provide epidemic prevention care without omissions. In response to the epidemic prevention policies of the competent authority last year, we distributed rapid test kits to the elderly who live alone and taught them how to use the kits so that they can monitor their conditions and the development of the pandemic at all times. If there are elderly people with confirmed cases of infection and are quarantined, the protection center calls them from time to time after learning of the infection to monitor their conditions and provide immediate assistance when necessary.

In addition to the elderly, we also paid close attention to the health conditions of front-line employees. As front-line employees visit the homes of the elderly often, to prevent the elderly from worrying and to control infections, we required all personnel to take rapid tests, use epidemic prevention equipment such as hand sanitizer, face masks, and goggles, and measure their temperature every day starting from 2021. We also remind front-line employees to follow the CDC epidemic prevention measures when they visit the homes of the elderly to provide services. In 2022, Taiwan Secom organized a rapid test for all employees of the Company downstairs from the head office. We also required all front-line personnel to receive four doses of the vaccine to enhance their immunity and ensure their safety in their field duties, and inform the elderly of the Company's epidemic prevention policies and measures when they visit. In addition to heartwarming services, we also helped the elderly feel safe during the pandemic.



Expansion of Long-Term Care Business to More Areas

In addition to providing emergency rescue services, the Company has also noted the increase in the market demand for "secure elderly daycare" in the community in the aging society. As the elderly population increases, daycare centers have become increasingly important. By sending the elderly to daycare centers to learn, young people can go out and work without worrying and it reduces the burden on care providers in the family. In response to the development of aging in place policies, Taiwan Secom has worked with Secom Co., Ltd. in Japan to develop home emergency rescue and remote technology care models and adopted Japanese home care, daycare, and institutional care management models to develop local elderly care services in Taiwan. We also social values of security and reliability that has been Taiwan Secom Group's motto for more than 40 years and incorporated them as the core concepts for providing care in daycare centers. Zhong Bao Social Welfare Foundation and New Taipei City Government worked together to create a smart elderly daycare center in Taishan District in 2018. The Foundation later worked with Taoyuan City Government and set up the first public-funded private-run "Guanyin Shiqiao Daycare Center" in Guanyin District in 2020. It uses the strengths of Taiwan Secom Group and makes full use of "smart care and thoughtful protection" services. Two years after the Company incorporated the Japanese daycare service model into the Taiwanese and Japanese daycare service model, we worked with Taipei City Government in 2022 to convert vacant classrooms into the future site of third daycare center for the elderly named "Zhishan Beautiful Life Daycare Center", which was inaugurated at Zhishan Elementary School in August 2023. The classrooms were vacant due to the low birthrate and they are converted to support an increasing number of elderly people to provide the elderly with room for interactions and provide care givers such as their children with a safe place to send their parents and take a break.

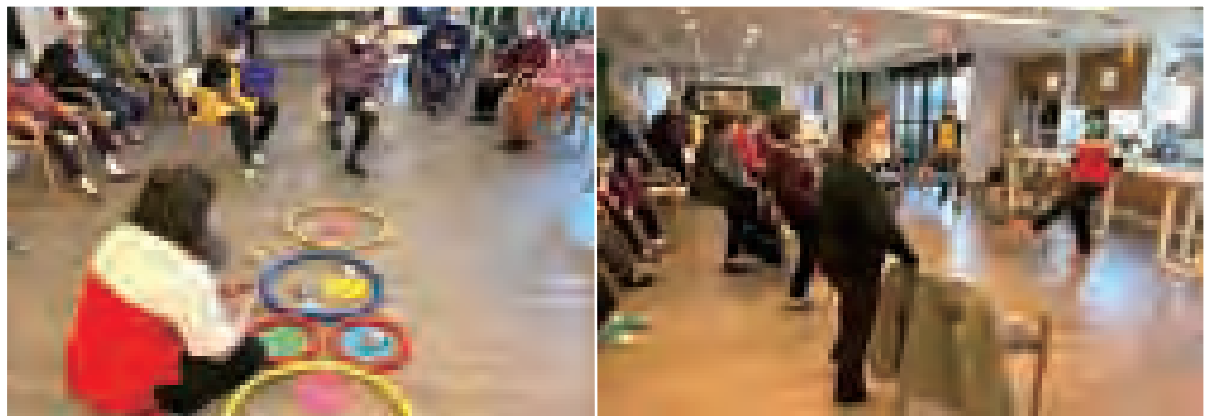


The Taiwan Secom Unlimited Plus smart system was planned in the design of the daycare centers. We use technology to ensure "high-tech elderly care at all times" and adopted several technologies and systems as support. The entrance of each daycare center is equipped with a three-in-one smart registration system with facial recognition, body temperature measurement, and access control functions. Each morning, the elderly can use facial recognition to enter the premises and the system automatically measures the body temperature to ensure that they do not have a fever. This prevents cluster infections and helps with infection control inside the institution. The centers enhanced cleaning and disinfection of the environment during the pandemic in 2022. They provided the elderly with alcohol for disinfection, assisted them in using rapid test kits, set up dividing panels between seats, and maintained social distancing for seating to avoid cluster infections.

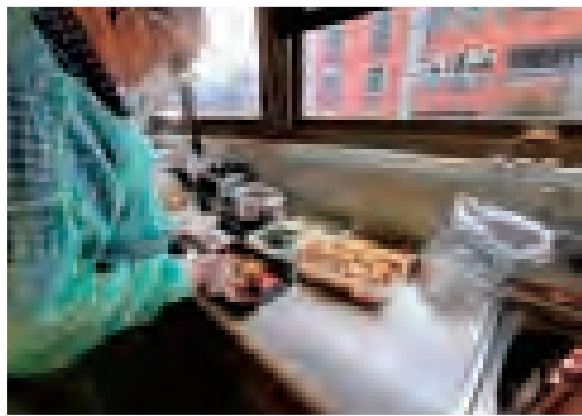


In addition, the daycare centers implement meticulous planning for indoor lighting to air quality, including air quality monitoring for PM2.5, temperature, humidity, and concentration of carbon monoxide or carbon dioxide. Once the threshold is reached, the ventilation windows will be automatically opened to maintain the overall comfort of the space. The indoor lighting was developed with human-centric lighting design in collaboration with the Industrial Technology Research Institute. The light source can be adjusted based on the nature of activities and the color temperature and illuminance can be automatically adjusted to meet different needs. The optimal light source and indirect adjustments for facilitating the secretion of melatonin can be set for different courses and activities to help the elderly remain engaged during activities in the daycare center and increase the quality of their afternoon naps. In addition, the bathrooms are equipped with supporting facilities and emergency buttons as well as the "prolonged stay alert". In the event of an anomaly involving an elderly person, the care attendant can monitor conditions and respond accordingly.

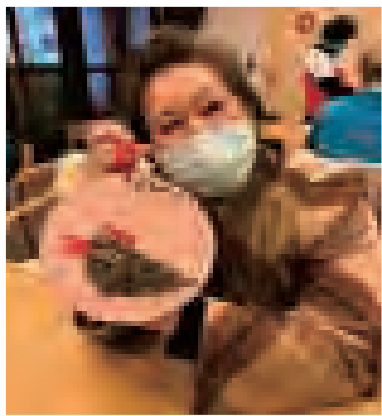
Daycare centers are established to provide the elderly with daycare services. They also have an important role to play, which is for social workers and care attendants to help the elderly exercise and delay the deterioration of their physical and cognitive functions. For this purpose, Taiwan Secom Group launched the "balanced measurement system" software in their respective daycare centers. The system uses AI technology to analyze the data from the balance and muscular endurance evaluations of the elderly, and implements digital management to view the results of the rehabilitation exercises such as leg lifts to build leg strength and endurance. It facilitates measurement and comparison after improvements in interactive courses to reduce the risks of insufficient strength and endurance that might lead to falling. The centers also maintain LINE@ accounts for family members to receive LINE@ notifications of the status of the elderly and worry less. These systems allow the elderly to live at home with dignity while having access to local community care resources in their retirement.



♦ Social workers help the elderly exercise



♦ Making meals for the elderly



♦ Arts and crafts by the elderly



SUSTAINABLE ENVIRONMENT

CH4 Sustainable Development of the Environment

Climate Change

- Sustainable Environment Strategy
- I. Comply with environmental regulations as well as international standards and guidelines such as SASB and TCFD.
 - II. Actively review and invest resources to replace old equipment and prioritize equipment and vehicles with low energy consumption in procurement.
 - III. Assign personnel to take part in energy conservation technology development and service strategy improvements to reduce the consumption of resources in products and services.
 - IV. Integrate work areas of similar nature to reduce the use of energy for non-essential purposes.
 - V. Actively review and invest resources to replace old equipment and procure equipment and vehicles with low energy consumption.

I. Targets for emission reduction and quantitative management of fuel consumption

- 1. The electricity consumption target is to reduce total electricity consumption in kWh by 5% in 5 years. The baseline year is set as 2020 (9,548,378KWh) and the Company plans to reduce electricity consumption to 95% of the 2020 level by 2025 (lower than 9,070,959KWh) and reduce electricity consumption to 90% of the 2020 level by 2030 (lower than 8,593,540KWh).
- 2. The fuel consumption target is based on the baseline year of 2020 in which the carbon emissions per million kilometers traveled was 303.04 tons. The target is to reduce the carbon emissions per million kilometers traveled to less than 275 tons within 5 years, and reduce the carbon emissions per million kilometers traveled to 200 tons by 2030. The original target based on the heating value was adjusted to the carbon emissions of fuel per million kilometers traveled.

II. Actions for achieving emission reduction targets



- 1. Electricity consumption:
 - ◆ Continuous replacement of lighting equipment in areas other than the original office area lighting equipment replacement projects.
 - ◆ Implement electricity conservation operations and regular review and replacement for the electricity consumption of the air-conditioning system and other equipment.
- 2. Fuel consumption:
 - ◆ Replace cars with hybrid cars and only purchase ICE vehicles for special purposes.
 - ◆ Purchase electric scooters for all scooter replacements and stop the purchase of ICE scooters.

III. Progress to date

- 1. The electricity consumption totaled 8,856,602kWh in 2022, which was a 7.244% reduction compared to the 9,548,378kWh in the baseline year of 2020, and the 2025 target was reached ahead of schedule.
- 2. The carbon emissions from fuel consumption per million kilometers traveled was 303.04 tons in 2020. The carbon emissions per million kilometers traveled was reduced to 296.44 tons in 2021 and reduced to 291.38 tons in 2022. The Company continues to make progress towards the target of reducing the carbon emissions per million kilometers traveled to less than 275 tons by 2025.



◆ 2022 Performance

Item	Results
Invested NT\$38,462,240 in government green procurement	Provided assistance for obtaining contract renewal qualifications for public projects, used products with energy conservation, environmental protection, and carbon reduction labels, and received an energy conservation certificate of merit from Taipei City and an energy conservation trophy from New Taipei City. <div></div>
Replaced lighting equipment in 53 sites including the head office building in the three-year lighting equipment replacement project.	Saved 2,128,379kWh in energy conservation, saved NT\$12,954,605 in fees, and reduced carbon emissions by 1,083 ton-CO2e.
Replaced ICE vehicles with hybrid or electric vehicles for field work and company vehicles	In 2022, the Company purchased 21 hybrid cars and 10 electric scooters. We currently own 1 electric car, 24 hybrid cars, and 30 electric scooters. The Company purchased 20 GOGORO electric scooters for use at the end of 2021.

According to the World Economic Forum's Global Risks Report 18th Edition published in January 2023, environmental risks account for five of the top ten risks for the next 2 years with natural disasters and extreme weather events in second place, failure to mitigate climate change in fourth place, large-scale environmental damage incidents in sixth place, failure of climate change adaptation in seventh place, and natural resource crises in ninth place. Environmental risks account for six of the top ten risks for the next 10 years with failure to mitigate climate change in first place, failure of climate-change adaptation in second place, natural disasters and extreme weather events in third place, biodiversity loss and ecosystem collapse in fourth place, natural resource crises in sixth place, and large-scale environmental damage incidents in tenth place. It shows that companies must take immediate actions and plan long-term response measures to ensure a sustainable environment. They must invest resources to mitigate the severe impact of climate change and consider how to address potential damage in the future. The latest edition of "The Physical Science Basis report" published by Work Group 1 (WG1) of the Intergovernmental Panel on Climate Change (IPCC) on August 9, 2021 stated that Taiwan will be directly affected by the following: 1) extreme rainfall in terms of the frequency and intensity, which will increase the possibility of landslides in more mountainous areas; 2) more frequent droughts due to changes in the summer monsoon and rainfall; 3) increase in the intensity and quantity of tropical cyclones, whose paths could continue to shift to polar regions; 4) faster rise of average sea level than the global average, which may cause the coastline of coastal regions to continue to shrink and decrease.

Therefore, Taiwan Secom followed the recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD) and developed a system for governance of climate issues, identification of climate risk and opportunities, evaluation, and response measures based on the four major TCFD evaluation criteria including governance, strategy, risk management, and metrics and targets. We also formulated risk management measures, indicators, and targets. Taiwan Secom takes on the role of a global citizen and an industry leader to continue to focus on climate change, evaluate the risks of extreme weather, and invest resources for improvements to mitigate and reduce potential hazards.

(I) Governance

Taiwan Secom Sustainable Development Committee convenes regular meetings each year chaired by the CEO. The issues discussed in meetings include the climate risks and opportunities identified and evaluated by the Company in response to climate change and the response measures; sustainable environment strategies, sustainable environment targets, and the energy consumption efficiency of office equipment. It formulates resolutions and submits them to the Board of Directors to facilitate effective governance and supervision of the Company for climate issues.

(II) Strategy

Use existing or potential climate risks to explain the potential impact and effects on corporate finance. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term. Identify the TCFD physical risks and transition risks, set the targets and estimated cost of the impact for businesses affected by climate risks, and incorporate them into the business continuity strategy.



(III) Risk Management

Type	Climate-related Risks	Potential Financial Impact	Response Measures in 2022
Transition Risk	Policies and regulations	<div>1. Energy prices increase due to the Climate Change Response Act (formerly titled the Greenhouse Gas Reduction and Management Act) which increases the operating costs.</div> <div>2. Carbon taxes will be levied in 2024 and the Company may be required to pay carbon taxes.</div> <div>3. The establishment and changes in other government policies, new regulations, or implementation rules may increase the cost of services and products or reduce demand.</div>	<div>1. Increase the efficiency of electrical equipment and actively encourage employees to switch off non-essential electrical equipment.</div> <div>2. Purchase mainly hybrid cars with low fuel consumption and seek electric vehicles that meet usage requirements to replace existing field work and company vehicles.</div> <div>3. Collect sustainable environment information and verify new international trends and changes in national environmental regulations.</div> <div>4. Establish incentives to encourage employees to conserve energy and reduce carbon emissions and incorporate energy conservation awareness as a daily habit.</div> <div>5. Invest in independent power generation resources or green energy to increase the percentage of renewable energy use.</div>
	Technical Risks	<div>1. Possibility of the write-off or early scrapping of existing assets.</div> <div>2. Increase in R&D expenditures for new and alternative technologies.</div> <div>3. R&D of low-carbon products increases the capital investment for development.</div> <div>4. New and alternative products and technologies impact existing products and services after the transition.</div>	<div>1. Consider the product or service life cycle before developing new types of products or services.</div> <div>2. Develop products with low carbon emissions or products made from environmentally friendly renewable materials to extend the acceptance of products on the market. Adopt circular economy concepts to effectively extend the product life cycle.</div> <div>3. Adjust the production volume of existing products before R&D projects are successful to reduce the impact of inventoried assets.</div> <div>4. Adjust the functionality of operations or equipment.</div>
	Market Risks	<div>1. The increase in sustainable environment awareness of the recipients of services and buyers of products may change their preferences or reduce the demand for products or services.</div> <div>2. Changes in the cost of investments (cost of energy and materials) and demand for output (disposal of various types of waste) cause the production cost to deviate significantly from original estimates.</div> <div>3. Repricing of assets such as real estate appraisals and property appraisals.</div>	<div>1. Increase the investment of resources for maintaining a sustainable environment and set appropriate environmental targets based on product characteristics.</div> <div>2. Create and increase corporate brand value to maintain customer trust and dependency.</div> <div>3. Conduct appropriate evaluations and gain in-depth understanding before purchasing real estate or other property to reduce the possibility of repricing.</div>
	Goodwill Risks	<div>1. If a supplier engages in actions that pollute the environment or damage the ecosystem, it may reduce the customer's trust in the Company and reduce demand.</div> <div>2. If there are issues of labor management and HR planning, it may reduce the demand for products or services. If improvement measures are not proposed for information disclosure, it may indirectly affect the Company's goodwill.</div> <div>3. Failure to implement sustainable environment actions will reduce the willingness to invest and confidence of more investors and reduce corporate capital.</div>	<div>1. Enhance response strategies in response to global climate risk assessments and pay close attention to global issues at all times to keep abreast of the times.</div> <div>2. Require partner suppliers to implement ESG operations and require the supply of related data as the criteria for evaluating cooperation. In addition to providing related information to suppliers whenever necessary, the Company may also evaluate the ratings of the supplier, requirements for ratings, and request information on related ESG actions.</div> <div>3. Pay close attention to ESG and sustainability actions and actively plan and implement policies and strategies.</div>
Physical Risks	Immediate Risks	<div>1. Severe typhoons and floods will affect services provided by front-line employees or cause injuries to employees on duty or during their commute.</div> <div>2. Operation sites may be damaged due to climate disasters and failure to immediately rectify such damage may affect operations, which leads to the write-off or early scrapping of existing assets.</div> <div>3. Employees' inability to work may affect the Company's productivity and revenue, which increases the expenditures of other operating costs.</div> <div>4. Suppliers' inability to provide equipment in a timely manner affects customer rights and interests.</div>	<div>1. Pay close attention to information on natural disasters and remind employees to formulate operation regulations in response to disasters.</div> <div>2. Regularly assess the work environment and carry out early maintenance, repairs, and enhancements at sites that may be affected by natural disasters.</div> <div>3. Suspend work based on announcements of the central government except for the necessary employees to reduce the risks of losses of human lives and property.</div>
	Long-term Risks	<div>1. The rise of average temperature increases electricity consumption.</div> <div>2. Heavy rain and typhoons may cause flooding of operations and increase the cost of maintenance and repairs.</div> <div>3. The decrease in global winds and the increase in east winds contribute to a decrease in spring rain. There is a higher chance that the water shortages and droughts will expand from Central and Southern Taiwan to all areas of Taiwan.</div> <div>4. The water shortage crises and inability to make up for the gap in electricity supply cause interruption of business operations or difficulties for putting out fires when they occur.</div> <div>5. It affects sanitation and health and increases the likelihood of communicable diseases, which affects employees' health and increases operational risks.</div> <div>6. Increased business insurance premiums.</div>	<div>1. Switch off the air-conditioning equipment for sites that are not used by people and do not require a constant room temperature.</div> <div>2. Prudently review related information and take preventive actions when announcing information on natural disasters.</div> <div>3. Set up water conservation facilities to reduce water consumption and distribute or supply cleaning equipment for areas with water shortages.</div> <div>4. In response to increased operating costs, financial personnel shall increase expenditures for financial emergencies of the Company.</div> <div>5. If an existing asset is located at a low-lying area next to the sea, the Company shall devise a disposal plan and avoid such areas for future purchases of assets.</div> <div>6. Set up energy storage or power generation equipment for sites that require 24-hour electricity supply to maintain normal operations.</div> <div>7. Disperse the storage areas for inventories to reduce the likelihood of major losses in a single disaster.</div>

(IV) Climate-related Opportunities

The Group established the subsidiary "Sunseap Solutions" in 2020 to take charge of promoting green energy and carbon reduction solutions. The subsidiary is headed by the Vice Chairman of Taiwan Secom who formed the Sunseap Solutions Co., Ltd. (capital of NT\$30 million) team for promoting green rooftop construction, green energy applications, energy storage services, smart energy management, and other carbon reduction solutions, products, and services. Sunseap Solutions implements carbon reduction actions within the Group and encourages and guides customers to take part in carbon reduction actions. In 2018, the Group established the subsidiary "Titan Star International Co., Ltd." for setting up solar panel to produce green energy. It has generated 570,000kWh of electricity from its founding till 2022. In addition to supporting government requirements for net zero emissions, it also creates additional profits for the Group, demonstrating that Taiwan Secom Group continuously increases internal carbon reduction awareness and takes actions.

In 2022, Sunseap Solutions followed the six major environmental objectives for sustainable economic activities and focused on climate change mitigation and adaptation, pollution prevention and control, protection and restoration of biodiversity and ecosystems, and implementation of carbon reduction actions in the Group:

- (1)The Company promotes green energy and green rooftop construction. We plan to construct an integrated rooftop green garden on our building in Neihu to create an ecological island for the city. As we acquire green electricity to reduce carbon emissions, we also conserve the high-value biodiversity and create total solutions with wind and solar power as well as green garden rooftops. It helps to reduce the heat island effect in Neihu Technology Park which has a high concentration of head office buildings. We take practical actions to mitigate climate change and promote environmental adaptation. According to preliminary calculations based on the project scale, the wind and solar power can produce approximately 75,000 kWh per year and the green roof can reduce the indoor temperature by 3-5 degrees Celsius. We also plan to install 1 to 200KW of solar power equipment at the two affiliated companies' sites, and we plan to set up wind and solar green rooftops at more than 10 sites. Upon the completion of the project, the annual power generation capacity will reach 10 million kWh, which can reduce carbon emissions by more than 500 tons.
- (2)We plan innovative commercial energy storage and actively promote distributed energy systems. We plan to introduce green energy equipment and energy storage solutions that can stabilize power supply for buildings under our management. They include the construction of solar energy systems and small-scale energy storage systems to reduce the peak load of the power system, increase the share of renewable energy use in the power consumption portfolio, and implement climate change mitigation and adaptation to the new environment.
- (3)The electrification of transportation vehicles contributes to the energy transition. We promote the development of charging infrastructure and services that are critical for electric vehicles and promote the use of charging facilities and services in the community. Accelerating the construction of charging infrastructure has become the Group's target for service development. The increase in the use of electric vehicles helps mitigate climate change, reduce air pollution, and implement pollution prevention and control. With smart management of the electric vehicle infrastructure, we can plan for the critical demand-response collaboration management solution (V2G/G2V) to help ensure the intelligent dispatch in Taiwan's power grid. It will allow Taiwan's power infrastructure to be intelligently adapted in response to climate change and energy transformation, so that the public can take action at home to help mitigate climate change in their daily lives, and work together to help cities reduce pollution emissions and create a sustainable future.

The global green energy and industry are expected to grow faster in the next future years due to the climate policies of Europe and the United States. After the pandemic, the Group takes measures to support policies, keep pace with the international transition, and bring about economic and social changes. We will focus on energy, industries, and infrastructure to create new climate opportunities under zero carbon scenarios. However, the climate opportunities brought forth by climate change will also increase the demand for environmentally friendly products in the industries and the market. Therefore, the Group shall develop environmentally friendly products and services such as renewable energy, recycling and reuse, water consumption reduction, and low-carbon and green production. These actions will help support the future development of Taiwan Secom Group and help us attain new heights with climate opportunities.



Uninterrupted operations: Response strategies for services affected by climate change

Taiwan Secom pays close attention to climate change and evaluates its potential impact. How do we maintain the quality of services and uphold our commitment in the future? Taiwan Secom shall implement adjustments and preparation for different scenarios. We list the potential risks in the entire service process under extreme weather conditions and formulate corresponding measures.

◆ Extreme Weather Events

Conditions and countermeasures	Heat wave/drought	Heavy rain	Flood
Power outage	Provide customers with UPS or additional energy storage solutions		
Telecommunications interruption	Special customers (e.g., Financial institutions / jewelry industry) are provided with dual-module backup signal transmission		
Impact on equipment	1. Management and verification of backup supplies in equipment warehouses of branch offices 2. Define specifications for equipment installation		
	Heat resistance environmental tests before market launch	Equipment installation specifications: Added waterproof cases for outdoor equipment to prevent water damage	Equipment installation specifications: Set limits on the installation height to prevent damage from flooding
Service operation	Adjustments are made in accordance with government policies		

For example, to mitigate the impact of electricity supply on the security system, we provide customers with solutions that include uninterruptible power supply (UPS) systems or energy storage equipment to extend the system protection time. We also provide dual-module backup signal transmission for customers' special security requirements, including ensuring sufficient backup equipment at the branch office or setting different specifications for equipment installation. We strive to maintain a sound management approach to normal operations or supply of equipment under extreme weather conditions. In terms of service operation, adjustments are implemented by the head office in its emergency response based on the type, scale, and impact of the extreme weather event in compliance with government policies.

(V) Risk Management

The physical and transition risks caused by climate change are identified by each department in accordance with the existing mechanisms. They then formulate response strategies to minimize the potential impact. As a technology integration service provider, Taiwan Secom has included the potential operational impact of extreme weather events into its review of overall operational risks. Refer to Uninterrupted Operations in this section.

(VI) Metrics and Targets

Taiwan Secom sets climate-related metrics and targets that include annual power consumption, water consumption, energy consumption of vehicles, greenhouse gas emissions, waste recycling, and other relevant environmental data. Refer to the following disclosures. For more information on the targets, please refer to the Goals for Sustainable Environment in this chapter.



◆ Electricity consumption of the head office 2020-2022

Year	2020	2021	2022
Total EUI power consumption (kWh) / floor area (m²)	43.27	44.23	47.41
Total electricity consumption (kWh)	564,902	573,516	576,580
Average floor area (m²)	13,995.37	12,662.66	12,160.88
Number of employees in the head office building	419	423	432
Power consumption per capita in the head office building	1,348.2	1,355.83	1,334.68
Average yearly temperature	24.21	24.10	23.52

Note: The statistics only include the areas used by Taiwan Secom in its head office building (including the head office and branch offices)

◆ Total electricity consumption of Taiwan Secom 2020-2022

Year	2020	2021	2022
Total electricity consumption (kWh)	9,570,879	9,283,234	8,856,602
Total number of employees	2453	2441	2461
Power consumption per capita	3,901.70	3,803.05	3,598.78

Note: The electricity consumption information is compiled from the Company's self-developed energy platform, covering the head office, Training Center, remote office spaces (branches, offices, and telecommunications rooms), and dormitories.

◆ Total water consumption of Taiwan Secom 2020-2022

Year	2020	2021	2022
Total water consumption (m³)	64,589	52,006	49,166
Total number of employees	2453	2441	2461
Water consumption per capita	26.33	21.31	19.98

Note: The water consumption information is compiled from the Company's self-developed energy platform, covering the head office, Training Center, remote office spaces (branches, offices, and telecommunications rooms), and dormitories. The water consumption per capita decreased due to the work from home, separated office hours, and suspended training courses implemented in response to the COVID-19 pandemic.

After Taiwan Secom expanded into intelligent technology-based services, to create better lives for our customers, we strive to improve the quality of services and seek to effectively work together with the Group's business in line with the government's 2050 Net Zero Emission Policy, and to achieve the goal of net-zero carbon emission reduction. We promote simple, aesthetic, and practical emission reduction measures by using green power generation, energy storage, green rooftops, energy management system and other services with affiliated companies of the Group. We endeavor to incorporate sustainability into our customers' lives through a variety of methods with constant research and development of new technologies to provide consumers with choices of high-quality products and services. We also utilize intelligent monitoring and remote-control commercial systems to effectively help customers control energy-consuming equipment and minimize all non-essential energy consumption and usage.

We replaced old lighting equipment with energy-efficient lighting and electrical equipment for all office premises. All units adopted energy-efficient LED lighting equipment to reduce energy consumption and increase energy efficiency. We repeatedly encourage all employees to take energy-saving actions, and propose energy-saving improvement ideas or suggestions to promote the implementation of the Company's energy-saving program with each employee. We try our best to improve energy performance and maximize energy efficiency. After setting up the energy consumption platform, we collect complete information on water and electricity consumption of all units and allow them to obtain the relevant consumption data at any time, which reduces the inconvenience of requiring employees to retain the data and information. We also disclose all fuel consumption data on the Company's vehicles. According to the Sustainable Development Guidemap for TWSE and TPEx Listed Companies announced by the FSC in 2022, companies are required to complete the inventory by 2026. Taiwan Secom seeks to attain net zero emissions as early as possible and established the Greenhouse Gas Inventory Committee in the second half of 2022 with the approval of the Board of Directors. We also resolved to carry out the Group's greenhouse gas inventory ahead of schedule. We plan to complete the parent company's first annual ISO 14064-1 greenhouse gas inventory in 2023, and issue the first annual greenhouse gas inventory report. We will then complete two consecutive years of external audits of the parent company in 2024 in accordance with the implementation schedule. The Group (including subsidiaries in the financial report) plans to complete the GHG inventory in 2025 and the GHG external verification audits in 2027. The preliminary schedules are all earlier than the time required for the verification of the subsidiaries in the financial report as stated in the Sustainable Development Guidemap announced by the FSC. It represents Taiwan Secom Group's positive actions to cooperate with the government to achieve net zero carbon reduction, and our hopes of achieving the political and economic goals for environmental sustainability as quickly as possible.

We completed the replacement of lighting equipment in 2021. As of 2022, we have replaced all lighting equipment in the head office building, 51 external sites, and 1 parking lot in an office building owned by the Company. In 2022, we also planned to replace old air-conditioning equipment in 2023 and we set aside more than NT\$1 million in the annual budget for the replacement. The projected benefits include the continuous reduction of electricity consumption and an increase in air-conditioning efficiency. In 2022, the electricity consumption of all units totaled 8,856,602 kWh and water consumption totaled 49,166 tons. As of the end of 2022, the project has recovered 152.73% of the total amount invested for replacing electric lighting with the government incentive program. We exceeded the original target of reducing electricity consumption by 2025 ahead of schedule. To support the FSC's announcement for the implementation of greenhouse gas inventory, the relevant carbon emissions data will be presented more comprehensively, and the original target will be readjusted to ensure more effective greenhouse gas reduction.

◆ Taiwan Secom Vehicle Fuel Consumption Management Policy

Target	Management/ Implementation	Action Plan
Maintain optimal vehicle performance	General Affairs Division, Management Headquarters Vehicle Management Department	Compile statistics on fuel consumption and set vehicle replacement year Strict implementation of regular maintenance
Develop fuel-saving habits	User units (Education and implementation of concepts)	Remove excess items in vehicles and check the tire pressure before using vehicles Adjust standby areas and eliminate vehicle idling on standby
Ensure the appropriate use of vehicles	Service Headquarters	Review the causes of excess fuel consumption and implement strategic vehicle allocation
Replace ICE vehicles with hybrid vehicles Replace ICE scooters with electric scooters	Head Office (data management and policy adjustments)	Purchase of hybrid cars and electric scooters

As shown in the figure, Taiwan Secom breaks down all fuel-saving actions as a part of the detailed division of work. All units must develop good habits in their use and management of fuel to ensure appropriate control. User units are required to remove excess items in vehicles when they hand over vehicles and reduce the placement of non-essential items in vehicles to reduce the vehicle weight. They should also check the tire pressure before using vehicles and the Company aims to develop good energy-saving habits of employees. The standby locations of on-duty personnel are adjusted to the locations of branch offices, affiliates, customers' security posts, or nearby convenience stores for the purpose of reducing unnecessary idling of vehicles to reduce fuel consumption. It also prevents the severe accumulation of carbon caused by prolonged idling from affecting the vehicle's performance and increasing fuel consumption. The Company purchased 21 hybrid cars and 10 electric scooters in 2022.

◆ Energy consumption of all vehicles 2020-2022

Year	Fuel type	Number of vehicles	Fuel consumption (L)	Greenhouse gas emissions (ton -CO2e)	Number of kilometers traveled (km)	Carbon emissions per million kilometers (ton-CO2e)
2020	Gasoline	508	1,410,828.87	3,192.85	11,021,789	303.0425
	Diesel	14	56,493.57	147.22		
2021	Gasoline	522	1,411,516.40	3,194.40	11,268,416	296.4383
	Diesel	16	56,021.98	145.99		
2022	Gasoline	525	1,402,250.06	3,163.67	11,343,381	291.3823
	Diesel	16	54,330.83	141.59		

As shown in the table, Taiwan Secom implements flexible fuel consumption management to ensure full control and optimization. We continue to purchase electric scooters and hybrid cars for operations and the carbon emissions per million kilometers continuously decreased from 2020 to 2022. We will continue to use hybrid cars and electric scooters and the carbon emissions per million kilometers will continue to decrease at a steady rate. The total mileage of electric scooters in 2022 was 303,333 kilometers. Based on conservative estimates of the carbon emissions from charging, the carbon emissions from electricity consumption were less than 0.5% of the fuel consumption of vehicles. It is therefore not included in the calculation.

◆ Taiwan Secom greenhouse gas emissions 2020-2022

Unit: metric ton-CO2e (ton-CO2e)

Greenhouse gas inventory		2020	2021	2022
Scope 1 (Direct emissions)	Gasoline	3,192.85	3,194.40	3163.67
	Diesel	147.22	145.99	141.59
Scope 2 (Indirect emissions)	Electricity consumption	4,860.12	4,660.18	4508.01
Scope 1 + Scope 2		8,211.65	8,000.57	7,813.27
Emission intensity Note 3		1.17	1.11	1.07

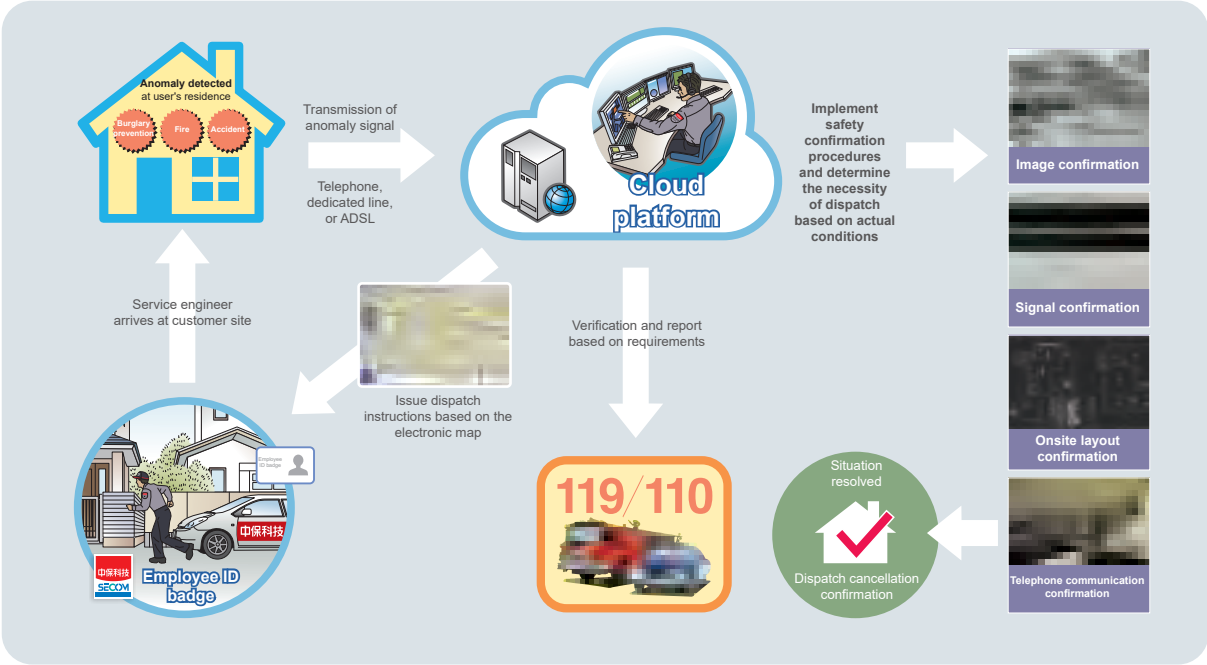
Note:

- The boundaries of the inventory include the head office, 2 R&D control buildings in Neihu, 2 training centers, branches (including dormitories and telecommunications rooms), and all company vehicles and service vehicles.
- Emission coefficient: 2.2631kg CO2/L for gasoline and 2.6060kg CO2/L for diesel. Electricity emission factor: 0.509kg CO2e/kWh in 2019 used for 2020; 0.502kg CO2e/kWh in 2020 used for 2021; 0.509kg CO2e/kWh in 2021 used for 2022. Source of emission coefficient: GHG Emission Factor Management Table Version 6.0.4 of the Environmental Protection Administration, electricity emission coefficient of the Bureau of Energy, Ministry of Economic Affairs.
- Emission intensity = total carbon emissions / net revenue (ton-CO2e/NTD million)



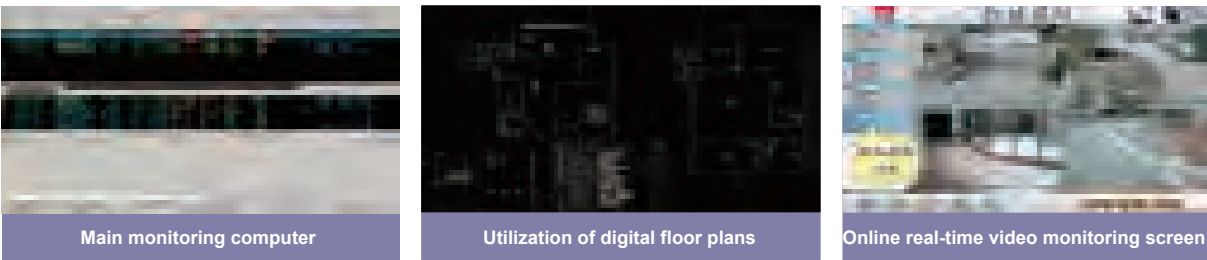
Carbon reduction is not merely a slogan of policies but a requirement for companies to take real actions. Taiwan Secom uses comprehensive management mechanisms to manage the fuel consumption of vehicles and adjusts the service procedures and system framework to improve the normal work cycle during implementation. We intensify and strengthen the importance of carbon reduction for employees, continue to replace ICE vehicles with hybrid vehicles in 2022, and use electric scooters for all scooter replacements. In the same year, we purchased a total of 21 hybrid vehicles and 10 electric scooters. Taiwan Secom has also planned an energy-saving competition for external sites, which has been well received by employees who actively cooperated with the initiative. In addition to using competition awards as incentives, we also provide individual awards to employees with the aim of enhancing the concept of energy conservation in all respects, and instilling the concept of energy conservation in the minds of all employees. We awarded more than NT\$300,000 to units and individuals in the annual competition.

◆ Carbon Reduction in Services and Dispatch

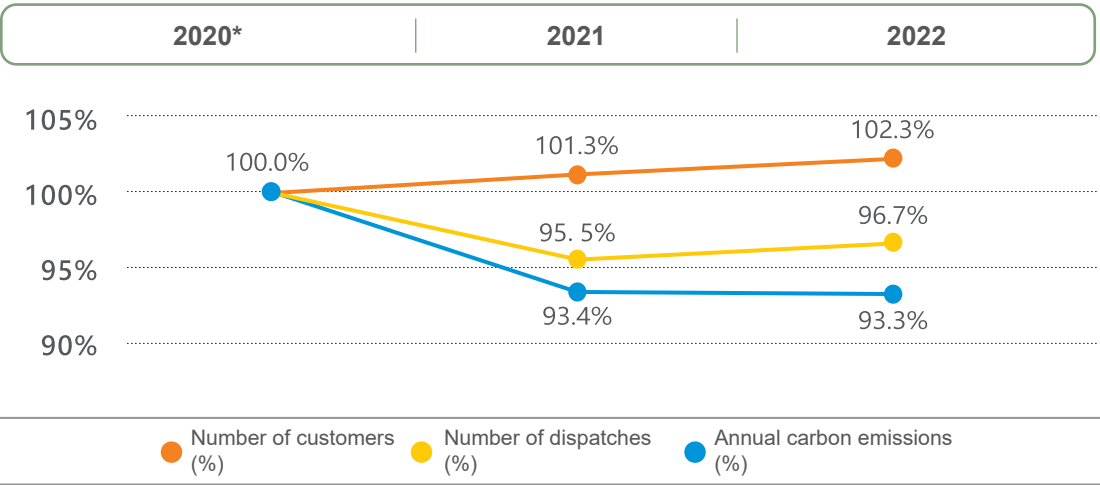


The Control Center uses an efficiency integrated platform for dispatch adjustments. When an anomaly signal is sent from the customer's site, the Center can use the online video system for real-time monitoring, and use the electronic map of the digital dispatch system to verify whether there are ongoing missions and view the distance between service personnel and the target. Finally, the distance of each point is ranked in order for the Control Center to dispatch personnel. The onsite layout is shown in the Graphic Control Management System of the Control Center and the alert route is marked in red to remind security personnel of the location of the alert and matters of note. When there is no safety concern and the customer confirms and agrees to cancel the dispatch, the Control Center immediately notifies the service vehicle to abort the mission and return to the original standby location. The Control Center fully monitors the dispatch of security personnel and effectively reduces unnecessary fuel consumption due to unnecessary dispatches.

◆ Service Dispatch Efficiency Integration Platform



◆ Carbon Reduction Performance of the Efficiency Integration Platform



As shown in the figure, the Control Center effectively used the Dispatch Efficiency Integration Platform and continued to reduce the ratio of the number of dispatches to the number of customers. Compared to 2020 (baseline year), the number of customers increased by 102.3% in 2022 but the actual number of dispatches fell to 96.7%. With clear management policies and real actions, we have reduced carbon emissions by more than 39.3 tons in 2022 compared to 2020 (baseline year). Taiwan Secom utilizes technologies to actively implement effective actions and prevent energy waste with the aim of creating a low-carbon green lifestyle and setting benchmarks for the society.

◆ Carbon Reduction Data of the Efficiency Integration Platform

Year	2020	2021	2022
Number of customers (%)	100.0%	101.3%	102.3%
Number of dispatches (%)	100.0%	95.5%	96.7%
Annual carbon emissions (%)	100.0%	93.4%	93.3%

Note:
1. The average baseline distance per dispatch is 3.5km. Distance traveled = number of dispatches * average baseline distance.
2. 2020 is the baseline year.

Waste management

Sources of Waste

The main sources of waste for the Company are R&D materials, scrapped finished products, plastic packaging materials, and other general waste. We reduce the environmental impact by implementing rigorous classification and management mechanisms and classify waste into the following categories based on the standards of the Environmental Protection Administration:

1. General industrial waste: Waste that harms human health or pollute the environment such as used plastic products and used batteries.
2. Recycled waste: Waste that can be recycled and reused such as cardboard boxes and plastic packaging materials.
3. Other industrial waste: Example: domestic waste.



Waste Management Procedures

To ensure the effective and legal treatment of waste, we implement the following waste management measures:

- 1. The Company effectively monitors its internal waste disposal operations in accordance with the "Waste Disposal Act" promulgated by the Environmental Protection Administration on May 30, 2006.
- 2. The procedures in the environmental management system are as follows:

◆ Scrap Process Management and Control



- 3. Utilize the internal quality control and back-end technology repair procedures in the Company to strictly control and monitor the verification before scrapping electronic products, and increase the reutilization rate of scrapped electronic products.
- 4. Host discussions on equipment refurbishment and technologies with suppliers to increase the recyclability of recycled waste.

Waste Treatment Methods

- 1. According to the "Resource Recycling Act" promulgated by the Environmental Protection Administration on July 3, 2003, as a principle, waste shall mainly be processed by recycling and reuse. Waste that cannot be reused shall be processed with methods other than burial.
- 2. The Company employs long-term partnerships with legal recyclers to process waste by incineration and reduce environmental pollution.

For example, when a customer terminates the service contract, Taiwan Secom transports all products/materials/cables of the security system removed (returned) from the customer's site to the Hukou Production Center for sorting. If the recycled resource is deemed as reusable, the Production Center refurbishes and redistributes them after implementing test procedures to ensure the efficient reuse of resources. For general hazardous industrial waste that cannot be reused (e.g., used plastic products and used batteries), Taiwan Secom outsources the waste disposal to a legal and reputable recycling service provider to continuously reduce waste and the burden of the environment.

◆ Quantity of Outsourced Processing of General Hazardous Industrial Waste

Unit: kg

Type/Year	2020	2021	2022
Quantity of batteries recycled	9,007.6	8,431	5,530
Quantity of miscellaneous hardware recycled	12,107	20,436	14,912

Note 1: Miscellaneous hardware includes security devices, equipment components, and plastic. The reasons for the annual increase in the quantity of miscellaneous hardware are described below:

- 1. Monthly recycling/replacement of Unlimited Plus equipment
- 2. Expiry of the amortization period of old security devices which are not in use
- 3. Security-related equipment that cannot be repaired and other waste

Note 2: The statistics only include the areas used by Taiwan Secom in its head office building (including the head office and branch offices) and the affiliate company Titan Star International Co., Ltd.

Appendix 1 Participation in Professional Associations

Taiwan Secom's Participation in Trade Associations

No.	Organization Name and Participation (Position Held in the Association)		No.	Organization Name and Participation (Position Held in the Association)	
1	The Security Industry Association of R.O.C.	Member	26	Telecare Industry Association Taiwan	Director
2	Chinese Security Association	Director	27	Taiwan Smart Energy Industry Association (formerly known as Taiwan Energy Industry Information Association)	Member
3	Taipei Security Commercial Association	Executive Director	28	Taiwan Association of Disaster Prevention Industry	Group Member
4	Association of Security Companies of New Taipei City	Member	29	Taiwan Green Building Council	Director
5	Taoyuan Security Commercial Association	Member	30	Taiwan Fire Safety Association of Building Materials	Member
6	Taichung Security Commercial Association	Member	31	Taiwan Smart City Solutions Alliance	Member
7	Kaohsiung Security Companies Association	Member	32	Chinese Association of Fire Protection and Disaster Relief	Consultant
8	Taiwan Advertisers' Association	Member	33	Taiwan Wellness Building Association	Group Member
9	The Audit Bureau of Certification, R.O.C.	Member	34	Taiwan Chain Stores and Franchise Association	Member
10	Taiwan Automation Intelligence and Robotics Association	Member	35	Taiwan Smart City Association	Member
11	Taiwan Electrical and Electronic Manufacturers' Association - Communications Industry Alliance	Member	36	The Taichung Association of Interior Design & Decoration	Member
12	Taiwan Electrical and Electronic Manufacturers' Association	Member	37	Taipei Association of Interior Designers	Member
13	Taiwan Safety and Security Industry Association	Director	38	Taoyuan Association of Interior Design & Decoration	Member
14	Cloud Computing & IoT Association in Taiwan	Member	39	Tainan Interior Designers Association	Member
15	Zero Energy Building Technology Alliance	Member	40	Kaohsiung Association of Interior Design & Decoration	Member
16	Taiwan Intelligent Building Association	Member	41	Hsin-Chu Association of Interior Design & Decoration	Member
17	Intelligent Living Space Alliance	Member	42	Hsin Chu Association of Interior Design & Decoration	Member
18	Taiwan Intelligent Aerotropolis Association	Member	43	Keelung Association of Interior Design & Decoration	Member
19	Association of Chain and Franchise Promotion, Taiwan	Member	44	Chia-Yi City Association of Interior Design & Decoration	Member
20	Taipei Electrical Commerce Association	Member	45	Taipei Computer Association	Member
21	New Taipei Electrical Commerce Association	Member	46	Chinese Society of Interior Design (CSID)	Member
22	Taipei City Fire Safety Equipment Industry Association	Executive Director	47	Chinese Non-Store Retailer Association	Member
23	Taipei City Fire Safety Association	Director	48	International Advertising Association (IAA) Taipei Chapter	Member
24	Chinese Association of Fire Protection	Director	49	Social Impact Institute of Taiwan	Member
25	National Association of Fire Engineering Equipment	Director			

Appendix 2 Comparison Table for GRI Standards
GRI Content Index

Usage Statement	The Taiwan Secom Report is compiled in accordance with GRI Standards and the information disclosure period is 2022 (January 1 to December 31, 2022).
GRI 1 used	GRI 1: Foundation 2021

GRI 2: General Disclosures 2021

GRI Indicators	Disclosure Item	Chapter	Page
2-1	Organizational details	About this Report	5
2-2	Entities included in the organization's sustainability reporting	About this Report	5
2-3	Reporting period, frequency and contact point	About this Report	5
2-4	Restatements of information	No restatements of information this year	-
2-5	External assurance	Appendix 4 Assurance Report	114-117
2-6	Activities, value chain and other business relationships	Company Overview	22
2-7	Employees	A Stable Work Environment	66
2-8	Workers who are not employees	Taiwan Secom did not have workers who are not employees in 2022 or previous years. All workers at Taiwan Secom are employed by the Company.	-
2-9	Governance structure and composition	Governance Structure 2022 Annual Report	33 12
2-10	Nomination and selection of the highest governance body	2022 Annual Report	24-26
2-11	Chair of the highest governance body	2022 Annual Report	12
2-12	Role of the highest governance body in overseeing the management of impacts	2022 Annual Report	24-26
2-13	Delegation of responsibility for managing impacts	Structure of Sustainable Governance	10-11
2-14	Role of the highest governance body in sustainability reporting	Structure of Sustainable Governance	10-11
2-15	Conflicts of interest	2022 Annual Report	15
2-16	Communication of critical concerns	2022 Annual Report	24-26
2-17	Collective knowledge of the highest governance body	2022 Annual Report	14-15, 44
2-18	Evaluation of the performance of the highest governance body	2022 Annual Report	26
2-19	Remuneration policies	2022 Annual Report	22
2-20	Process to determine remuneration	2022 Annual Report	23
2-21	Annual total compensation ratio	The highest annual total compensation constitutes confidential information of the organization	-
2-22	Statement on sustainable development strategy	A Message from the Management	7
2-23	Policy commitments	Sustainable Supply Chain Human Rights Policy and Management	55 58
2-24	Embedding policy commitments	Sustainable Supply Chain Human Rights Policy and Management	55 58
2-25	Processes to remediate negative impacts	Stakeholder Communication	17-18
2-26	Mechanisms for seeking advice and raising concerns	Anti-Corruption and Ethical Corporate Management	35-36
2-27	Regulatory compliance	Regulatory compliance	37

GRI Indicators	Disclosure Item	Chapter	Page
2-28	Membership of associations	Appendix 1 Participation in Professional Associations	109
2-29	Approach to stakeholder engagement	Stakeholder Communication	13
2-30	Collective bargaining agreements	Taiwan Secom has not yet established a union but actively responds to the requests of employees to ensure seamless communication between the employees and the employer. Refer to the "Happy Workplace" chapter.	-

GRI 3: Material Topics 2021

GRI Indicators	Disclosure Item	Chapter	Page
3-1	Process to determine material topics	Stakeholder Communication	12-14
3-2	List of material topics	Impact of Material Topics and Taiwan Secom's Response	17-18
3-3	Management of material topics	Impact of Material Topics and Taiwan Secom's Response	17-18

Topic-specific Disclosures

Category/topic	GRI Number	GRI Indicators	Corresponding Chapters	Page
Economic				
Customer Privacy	Corresponding material issues: Customer service quality, information security			
2016	3-3	Management of material topics	♦ Impact of Material Topics and Taiwan Secom's Response	17-18
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	♦ Information security and customer privacy	40-41
Corresponding material issues: Ethics and integrity				
Socioeconomic Compliance: 2016	3-3	Management of material topics	♦ Impact of Material Topics and Taiwan Secom's Response	18
Economic performance: 2016	201-1	Direct economic value generated and distributed by the organization	♦ Financial Performance	26
	201-3	Defined benefit plan obligations and other retirement plans	♦ Comprehensive Welfare and Health Care	79
Indirect economic impact: 2016	203-1	Infrastructure investments and services supported	♦ Company Overview	22
Anti-corruption: 2016	205-1	Operations assessed for risks related to corruption	♦ Risk Management	39
	205-3	Confirmed corruption and adopted measures	No such occurrences this year	-
Anti-competitive behavior: 2016	206-1	Legal actions of anti-competitive behavior, antitrust and monopoly practices	No such occurrences this year	-
Corresponding material issues: Innovation of products and services				
Other material issues	3-3	Management of material topics	♦ Impact of Material Topics and Taiwan Secom's Response	18

Category/topic	GRI Number	GRI Indicators	Corresponding Chapters	Page
Environmental				
Emissions	305-1	Direct (Scope 1) GHG emissions	♦ Greenhouse Gas Management	105
	305-2	Energy indirect (Scope 2) GHG emissions	♦ Greenhouse Gas Management	105
Energy	302-1	Energy consumption within the organization	♦ Climate Change and Energy Management	103
	302-4	Reductions in energy requirements of products and services	♦ Climate Change and Energy Management	105-107
Supplier environmental assessments	308-1	New suppliers that were screened using environmental criteria	♦ Sustainable Supply Chain	55
Social				
Labor relations: 2016	Corresponding material issues: Labor Relations, Employee Rights and Benefits			
	3-3	Management of material topics	♦ Impact of Material Topics and Taiwan Secom's Response	17
	401-1	New employee hires and employee turnover	♦ A Happy Workplace	66-69
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	♦ Comprehensive Welfare and Health Care	79
	401-3	Parental leave	♦ Excellent Childcare	77
Occupational health and safety: 2018	Corresponding material issues: Occupational Health and Safety			
	3-3	Material Topic	♦ Impact of Material Topics and Taiwan Secom's Response	18
	403-1	Occupational Safety and Health Management System	♦ Occupational safety and health	70
	403-4	Worker participation, counseling and communication in occupational health and safety	♦ Occupational safety and health	70
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	♦ Occupational safety and health	70
	403-9	Work-related injuries	♦ Occupational safety and health	70
Training and education: 2016	Corresponding material issues: Employee training, human rights and diversity			
	3-3	Management of material topics	♦ Impact of Material Topics and Taiwan Secom's Response	17-18
	404-1	Average hours of training per year per employee	♦ Comprehensive training resources	82
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	♦ Human Rights Protection	58
Diversity and equal opportunity: 2016	405-1	Diversity of governance bodies and employees	♦ A Stable Work Environment	64
Forced or compulsory labor: 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	No such incidents found this year The Company also organized human rights training as provided in "Human Rights Protection"	-
Human rights assessment: 2016	412-2	Employee training on human rights policies or procedures	♦ Human Rights Policy and Management	58
Supplier social assessment: 2016	414-1	New suppliers that were screened using social criteria	♦ Sustainable Supply Chain	55

Appendix 3 Sustainability Accounting Standards Board (SASB) Indicators

Professional Commercial Services

Topic	Indicator	Code	Corresponding Chapters	Page
Information Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	• Information security and customer privacy	40-41
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	• Information security and customer privacy	40-41
	(1) Number of data breaches (2) Percentage involving customers' confidential business information or personally identifiable information (3) Number of customers affected	SV-PS-230a.3	• Information security and customer privacy	40-41
Workforce Diversity and Engagement	(1) Percentage of gender and racial/ethnic group representation (2) for executive management and all other employees	SV-PS-330a.1	• A Stable Work Environment	66-69
	(1) Voluntary and (2) involuntary turnover rate for employees	SV-PS-330a.2	• A Stable Work Environment	68-69
Professional integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	• Anti-Corruption and Ethical Corporate Management	35-36
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	• Anti-Corruption and Ethical Corporate Management	35-36
Activity Metrics	Number of employees: full-time and part-time, temporary and contract	SV-PS-000.A	• A Stable Work Environment	66-69

Appendix 4 Assurance Report



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CPA's Limited Assurance Report

To Taiwan Secom Co., Ltd.:
Assurance Scope

The CPA was engaged by Taiwan Secom Co., Ltd. (hereinafter referred to as Taiwan Secom) to perform assurance procedures on the selected sustainability performance information identified by the Company and reported in the 2022 Sustainability Report and to issue a limited assurance report based on the criteria for "limited assurance cases" published by the Accounting Research and Development Foundation.

Information and applicable standards

The information and applicable standards selected by Taiwan Secom are provided in Attachment 1.

Responsibility of the Management

It is the responsibility of the management of Taiwan Secom to follow the regulations in the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies" of Taiwan Stock Exchange Corporation and reference suitable standards, including the GRI Standards 2021 published by the Global Reporting Initiative, to prepare the information. The management of Taiwan Secom shall be responsible for the baseline it selected and the appropriateness of the subject information in all major respects. This responsibility includes establishing and maintaining internal controls relevant to the compilation of the subject information, maintaining adequate records, and making relevant estimates to ensure that the subject information is free from material misstatement, whether due to fraud or error.

Responsibility of the CPA

The responsibility of the CPA is to form conclusions regarding the subject information based the evidence obtained by the CPA.

The CPA planned and conducted limited assurance tasks on the information in this report in accordance with the "Assurance Engagement of Examinations or Audits of Non-historical Financial Information" issued by the Accounting Research and Development Foundation, and issued a limited assurance report on whether there is material misstatement in the subject information. The CPA determines the nature, time, and scope of the assurance procedures based on professional judgments, including the assessment of the risks of material misstatement due to fraud or error.

The CPA believes that sufficient and appropriate evidence has been obtained to provide a basis for the conclusions of the limited assurance.

Independence and Quality Management of the CPA

The CPA and the CPA firm have followed the Code of Ethics for Professional Accountants regarding the independence and other ethical requirements. The basic principles of the regulations are to maintain integrity, fairness, objectivity, expertise, and comply with requirements for professional attention, confidentiality, and professional conduct.

The CPA firm complies with TWSQC1 "Quality Control for Public Accounting Firms" which outlines the organizational design, implementation, and quality management system including policies and procedures to ensure compliance with professional ethics, professional regulations, and applicable laws.



Description of Implementation Procedures

The nature and timing of implementation procedures in limited assurance cases are different from and less extensive than those applicable to reasonable assurance cases. Therefore, the degree of certainty obtained in limited assurance cases are significantly lower than that obtained in reasonable assurance cases. The CPA designed the procedures to obtain limited assurance and to reach conclusions based on the assurance without providing all of the evidence necessary for reasonable assurance.

Although the CPA considered the effectiveness of the internal control of Taiwan Secom when deciding the nature and scope of assurance procedures, the assurance is not an opinion on the effectiveness of Taiwan Secom's internal control system. The procedures implemented by the CPA do not include tests on the control or implementation or the review of the compilation or calculation procedures of data in the information technology (IT) system.

Limited assurance cases included inquiries which mainly consisted of interviews of personnel responsible for preparing the subject information and related information, and the use of analyses and other suitable procedures.

The procedures implemented by the CPA include:

- The CPA conducts interviews of the management and employees of Taiwan Secom to learn about the overall conditions of Taiwan Secom's performance of corporate social responsibility, and the reporting procedures;
- The CPA uses interviews and document reviews to learn about the expectations and needs of the main stakeholders of Taiwan Secom, the communication channels between the Company and stakeholders, and how Taiwan Secom responds to such expectations and needs.
- The CPA conducts analysis procedures for the sustainability performance information selected in the Report. The CPA collects and evaluates other supporting evidence and the management statements obtained. Where necessary, the CPA conducts sampling tests.
- The CPA reads the Sustainability Report of Taiwan Secom to verify its consistency with the information on the overall corporate social responsibility performance obtained by the CPA firm.

Inherent Limitations

As non-financial information contained in the Sustainability Report is subject to uncertainties in measurement, the selection of different measurement methods could result in material differences in the performance measurement. As the assurance process is conducted based on sampling and as there are inherent limitations in any internal control, it may not be possible to identify all existing material misstatements, whether due to fraud or error.

Conclusion

According to the procedures implemented and evidence obtained, the CPA has not found any matter in the subject information that is not prepared based on applicable standards and requires material correction.

Ernst & Young, Taiwan
CPA: Hui-Yuan Liu
June 16, 2023



Attachment 1:

No.	Title	Subject Information	Application Criteria
1	Assurance of compliance	The 2022 Sustainability Report disclosed by Taiwan Secom is prepared based on the Core Option of the GRI Standards published by the Global Sustainability Standards Board.	GRI Standards
2	Financial performance and equity structure	The total market value of Taiwan Secom Co., Ltd. in 2022 was approximately NT\$45.12 billion. The operating revenue was NT\$7.287 billion; the net income after tax was NT\$2.579 billion; the earnings per share was NT\$5.85; and the return on assets (ROA) and return on equity (ROE) were 10.76% and 21.25%, respectively. The Group's consolidated revenue was NT\$15.357 billion.	2022 Individual and Consolidated Financial Report and information on the Market Observation Post System
		Taiwan Secom's main shareholders include Taiwanese and international legal entities and individuals, and foreign institutions and foreign persons other legal entities, and financial institutions holding the highest percentage of shares. According to the statistical data as of June 23, 2022, the percentages of shares held by foreign institutions and foreign persons, other legal entities, and individuals were 40.27%, 25.34%, and 17.31%, respectively.	
3	Supply chain management	Taiwan Secom provides separate management regulations for service providers based on the operations of the supply chain system. Its purchases in 2022 totaled NT\$918,240 thousand, including NT\$910,250 thousand in domestic purchases with a domestic purchase ratio of 99%.	The ratio of domestic purchase amount divided by the total amount of domestic and foreign purchases
4	Service quality management	In 2022, we recovered 14,039 valid questionnaires (82.6%); 199 customers declined to be interviewed (1.2%); we recovered 2,758 invalid questionnaires (16.2%). A total of 16,996 telephone interviews were carried out. The customer satisfaction for new customers in 2022 was consistently higher than 95%.	The ratio of valid satisfaction survey questionnaires, number of customers declined to be interviewed, and number of invalid questionnaires each divided by the total number of questionnaire surveys in each month
		In 2022, the Company planned to carry out 22,270 surveys. After deducting the 11,151 cases involving customer privacy, 11,119 cases were implemented. 6,029 telephone interviews were completed (54.22%) and 5,796 customers expressed satisfaction with the user interface (96.1%). The telephone interviews identified 35 issues for which supervisors were assigned to visit customers. 24 customers expressed their intent to use value-added services.	The number of telephone interviews required for residential customers deducted by those marked as having privacy concerns for continuous telephone interviews
5	Information Security Management	Taiwan Secom uses multi-layer management mechanisms to rigorously protect customer privacy and prevent any potential harm. There were no complaints regarding breaches of customer privacy and losses of customer data in 2022.	No complaints of breaches of customer privacy were found in the review of customer service records

No.	Title	Subject Information	Application Criteria
6	Energy management	In the vehicle energy consumption statistics for 2022, the Company used 525 gasoline vehicles and 16 diesel vehicles and the fuel consumption (L) totaled 1,402,250.06 and 54,330.83 liters, respectively. The total distance traveled was 11,343,381km.	The unit calorific value for each kilometer traveled is calculated based on the unit calorific value in the "Energy Heat Value Chart" published by the Bureau of Energy and multiplied by the total gasoline and diesel consumption and divided by the total distance traveled.
		In the GHG emissions and emissions intensity statistics for 2022, the direct emissions in the GHG inventory totaled 3,163.67 tons CO2e for gasoline and 141.59 tons CO2e for diesel. The indirect emissions totaled 4,508.01 tons CO2e; the carbon emissions totaled 7,813.27 tons and the emissions intensity was 1.07. (Emission coefficient: 2.2631kg CO2/L for gasoline and 2.6060kg CO2/L for diesel. Electricity emission factor: 0.509kg CO2e/kWh.)	The GHG emissions intensity is based on the GHG Emission Factor Management Table Version 6.0.4 of the Environmental Protection Administration and the electricity emission coefficient of the Bureau of Energy, Ministry of Economic Affairs, which are used to calculate the carbon emissions from the use of gasoline, diesel, and electricity. The total carbon emissions were divided by the unit operating revenue to calculate the emissions intensity.
		In the energy consumption statistics for 2022, the direct energy consumption of gasoline (L) and diesel (L) totaled 1,402,250.06 and 54,330.83 liters, respectively. The indirect energy consumption in the use of electricity (kWh) was 8,856,602kWh.	The energy intensity is calculated by multiplying the energy unit by the consumption of gasoline and diesel in liters and electricity consumption and divided by the unit net operating revenue.
7	Waste management	The quantity of outsourced processing of general hazardous industrial waste in 2022 included 5,530 kilograms of batteries and 14,912 kilograms of miscellaneous hardware.	The quantity of miscellaneous hardware recycled can be determined based on the amount on the quotations for batteries and miscellaneous hardware divided by the amount for the recycling of each kilogram of batteries and miscellaneous hardware

No.	Title	Subject Information	Application Criteria																																																														
8	Comprehensive training resources	<table><tr><td rowspan="2">Physical classroom</td><td colspan="2">Training Hours</td><td colspan="2">Number of Trainees</td><td colspan="2">Average Training Hours</td></tr><tr><td>Male</td><td>Female</td><td>Male</td><td>Female</td><td>Male</td><td>Female</td></tr><tr><td>Business personnel</td><td>8,311</td><td>1,530</td><td>266</td><td>54</td><td>31</td><td>28</td></tr><tr><td>Service personnel</td><td>28,423</td><td>0</td><td>505</td><td>0</td><td>56</td><td>0</td></tr><tr><td>Management personnel</td><td>216</td><td>3</td><td>12</td><td>1</td><td>18</td><td>3</td></tr><tr><td>Technical personnel</td><td>6,727</td><td>36</td><td>242</td><td>3</td><td>28</td><td>12</td></tr><tr><td>R&D personnel</td><td>17</td><td>0</td><td>2</td><td>0</td><td>8</td><td>0</td></tr><tr><td>Others</td><td>749</td><td>4,128</td><td>40</td><td>134</td><td>19</td><td>31</td></tr><tr><td>Total</td><td>44,444</td><td>5,697</td><td>1,067</td><td>192</td><td>42</td><td>30</td></tr></table>	Physical classroom	Training Hours		Number of Trainees		Average Training Hours		Male	Female	Male	Female	Male	Female	Business personnel	8,311	1,530	266	54	31	28	Service personnel	28,423	0	505	0	56	0	Management personnel	216	3	12	1	18	3	Technical personnel	6,727	36	242	3	28	12	R&D personnel	17	0	2	0	8	0	Others	749	4,128	40	134	19	31	Total	44,444	5,697	1,067	192	42	30	The average training hours of male and female employees in each department was calculated by dividing the total training hours per capita for male and female employees in each department by the number of male and female employees in each department
		Physical classroom		Training Hours		Number of Trainees		Average Training Hours																																																									
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		Total	44,444	5,697	1,067	192	42	30																																																									
		<table><tr><td rowspan="2">Virtual courses</td><td colspan="2">Training Hours</td><td colspan="2">Number of Trainees</td><td colspan="2">Average Training Hours</td></tr><tr><td>Male</td><td>Female</td><td>Male</td><td>Female</td><td>Male</td><td>Female</td></tr><tr><td>Business personnel</td><td>4,579</td><td>1,136</td><td>306</td><td>63</td><td>15</td><td>18</td></tr><tr><td>Service personnel</td><td>9,364</td><td>0</td><td>203</td><td>0</td><td>46</td><td>0</td></tr><tr><td>Management personnel</td><td>80</td><td>0</td><td>8</td><td>0</td><td>10</td><td>0</td></tr><tr><td>Technical personnel</td><td>283</td><td>0</td><td>9</td><td>0</td><td>31</td><td>0</td></tr><tr><td>R&D personnel</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Others</td><td>125</td><td>500</td><td>8</td><td>27</td><td>16</td><td>19</td></tr><tr><td>Total</td><td>14,431</td><td>1,636</td><td>534</td><td>90</td><td>27</td><td>18</td></tr></table>	Virtual courses	Training Hours		Number of Trainees		Average Training Hours		Male	Female	Male	Female	Male	Female	Business personnel	4,579	1,136	306	63	15	18	Service personnel	9,364	0	203	0	46	0	Management personnel	80	0	8	0	10	0	Technical personnel	283	0	9	0	31	0	R&D personnel	0	0	0	0	0	0	Others	125	500	8	27	16	19	Total	14,431	1,636	534	90	27	18	
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		R&D personnel	0	0	0	0	0	0																																																									
		Others	125	500	8	27	16	19																																																									
		Total	14,431	1,636	534	90	27	18																																																									
		<table><tr><td rowspan="2">Online learning</td><td colspan="2">Training Hours</td><td colspan="2">Number of Trainees</td><td colspan="2">Average Training Hours</td></tr><tr><td>Male</td><td>Female</td><td>Male</td><td>Female</td><td>Male</td><td>Female</td></tr><tr><td>Business personnel</td><td>1,048</td><td>137</td><td>357</td><td>66</td><td>3</td><td>2</td></tr><tr><td>Service personnel</td><td>4,709</td><td>2</td><td>929</td><td>1</td><td>5</td><td>0</td></tr><tr><td>Management personnel</td><td>229</td><td>5</td><td>59</td><td>1</td><td>4</td><td>5</td></tr><tr><td>Technical personnel</td><td>2,657</td><td>5</td><td>372</td><td>2</td><td>7</td><td>2</td></tr><tr><td>R&D personnel</td><td>3</td><td>0</td><td>4</td><td>1</td><td>1</td><td>0</td></tr><tr><td>Others</td><td>963</td><td>1,351</td><td>57</td><td>167</td><td>17</td><td>8</td></tr><tr><td>Total</td><td>9,609</td><td>1,501</td><td>1,778</td><td>238</td><td>5</td><td>6</td></tr></table>	Online learning	Training Hours		Number of Trainees		Average Training Hours		Male	Female	Male	Female	Male	Female	Business personnel	1,048	137	357	66	3	2	Service personnel	4,709	2	929	1	5	0	Management personnel	229	5	59	1	4	5	Technical personnel	2,657	5	372	2	7	2	R&D personnel	3	0	4	1	1	0	Others	963	1,351	57	167	17	8	Total	9,609	1,501	1,778	238	5	6	
		Online learning		Training Hours		Number of Trainees		Average Training Hours																																																									
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		Others	963	1,351	57	167	17	8																																																									
		Total	9,609	1,501	1,778	238	5	6																																																									
9	Work Environment	As of the end of 2022, Taiwan Secom had a total of 2,461 employees in Taiwan. Among the new employees in 2022 were 606 men and 117 women. The number of new employees totaled 723 and the annual new hire rate was 29.38%. The age groups, job categories, and work regions are shown below:	The overall new hire rate is calculated by dividing the number of employees in the head office and branch offices by the total number of employees at the end of the reporting period																																																														
		<table><tr><td colspan="2">Year</td><td colspan="2">2022</td></tr><tr><td rowspan="4">Age group</td><td>Gender</td><td>Male</td><td>Female</td></tr><tr><td>Under 30</td><td>262</td><td>38</td></tr><tr><td>30-50 years old</td><td>333</td><td>71</td></tr><tr><td>50 and above</td><td>11</td><td>8</td></tr><tr><td colspan="2">Number of people at the end of the year</td><td>2008</td><td>453</td></tr><tr><td colspan="2">Percentage of new recruits in the current year</td><td>30.18%</td><td>25.83%</td></tr></table>		Year		2022		Age group	Gender	Male	Female	Under 30	262	38	30-50 years old	333	71	50 and above	11	8	Number of people at the end of the year		2008	453	Percentage of new recruits in the current year		30.18%	25.83%																																					
		Year		2022																																																													
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		Percentage of new recruits in the current year		30.18%	25.83%																																																												

No.	Title	Subject Information	Application Criteria																									
9	Work Environment		<p>The analysis of the number of new employees is conducted based on the age group, job category, and region. They are sorted based on the age, job category, and service region of employees of the head office in 2022, and gender.</p> <p>The overall turnover rate is calculated by dividing the number of employees in the head office and branch offices by the total number of employees at the end of the reporting period</p> <p>The analysis of the number of resigned employees is conducted based on the age group, job category, and region. They are sorted based on the age, job category, and service region of employees of the head office in 2022, and gender.</p>																									
		<table><tr><th>By job category</th><th>Male</th><th>Female</th></tr><tr><td>Business personnel</td><td>120</td><td>37</td></tr><tr><td>Service personnel</td><td>403</td><td>1</td></tr><tr><td>Management personnel</td><td>1</td><td>0</td></tr><tr><td>Technical personnel</td><td>57</td><td>6</td></tr><tr><td>R&D personnel</td><td>1</td><td>3</td></tr><tr><td>Others</td><td>24</td><td>70</td></tr><tr><td>Total</td><td>606</td><td>117</td></tr></table>		By job category	Male	Female	Business personnel	120	37	Service personnel	403	1	Management personnel	1	0	Technical personnel	57	6	R&D personnel	1	3	Others	24	70	Total	606	117	
		By job category		Male	Female																							
		Business personnel		120	37																							
		Service personnel		403	1																							
		Management personnel		1	0																							
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		R&D personnel		1	3																							
		Others		24	70																							
		Total		606	117																							
		<table><tr><th>By region</th><th>Male</th><th>Female</th></tr><tr><td>Northern Taiwan</td><td>360</td><td>96</td></tr><tr><td>Central Taiwan</td><td>91</td><td>13</td></tr><tr><td>Southern Taiwan</td><td>155</td><td>8</td></tr><tr><td>Total</td><td>606</td><td>117</td></tr></table>		By region	Male	Female	Northern Taiwan	360	96	Central Taiwan	91	13	Southern Taiwan	155	8	Total	606	117										
		By region		Male	Female																							
		Northern Taiwan		360	96																							
		Central Taiwan		91	13																							
		Southern Taiwan		155	8																							
		Total		606	117																							
		Among the resigned employees in 2022 were 537 men and 109 women. The number of resigned employees totaled 646 and the annual turnover rate was 26.25%. The age groups, job categories, and work regions are shown below:																										
		<table><tr><th colspan="2">Year</th><th colspan="2">2022</th></tr><tr><td rowspan="4">Age group</td><td>Gender</td><td>Male</td><td>Female</td></tr><tr><td>Under 30</td><td>192</td><td>29</td></tr><tr><td>30-50 years old</td><td>313</td><td>66</td></tr><tr><td>50 and above</td><td>32</td><td>14</td></tr><tr><td colspan="2">Number of people at the end of the year</td><td>2008</td><td>453</td></tr><tr><td colspan="2">Percentage of new recruits in the current year</td><td>26.74%</td><td>24.06%</td></tr></table>		Year		2022		Age group	Gender	Male	Female	Under 30	192	29	30-50 years old	313	66	50 and above	32	14	Number of people at the end of the year		2008	453	Percentage of new recruits in the current year		26.74%	24.06%
		Year		2022																								
		Age group		Gender	Male	Female																						
				Under 30	192	29																						
				30-50 years old	313	66																						
				50 and above	32	14																						
		Number of people at the end of the year		2008	453																							
		Percentage of new recruits in the current year		26.74%	24.06%																							
		<table><tr><th>By job category</th><th>Male</th><th>Female</th></tr><tr><td>Business personnel</td><td>108</td><td>33</td></tr><tr><td>Service personnel</td><td>332</td><td>1</td></tr><tr><td>Management personnel</td><td>2</td><td>0</td></tr><tr><td>Technical personnel</td><td>64</td><td>5</td></tr><tr><td>R&D personnel</td><td>5</td><td>2</td></tr><tr><td>Others</td><td>26</td><td>68</td></tr><tr><td>Total</td><td>537</td><td>109</td></tr></table>		By job category	Male	Female	Business personnel	108	33	Service personnel	332	1	Management personnel	2	0	Technical personnel	64	5	R&D personnel	5	2	Others	26	68	Total	537	109	
		By job category		Male	Female																							
Business personnel	108	33																										
Service personnel	332	1																										
Management personnel	2	0																										
Technical personnel	64	5																										
R&D personnel	5	2																										
Others	26	68																										
Total	537	109																										
<table><tr><th>By region</th><th>Male</th><th>Female</th></tr><tr><td>Northern Taiwan</td><td>331</td><td>89</td></tr><tr><td>Central Taiwan</td><td>66</td><td>15</td></tr><tr><td>Southern Taiwan</td><td>140</td><td>5</td></tr><tr><td>Total</td><td>537</td><td>109</td></tr></table>	By region	Male	Female	Northern Taiwan	331	89	Central Taiwan	66	15	Southern Taiwan	140	5	Total	537	109													
By region	Male	Female																										
Northern Taiwan	331	89																										
Central Taiwan	66	15																										
Southern Taiwan	140	5																										
Total	537	109																										

No.	Title	Subject Information	Application Criteria																																
10	Gender equality in employment	22 employees applied for unpaid parental leave in 2022 (all applications were approved) and the average reinstatement rate was 53.33%.	The number of male and female employees of the head office reinstated from unpaid parental leave in 2022 divided by the number of employees that are expected to be reinstated by the end of the reporting period																																
		<table><tr><th>Item</th><th>Number of Men</th><th>Number of Women</th><th>Total</th></tr><tr><td>Total number of employees who actually used parental leave in 2022</td><td>11</td><td>11</td><td>22</td></tr><tr><td>Total number of employees reinstated from parental leave in 2022 (A)</td><td>8</td><td>7</td><td>15</td></tr><tr><td>Total number of employees reinstated during the reporting period after taking parental leave in 2022 (B)</td><td></td><td>3</td><td>5</td></tr><tr><td>Total number of employees reinstated during the reporting period after taking parental leave in 2022 (C)</td><td>0</td><td>1</td><td>1</td></tr><tr><td>Total number of employees reinstated after parental leave ended that were still employed 12 months after their return to work in 2022 (D)</td><td>0</td><td>1</td><td>1</td></tr><tr><td>Reinstatement rate (B/A)</td><td>62.5%</td><td>42.86%</td><td>53.33%</td></tr><tr><td>Retention rate (D/C)</td><td>0%</td><td>100%</td><td>100%</td></tr></table>		Item	Number of Men	Number of Women	Total	Total number of employees who actually used parental leave in 2022	11	11	22	Total number of employees reinstated from parental leave in 2022 (A)	8	7	15	Total number of employees reinstated during the reporting period after taking parental leave in 2022 (B)		3	5	Total number of employees reinstated during the reporting period after taking parental leave in 2022 (C)	0	1	1	Total number of employees reinstated after parental leave ended that were still employed 12 months after their return to work in 2022 (D)	0	1	1	Reinstatement rate (B/A)	62.5%	42.86%	53.33%	Retention rate (D/C)	0%	100%	100%
		Item		Number of Men	Number of Women	Total																													
		Total number of employees who actually used parental leave in 2022		11	11	22																													
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		Reinstatement rate (B/A)		62.5%	42.86%	53.33%																													
		Retention rate (D/C)		0%	100%	100%																													
11	Protection of benefits	Taiwan Secom is committed to creating a safe, harmonious, and joyful workplace environment. The Company established the Employee Welfare Committee in accordance with the "Employee Welfare Fund Act" to provide all employees with subsidies. We also invite employees from all departments to discuss employee welfare issues. We have maintained long-term harmonious labor relations by implementing continuous improvements for various measures. The applications for employee benefits in 2022 were as follows:	Children's scholarships, bonuses for festivals, severance pay and pension, employee benefits and health insurance, and other benefits																																
		Applications Filed in 2022																																	
		<table><tr><td>Item</td><td>Children's scholarships</td><td>Annual festival bonuses Birthday and three festival bonuses</td><td>Marriage, hospitalization, funeral subsidies, severance and retirement subsidies</td><td>Club subsidies</td><td>Employee benefits Health insurance</td></tr><tr><td>Total number of applicants</td><td>1,084</td><td>14,192</td><td>213</td><td>1</td><td>385</td></tr><tr><td>Total value of applications</td><td>1,766,000</td><td>10,286,895</td><td>3,218,339</td><td>20,000</td><td>8,984,220</td></tr></table>		Item	Children's scholarships	Annual festival bonuses Birthday and three festival bonuses	Marriage, hospitalization, funeral subsidies, severance and retirement subsidies	Club subsidies	Employee benefits Health insurance	Total number of applicants	1,084	14,192	213	1	385	Total value of applications	1,766,000	10,286,895	3,218,339	20,000	8,984,220														
		Item		Children's scholarships	Annual festival bonuses Birthday and three festival bonuses	Marriage, hospitalization, funeral subsidies, severance and retirement subsidies	Club subsidies	Employee benefits Health insurance																											
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Total value of applications	1,766,000	10,286,895	3,218,339	20,000	8,984,220																														

Although the pandemic has gradually subsided, the world faces challenges such as inflation, climate change, energy issues, and the rise of artificial intelligence (AI). For Taiwan Secom, the future is filled with challenges as well as opportunities. We will remain committed to ESG and sustainable development and use technological innovation to create a better future.