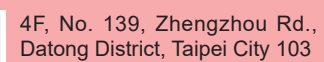


# 2023 SUSTAINABILITY REPORT



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# Taiwan Secom 2023 SUSTAINABILITY REPORT

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# 2023 Sustainability Performance

**NT\$7.645 billion**

in operating revenue

**NT\$17.074 billion**

in consolidated revenue of the Group

The total market value of Taiwan Secom Co., Ltd. in 2023 was approximately

**NT\$52.79 billion**

NT\$2.591 billion in net income after tax  
NT\$5.85 in earnings per share



**ROA 10.28%**

**ROE 20.49%**

Invested over NT\$20 million to launch the

## Lantern Star Cultivation Program

in cooperation with National Yilan Senior High School, National Lan-Yang Girls' Senior High School, National Lotong Industrial Vocational High School, and National I-Lan Commercial Vocational Senior High School  
Organized training camps related to programming, English proficiency certifications, and ICT

Elderly care visits

A headcount of

**58,905 people**

Emergency rescue services

A headcount of

**1,529 people**

A total of 4,945 people participated in charity blood donation activities

Donated 6,970 bags of blood

**1,742,500cc**

Received the 1111 Job Bank Happy Enterprise



**Gold Award**



Corporate Governance



Obtained **552** patents

Obtained

**46** new patents in 2023



Environmental Protection

Amount invested in green purchasing in 2023

**NT\$39.37 million**

2023 vs 2021 (baseline year)  
Number of customers increased by 102.3%  
Number of dispatches decreased to 95.6%

Reduced carbon emissions from service dispatches

**64.7 tons**

2023 vs 2021 (baseline year)  
Annual reduction in electricity consumption

**6.595%**

Amount of green purchasing in 2023  
New Taipei City and Taoyuan City received the Green Procurement Enterprise Award



Social Responsibility

2023

Mr. Frank Lin was appointed chairman of Taiwan Secom Co., Ltd.  
The total number of customers served by the Group exceeds 750,000

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





## Report Date

The Company has issued a Corporate Social Responsibility Report each year for 11 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 2023 (from January 1 to December 31).

## 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, Lin Teng Cultural and Educational Foundation, and the latest Lin Hsiao-Hsin Cultural Foundation. Affiliated enterprises of Taiwan Secom were not included. 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 all units.

## Principles of this Report

The Corporate Sustainability Report released by Taiwan Secom reports the Company's response to corporate governance, community involvement, employee care, environment, and innovative service issues to stakeholders, and examines the concrete results of the Company's implementation of CSR.

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 the statistics compiled by Taiwan Secom Cultural and Educational Foundation, Lin Teng Cultural and Educational Foundation, and Lin Hsiao-Hsin Cultural Foundation. Financial data are based on public information certified by accountants, and some data are based on public data announced 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



No. 1 Brand in Taiwan's Security Services Industry!

Name of Company: **To 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**



## A Message from the President



Taiwan Secom Chairman  
**Lin Chien-Han**

Sustainable development has become the core driving force for corporate transformation. Taiwan Secom leads the trend of green technology and implements the ideal blueprint of ESG through innovation. We have made steady progress in the three major aspects of environmental protection, social responsibility, and corporate governance, becoming a pioneer in implementing sustainable services.

In response to the global trend of "net-zero emissions," as the industry leader, Taiwan Secom has shouldered the responsibility to promote green technology and drive industrial transformation. In recent years, we have used technological innovation to assist county and city governments in accelerating the construction of smart cities. The smart parking business uses solar power storage and smart parking meters designed without power lines, which not only enables paperless billing, but also develops an app to view the nearest parking spaces. This reduces time and energy wasted looking for parking spaces. The G.Care App developed with green technology gives new life to mobile phones that have been replaced, turning them into IP cameras for smart surveillance and providing flexible and eco-friendly solutions. In addition, we plan to establish a solar photovoltaic system in the Neihu Cloud Building. This is not only an active response to the government's requirements for net-zero emission measures, but also brings practical benefits to the Company.

In terms of services, technology dispatch effectively uses the dispatch integration platform to reduce ineffective dispatch and reduce carbon emissions. The number of customers in 2023 increased by 102.3% compared with the baseline year of 2021, the actual number of dispatches was reduced to 95.6%, and carbon emissions was reduced by more than 64.7 tons. In 2023, despite the increase in the number of employees, the total electricity consumption and electricity consumption per employee decreased compared with the previous year. It is clear that the policies and incentive mechanisms we have formulated for energy conservation, carbon reduction and power saving issues have been effective. Besides actively incorporating green technology into products and services, Taiwan Secom also reduces the burden on the environment from the procurement side, and takes action to protect the Earth. In 2023, we received the Green Procurement Enterprise Award in New Taipei City and Taoyuan City for our green purchasing amount. These are Taiwan Secom's concrete actions to fulfill its environmental responsibility and respond to the government's goal of net-zero emissions.

In response to the advent of an aging society, Taiwan Secom leads the industry with "smart care services." The first AI model of elder activity patterns has obtained the Symbol of National Quality (SNQ), providing nearly 500,000 elderly people living alone with comprehensive and reliable smart care services without invading their privacy or affecting their daily life. Taiwan Secom implements aging in place through technology-based elderly care. Currently, 11 county and city governments in Taiwan have commissioned Taiwan Secom to provide "Emergency Rescue Services for Elderly Living Alone and People with Disabilities." Taiwan Secom provided services to more than 20,000 people in 2023, and gained the recognition of various local governments.

In addition, Taiwan Secom combines the Group's capabilities to implement public welfare, and donated AEDs to police stations in rural areas in 2023, protecting the lives of frontline police officers and local residents. Taiwan Secom has provided long-term continuous care and support for disadvantaged children's after-class tutoring classes, and more than 3,200 school children have benefited. The "Lantern Star" program continues to focus on education and cultivate young students with potential in the Yilan area. Taiwan Secom hopes to protect the environment and fulfill its corporate social responsibility while making a profit.

In terms of corporate governance, while complying with government laws and abiding by the principles of open and transparent information, the consolidated revenue of Taiwan Secom Group reached a record high NT\$17.074 billion in 2023. Taiwan Secom's revenue was NT\$7.645 billion, net income after tax was NT\$2.591 billion, earnings per share was NT\$5.85, and return on assets (ROA) and return on equity (ROE) were 10.28% and 20.49%, respectively, maximizing profits for shareholders.

Looking towards the future, with the trend of AI technology applications, Taiwan Secom utilize innovation to improve operating performance, and deepen the integration of Lin Chien-Han's AI technology and ESG concepts to become a pioneer of ESG technology and achieve the goal of sustainable development.

# 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

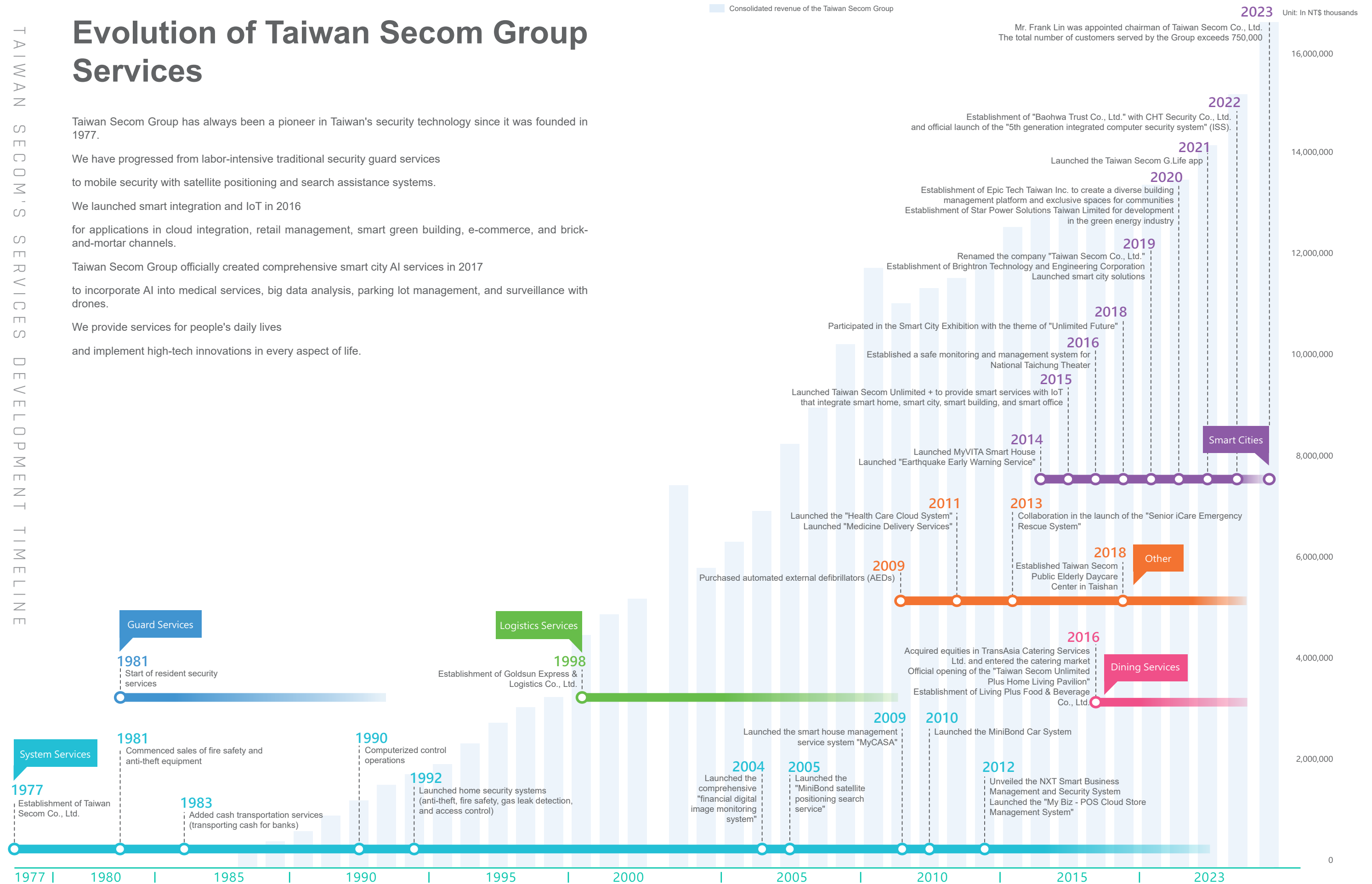
for applications in cloud integration, retail management, smart green building, e-commerce, and brick-and-mortar channels.

Taiwan Secom Group officially created comprehensive smart city AI services in 2017

to incorporate AI into 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.

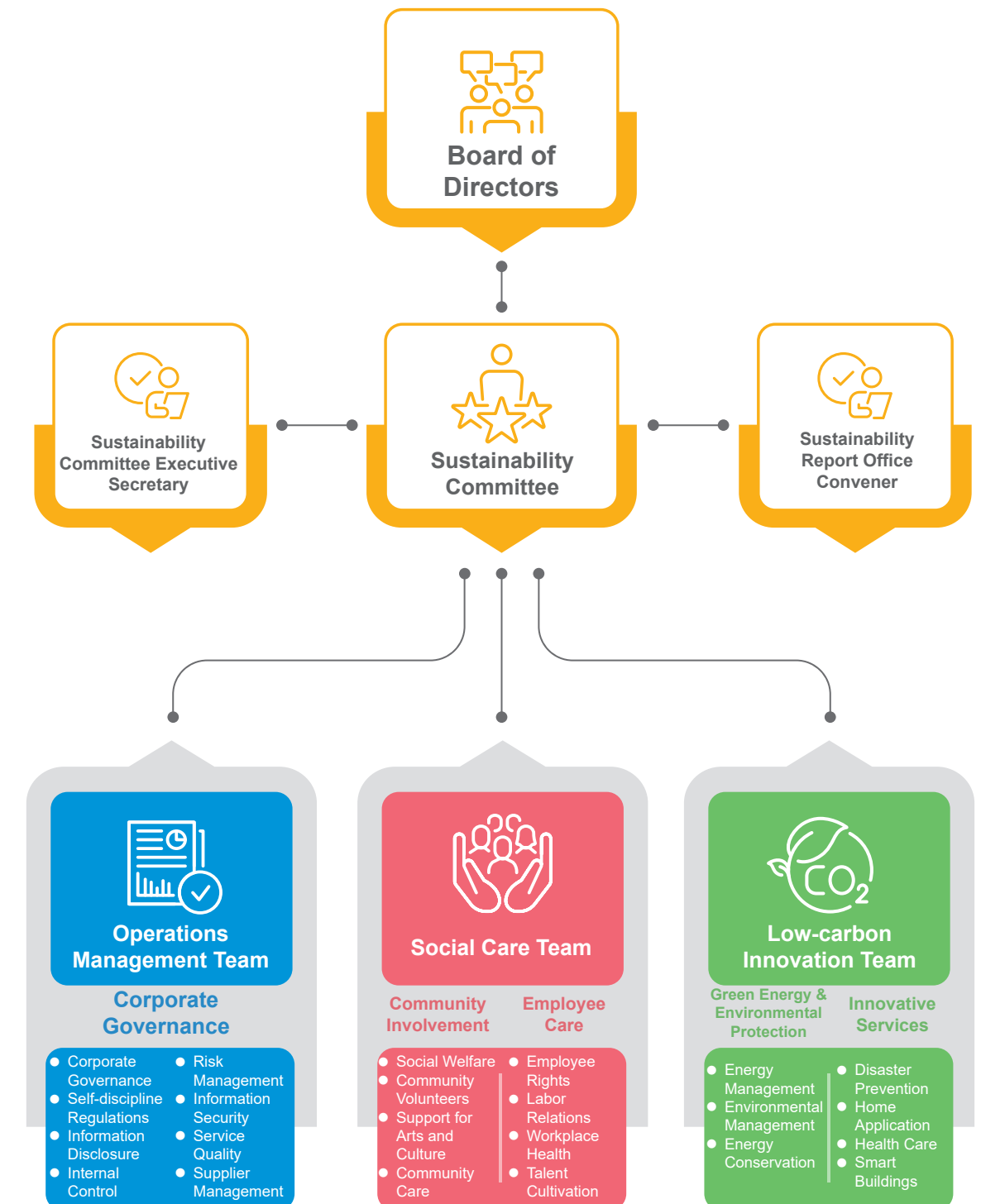




## Structure of Sustainable Governance

The Sustainable Development Integration Team convenes 4 integration meetings every year. During the meetings, goal setting, execution control, and performance review are carried out for various aspects of sustainability work, and the results of the meetings are submitted to the president and chairman. The sustainability implementation results of all relevant units are regularly compiled and reported to the board of directors every year. The implementation results of sustainable development in 2023 were reported to the Board of Directors in August. In addition, the sustainable development implementation performance of the year was also compiled into a report, which was submitted to the chairman for review and then announced.

### ● Organization of Taiwan Secom Sustainable Development Committee



To fulfill our corporate social responsibility, become aligned with international development trends, and achieve the goal of sustainable development, the head of Taiwan Secom's Human Resources Department has been responsible for forming a sustainable development integration team since 2013. Chairman (and CEO) Lin Chien-Han serves as the chairman, and the Company also arranges senior managers to serve as leaders of various task forces under the committee, who are jointly responsible for managing the annual goals and action plans in various aspects of corporate social responsibility. They also regularly conduct reviews of 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. On matters related to sustainable development, we regularly discuss matters related to the Company's sustainable development with units implementing issues such as corporate governance, customer service, employee care, environmental protection, and community involvement. We ask units to understand and collect information on topics of concern to stakeholders. After integrating internal and external suggestions from the organization, we formulate and implement policies, systems, related management approaches, and concrete action plans related to sustainable development.

Taiwan Secom merged the Corporate Governance Committee on May 12, 2023, and formally established the "Sustainable Development Committee," which is formed by two independent directors and one director, after approval by the Board of Directors. Taiwan Secom also established the Sustainable Development Committee Charter.

# Stakeholder Communication



The Sustainable Development 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 implementation of material topics and examine the attainment of targets, the Sustainable Development Committee regularly convenes meetings to discuss material economic, social, and environmental issues, track the progress of goal attainment and future direction of each unit, and summarizes related results and reports them to the Board of Directors each year.

Taiwan Secom established an ESG website to facilitate effective communication with stakeholders and disclosed its ESG spirit, philosophy, 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. 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	<ul style="list-style-type: none"> <li>Regulatory Compliance</li> <li>Corporate Governance</li> <li>Risk Management</li> <li>Communication with the competent authority</li> </ul>	<ul style="list-style-type: none"> <li>Comply with supervision and inspections by competent authorities</li> <li>Convene regular meetings of the Intellectual Property Management Committee</li> <li>Regular participation in the organization and cooperation of professional trade associations</li> </ul>	<ul style="list-style-type: none"> <li>The Company conducted 2 routine checks in accordance with the Private Security Service Act in 2023</li> <li>Responded to 24 questionnaires of competent authorities in 2023.</li> </ul>	<ul style="list-style-type: none"> <li>Ms. Lin, Accounting Department linchungiu@secom.com.tw</li> <li>Ms. Chan, Business Planning Office candychan@secom.com.tw</li> <li>Mr. Li, Operations Headquarters a805530@secom.com.tw</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Labor Relations</li> <li>Employee rights and benefits</li> <li>Occupational Safety and Health</li> </ul>	<ul style="list-style-type: none"> <li>Intranets or internal email announcements: Announcements of employee benefits and information of the Employee Welfare Committee</li> <li>Workplace "on-site health service"</li> <li>Regular awareness campaigns and training courses for the Personal Data Protection Act</li> <li>Regular training programs for employees in different stages and levels</li> </ul>	<ul style="list-style-type: none"> <li>The employee assistance and care programs included the 2023 "on-site health service" for 282 employees as well as the four major programs regarding ergonomic design, overloading, workplace violence, and maternity health protection.</li> <li>Training hours in 2023 totaled 50,984 hours.</li> </ul>	<ul style="list-style-type: none"> <li>Ms. Chen, Human Resources Department kay0625@secom.com.tw</li> </ul>
Shareholders and investors	<ul style="list-style-type: none"> <li>Corporate Governance</li> <li>Sustainable Development Strategy</li> <li>Risk Management</li> <li>Shareholder participation</li> <li>Business performance</li> </ul>	<ul style="list-style-type: none"> <li>Regular institutional investors' conference and visits</li> <li>Appointment of contact person for services and establishment of communication mechanisms</li> <li>Annual shareholders' meeting and publication of annual reports</li> <li>Regular risk assessments</li> <li>Regular publication of business performance information and allowing downloads of financial statements and monthly operating revenue information</li> </ul>	<ul style="list-style-type: none"> <li>Organized 6 institutional investors' conferences</li> <li>Received 14 visits by domestic and foreign analysts and responded to more than 35 investor inquiries</li> <li>Completed 41 material information announcements</li> <li>Held 3 shareholders' meeting</li> </ul>	<ul style="list-style-type: none"> <li>Vice President Chang, Publicity Office kikiya123@secom.com.tw</li> <li>Ms. Chen, Business Planning Office yusan@secom.com.tw</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Customer Service Quality</li> <li>Customer protection and communication</li> <li>Information Security</li> </ul>	<ul style="list-style-type: none"> <li>Monthly customer satisfaction surveys for new customers</li> <li>Established the Customer Service Center to instantly respond to customer needs</li> </ul>	<ul style="list-style-type: none"> <li>Taiwan Secom established a comprehensive system with 15 major categories, 36 codes for instructions, and 1,572 sub-items for instructions to ensure zero loss of information and respond appropriately to customers' complaints.</li> <li>Received ISO 27001 certification</li> <li>86 burglars arrested in 2023</li> <li>364 burglaries prevented in 2023</li> <li>236 customer commendations in 2023</li> <li>45 missing elderly/children found in 2023</li> </ul>	<ul style="list-style-type: none"> <li>Ms. Wang, Customer Service Department service@secom.com.tw</li> <li>Ms. Chen, Sales Planning Office gina@secom.com.tw</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Sustainable Development Strategy</li> <li>Information transparency</li> <li>Supplier Management</li> <li>Information Security</li> </ul>	<ul style="list-style-type: none"> <li>Invited suppliers to sign the Corporate Social Responsibility Commitment</li> <li>Regular supplier communication meetings</li> <li>Regularly organize lectures (or discussions) on worker safety for labor service suppliers</li> </ul>	<ul style="list-style-type: none"> <li>Among suppliers that signed the Corporate Social Responsibility Commitment (279 suppliers), 84% of new suppliers signed and 92% of existing suppliers signed.</li> </ul>	<ul style="list-style-type: none"> <li>Mr. Yu, Business Planning howardyu@secom.com.tw</li> </ul>
Community groups and community members	<ul style="list-style-type: none"> <li>Community Involvement</li> <li>Community Care</li> <li>Corporate image</li> </ul>	<ul style="list-style-type: none"> <li>Establish the "Community Care Class for Potential Development" for children from disadvantaged families</li> <li>Set up a 24-hour protection center to provide full support services</li> <li>Develop the "Health Care Cloud Platform" to provide remote health care services</li> <li>Support the development of art and cultural activities to improve the quality of life for people</li> </ul>	<ul style="list-style-type: none"> <li>Number of telephone support calls: 634,388</li> <li>Number of care visits: 58,905</li> <li>Number of emergency rescue services: 1,529</li> <li>Number of health consultation and resource explanation: 10,321</li> <li>Number of recipients of resources exceeded 2,000</li> </ul>	<ul style="list-style-type: none"> <li>Ms. Fang, Taiwan Secom Cultural and Educational Foundation nicofang@secom.com.tw</li> </ul>

## Information Disclosure

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

The Company has established sound mechanisms for handling and disclosing material insider information, and 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.



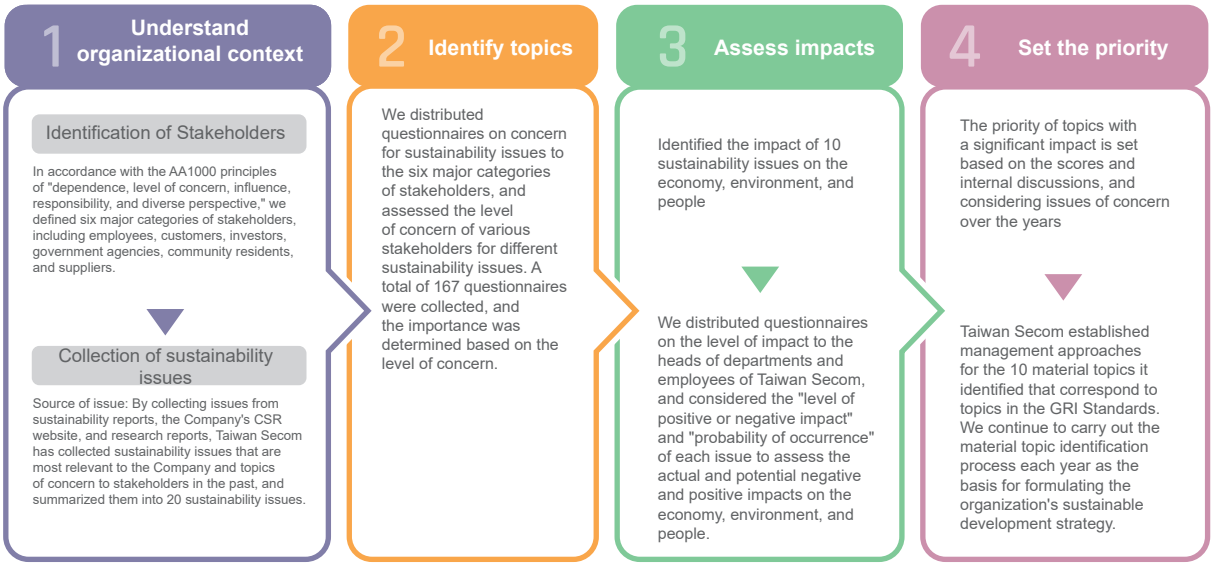
The Company's Audit Office incorporated insider trading prevention into the annual audit plan to ensure the continuous effectiveness of the management system. The release of the Company's material information is processed in accordance with the "Taiwan Stock Exchange Corporation Procedures for Verification and Disclosure of Material Information of Companies with Listed Securities". A total of 41 material information public disclosures were made in 2023.

As the Company 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 lay a solid foundation for corporate sustainability. The Company set up the "Investors" section on the official website ([http://www.secom.com.tw/investor/investor\\_01\\_a-1.aspx](http://www.secom.com.tw/investor/investor_01_a-1.aspx)) 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 section also provides information on Board meetings and shareholders' meeting. The Company has also appointed contact persons to facilitate immediate communication with investors via e-mail.

# Identification of Material Issues

Taiwan Secom conducted a material topics analysis in accordance with the four principles of the GRI Standards, including stakeholder inclusiveness, sustainability context, materiality, and completeness.

## Material topic identification process and methods

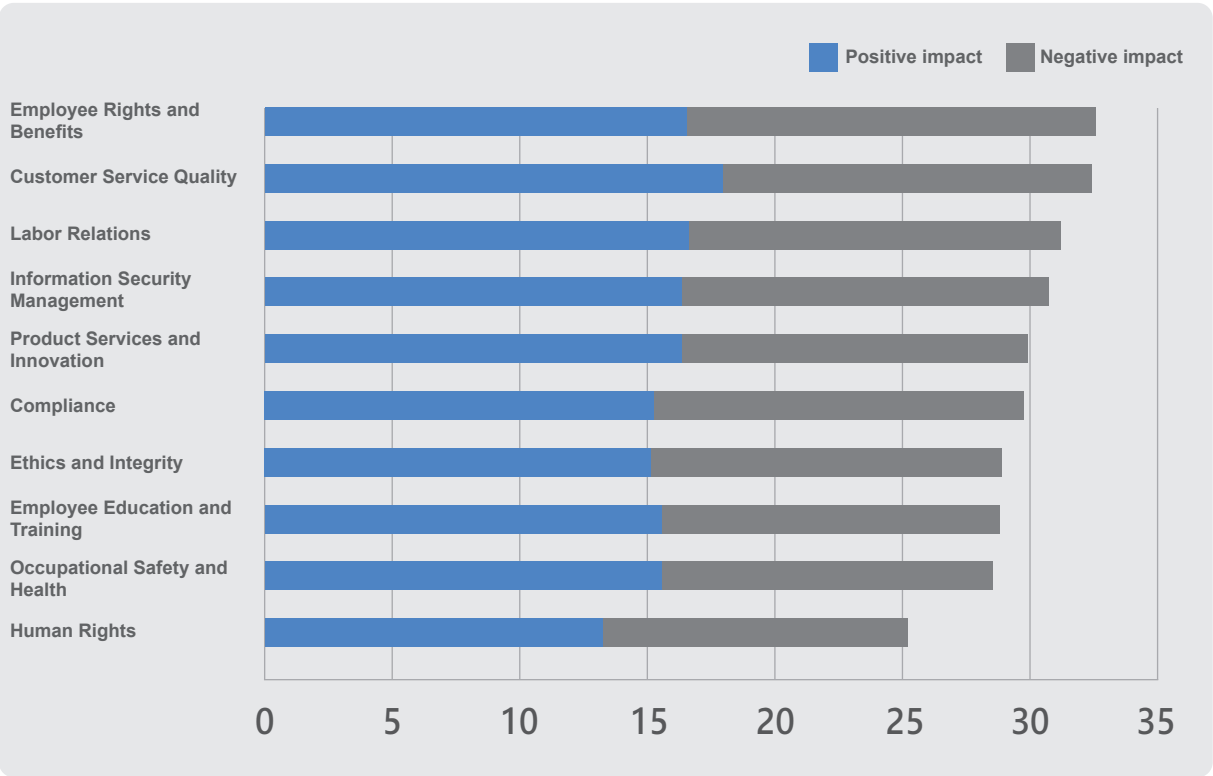


## Impact assessment results of material topics

Taiwan Secom distributed questionnaires on the level of concern for 20 sustainability issues to 167 internal and external stakeholders, and identified the 10 major sustainability issues based on the level of concern of stakeholders. We further assessed the level of positive or negative impact and probability of occurrence of the 10 major sustainability issues on the economy, environment, and people, and identified the actual and potential positive and negative impact caused by each material topic.

Prioritization	Material Topics	Prioritization	Material Topics
01	Employee Rights and Benefits	06	Compliance
02	Customer Service Quality	07	Ethics and Integrity
03	Labor Relations	08	Employee Education and Training
04	Information Security Management	09	Occupational Safety and Health
05	Product Services and Innovation	10	Human Rights

## Level of impact on sustainability



## Level of impact on sustainability

Material Issue	GRI Material Topics	Boundaries of Impact						Corresponding Chapters
		Taiwan Secom	Suppliers	Investors	Government	Customers	Local Communities	
Customer Service Quality	General Disclosures	●			●	●	●	Customer Service Quality
Ethics and Integrity	Anti-corruption and Anti-competitive Behavior	●	●	●		●		Anti-corruption and Ethical Corporate Management
Information Security Management	Customer Privacy	●	●	●				Information Security Management
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
Product Services and Innovation	General Disclosures	●						R&D and Service Innovation
Occupational Safety and Health	Occupational Health and Safety	●	●				●	A Happy Workplace
Human Rights	Employees diversity and equal opportunity, non-discrimination, forced or compulsory labor	●	●					Human Rights Protection
Labor Relations	Labor Relations	●						Labor Relations, Employee Rights and Benefits

Impact of material topics

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.	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.	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.	• 100% compliance with the Labor Standards Act in hiring employees. • No risks of forced or compulsory labor in 2023. • No cases of violation of discrimination in 2023. • 75% reinstatement rate after unpaid parental leave in 2023. • Breastfeeding room used 290 times in 2023.	Labor Relations, Employee Rights and Benefits
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. Established the service quality improvement framework and related management procedures to satisfy customer needs.	• Our policies: "Serving Before Being Asked and Caring Beyond Basic Human Needs" and "there is only better service and no best service". • Our commitments: 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.	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.	• The target service satisfaction of new customers is 95% and the actual rate was 96.4%. • The target service satisfaction rate of telephone interviews of residential customers is 90% and the actual rate was 95.9%. • The target case closure satisfaction rate of customers receiving services is 90% and the actual rate was 95.6%.	Customer Service Quality
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.	• 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.	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.	• Compliance with the Labor Standards Act in hiring employees. • No risks of forced or compulsory labor in 2023. • No cases of violation of discrimination in 2023. • 75% reinstatement rate after unpaid parental leave in 2023. • Breastfeeding room used 290 times in 2023.	Labor Relations, Employee Rights and Benefits
4	Information Security Management	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.	• Implement the PDCA management cycle to continuously improve information security. • Information security policies. • Personal Information Protection and Management Regulations and the personal information protection and management organization. • Compliance with regulations and standards.	• 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.	• Service standards of critical information systems. • 99.0% or higher of all shifts in the year. • Fewer than 6 information security incident each year.	Information Security Management
5	Innovation of products and services	Inside the organization	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.	• Establish the Company's own R&D team. • Apply for patents to protect intellectual property rights.	• 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.	• Annual patent targets and R&D investment targets. • Innovative products	Product Services and Innovation

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	Compliance	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 2023. One employee was terminated for violation of ethical corporate management principles.	• 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.	• Establishment of reporting 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.	• 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.	Compliance
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 2023, 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 2023.	• 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.	• Education and training. • Compliance awareness campaigns. • Whistleblowing system and whistleblower protection.	• Annual self-inspections and regular audits.	Ethics and Integrity
8	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.	• Our policies: Review the necessary competencies of all employees and establish a comprehensive training system with seven major programs. • Our commitments: Provide suitable training courses based on the number of years of service at the Company and work contents of all employees.	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.	• Total training hours was 69,928 hours. • A total of 504 business/ service personnel passed the employee skill review and tests in 2023.	Employee benefits
9	Occupational Safety and Health	Inside the organization/all	Taiwan Secom established an Occupational Safety and Health Committee and achieves safety and health management goals through planning, implementation, evaluation, and improvement measures.	• 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.	• 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.	• In 2023, a total of 52 training courses for the middle-aged and senior citizens were offered (servicing 225 people). • In 2023, the Company organized 52 health management tracking programs (for 282 people).	A Happy Workplace
10	Human Rights	Inside the organization/all	Taiwan Secom's commitment to human rights issues are as follows: 1. Eliminate unlawful discrimination and 2. Ban on forced labor and use of child labor. Formulate human rights and labor policies to ensure that employees are not discriminated based on gender, race, religion, and color to improve workplace diversity, and provide equal opportunities for everyone.	• Comply with the government's labor-related laws, adhere to the policy of decent work, and formulate relevant human rights and labor policies. • Commit to supporting international human rights standards and regulations. • 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.	• Eliminate unlawful discrimination to ensure equal employment opportunities. • Ban on forced labor and use of child labor.	• Compliance with the Labor Standards Act in hiring employees. • No risks of forced or compulsory labor in 2023. • No cases of violation of discrimination in 2023. • 75% reinstatement rate after unpaid parental leave in 2023. • Breastfeeding room used 290 times in 2023.	Human Rights



## CH 1 Sustainable Development

### 1.1 Company Overview

The business scope of Taiwan Secom Group includes food, medical, residential, and transportation services. The Group's consolidated revenue totaled over NT\$17 billion in 2023 with growth in revenue in six 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.

Looking towards 2024, the Group continues to follow key development blueprints in 2023 as follows:



#### I. High-tech life and innovative services

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. We use various disaster sensors to provide a variety of smart home devices to achieve IoT smart security control system services, and strive to enable all home security customers to transform traditional security systems into smart housekeepers to improve customers' quality of life. 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 been diversifying operations over the years and upgraded various services in response to advancements in technology. We have integrated services to create smart city solutions to manage operations on land and on the sea with the smart surveillance system. In addition to the previously developed smart parking lot management system, the Company will carry out function integration and development for the MiniBond fleet management system to improve transportation quality. The newly developed AI image equipment and identification and analysis platform integrates various services based on the solid foundation laid by Taiwan Secom's surveillance systems, creating a smart and secure environment from community to urban settings to protect people's safety.

In addition to smart urban management, the Company will also provide smart energy and energy management solutions 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.

#### ● New products (services) developed in 2023

01 Integrated development of functions for the new MiniBond fleet management system (video on-board unit, tire pressure, alcohol test, ADAS, DMS)

02 Integrated development of AI imaging equipment and recognition and analysis platform

03 Touch-screen access card reader development project

04 Taiwan Secom My Vita+ main units and sensor development project

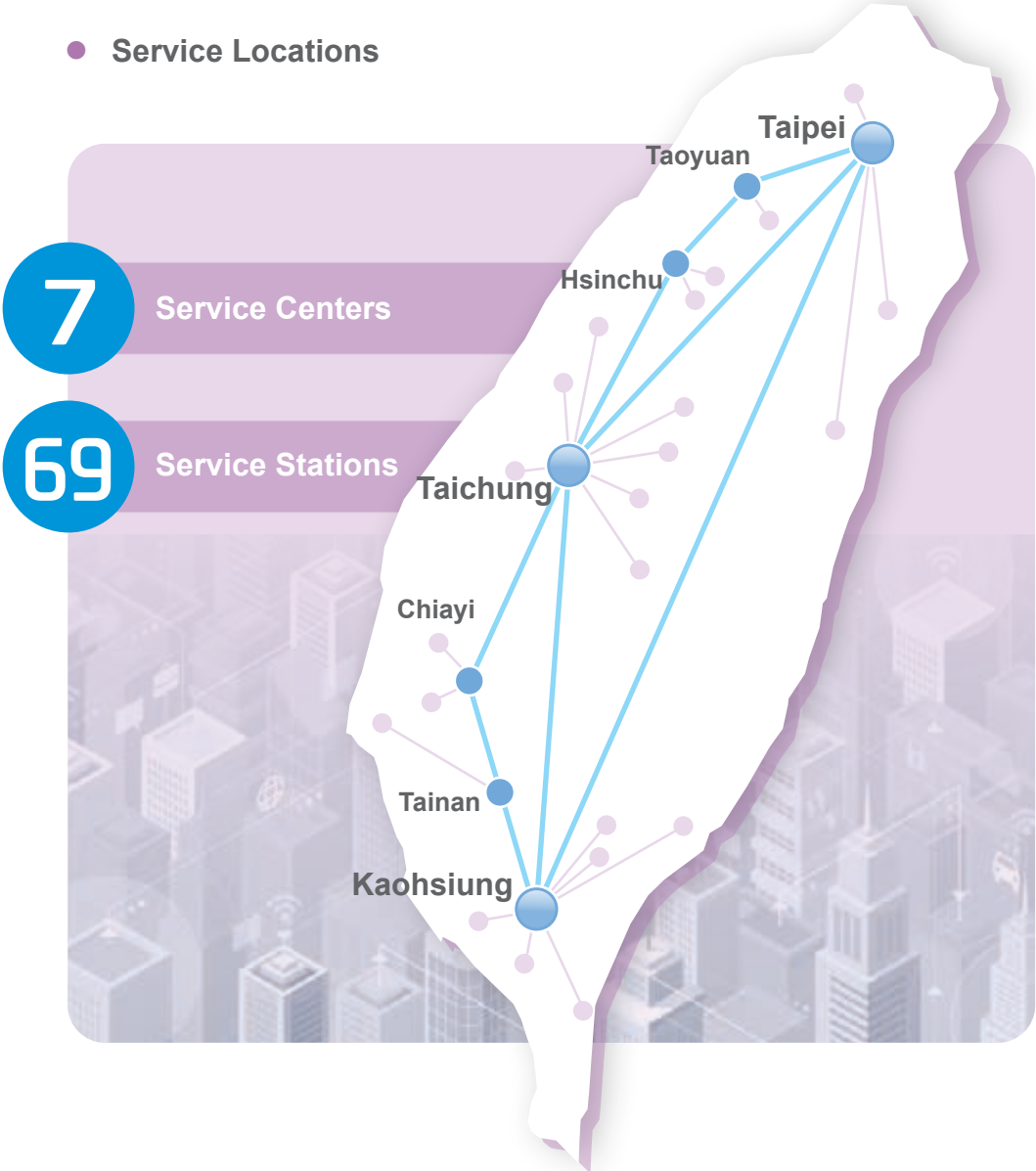
1.2 Operation Organization

Taiwan Secom provides services in Taiwan with seven major service centers including the Information Center, Neihu 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 69 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



1.3 Financial Performance

The total market value of Taiwan Secom Co., Ltd. in 2023 was approximately NT\$52.79 billion. The operating revenue was NT\$7.645 billion; the net income after tax was NT\$2.591 billion; the earnings per share was NT\$5.85.

The return on assets (ROA) and return on equity (ROE) were 10.28% and 20.49%, respectively.

The Group's consolidated revenue was NT\$17.074 billion.



Unit: In NT\$ thousands; %

Item	2019	2020	2021	2022	2023
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	40,066,302	40,021,182	46,924,498	45,119,709	52,790,060
Retained earnings	5,810,983	6,302,407	6,575,176	6,977,205	7,302,039
Earnings per share	4.85	5.42	5.73	5.85	5.85
P/E ratio	18.31	16.37	18.15	17.09	20.00
Dividend allotment					
Cash dividend (NT\$/share)	4.00	5.00	5.00	5.00	5.20
Stock dividend (NT\$/share)	-	-	-	-	-
Return on assets (ROA)	10.19%	10.81%	11.19%	10.76%	10.28%
Return on equity (ROE)	19.80%	21.30%	21.75%	21.25%	20.49%

Direct economic value generated and distributed by the organization

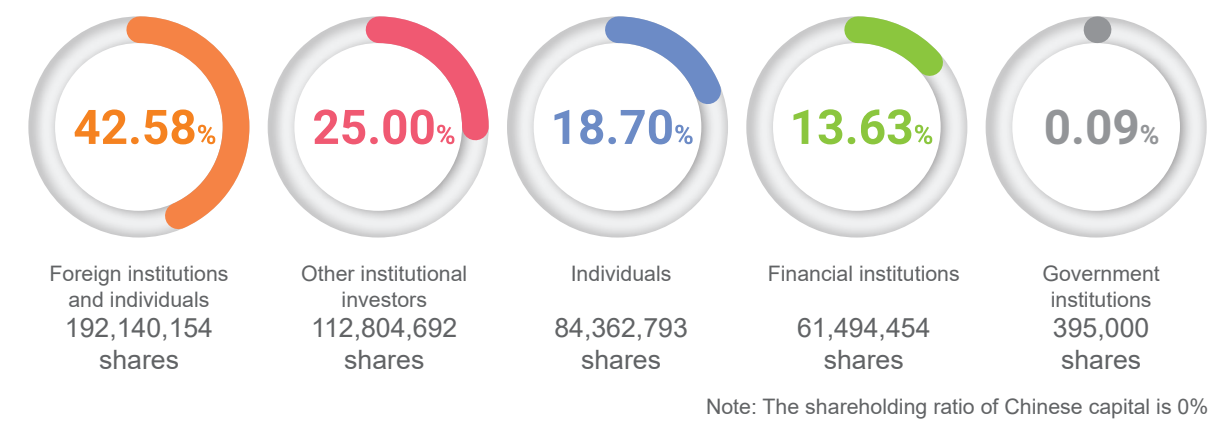
Direct economic value generated					
Secom's individual revenue (Note 1)	7,838,173	8,102,160	8,411,868	8,731,049	9,086,577
Economic value distributed					
Operating costs	2,433,922	2,433,271	2,601,263	2,630,785	2,771,960
Employee salaries and benefits	2,236,633	2,289,600	2,337,145	2,488,438	2,567,335
Total dividends distributed	1,804,788	2,255,985	2,255,985	2,255,985	2,346,225
Payment of income tax	362,240	302,852	295,748	297,384	291,129
Donations	31,677	6,739	22,100	10,961	11,032
Economic value retained	968,913	813,713	899,627	1,055,518	1,098,896
The Group's consolidated revenue	13,411,677	13,706,365	14,134,897	15,357,445	17,073,977

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



1.4 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 individuals holding the highest percentage of shares. According to the statistical data as of September 3, 2023, the percentages of shares held by foreign institutions and foreign nationals, other legal entities, and individuals were 42.58%, 25.00%, and 18.70%, respectively.



1.5 Product Services and 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. These are important steps to accomplishing the mission of "providing safe and secure products and services," and enhancing the Company's competitiveness and sustainable development. Taiwan Secom's product and services and innovation policy emphasize establishing software, hardware, firmware, project, and quality management R&D teams, and continue to invest in R&D and integration of new technologies and products. At the same time, we actively apply for patents to protect intellectual property rights, delay plagiarism and imitation by peers, and enhance overall competitiveness.

Material Issue	Product Services and Innovation				
Target	<div>Patent target</div> <div>25 new patent applications and 15 new patent acquisition each year</div>	Patents	2023		
			Target	Actual	Completion rate
	<div>R&amp;D investment target</div> <div>Invest 1.5% of the total annual revenue in R&amp;D expenditures each year</div>	New patent applications	25	40	160%
		New patent acquisitions	15	46	326%
		R&D investment (NT\$ thousands; %)	2023		
			Target	Actual	Completion rate
		R&D expenditures	NA	108,210	NA
		Annual revenue	NA	7,645,284	NA
		Proportion of R&D expenditures in revenue	1.5%	1.42%	-

Material Issue	Product Services and Innovation
Responsible Units	Set up specialized departments for market demand, technology and product development, intellectual property management, and big data analytics: 1. Business and service requirements: Business Planning Office, Sales Planning Office, Service Planning Office. 2. Technology and product development: Integration Business Headquarters. 3. Intellectual property management: Legal Affairs Office, Intellectual Property Management Committee. 4. Innovation in big data analytics: CEO's Office/Information Services Office.
Resources:	1. 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. 2. Titan Star International Co., Ltd.: A group affiliate that assists in trial and mass production of core electronic products. 3. Aion Technologies Inc.: A group affiliate that assists in the management of networks, data centers, servers, information security, and operations.
Resources Invested and Action Plans	<p>This year's patent innovations and key R&amp;D projects are summarized below: To enhance R&amp;D innovation and strengthen intellectual property protection, the Company applied for 40 new patents and acquired 46 new patents (17 invention patents, 18 utility model patents, and 11 design patents). This year, we obtained the following important patents for the energy-efficient AI wireless intrusion detector that was developed to meet the security needs of large sites, the upgraded smart door intercom with video intercom functions used by residents (including cloud video intercom, access control and security operations), the use of cloud ICT to connect different security monitoring systems, and other fields related to smart energy saving, safety and security, and smart Internet applications:</p> <ol style="list-style-type: none"><li>Wireless sensing device with learning ability.</li><li>Security door intercom.</li><li>A security system that integrates multi-system monitoring equipment.</li></ol>

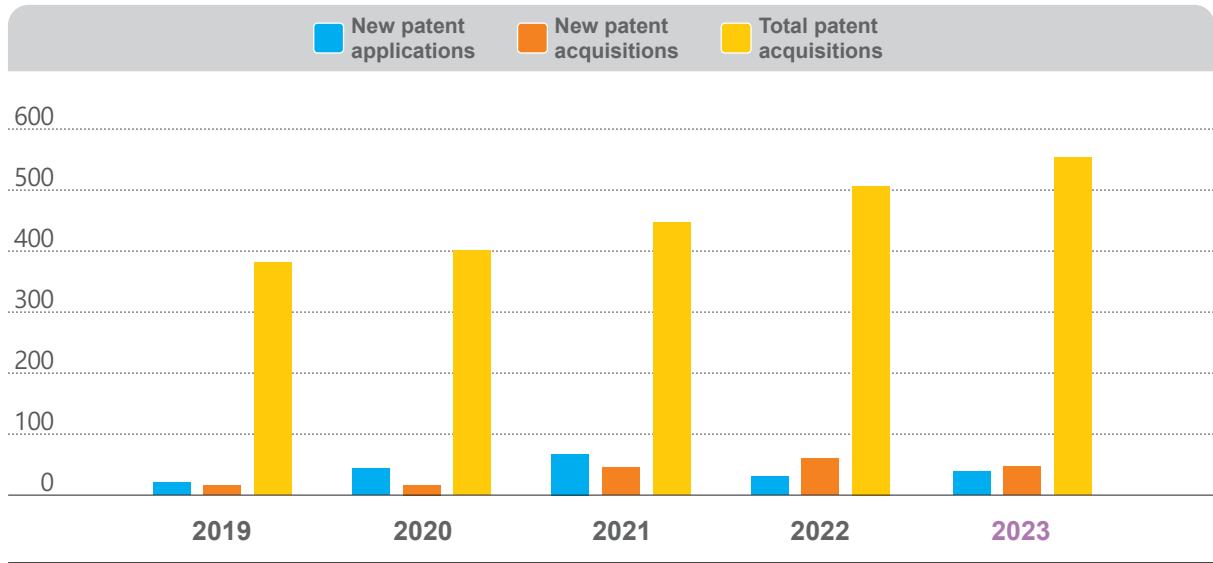


Number of patents of Taiwan Secom in the past 5 years

Calculation period: (As of December 31, 2023)

Item/Year	2019	2020	2021	2022	2023
New patent applications	20	43	67	29	40
New patent acquisitions	16	16	46	55	46
Total patent acquisitions	382	398	444	499	552

Number of patents of Taiwan Secom in the past 5 years



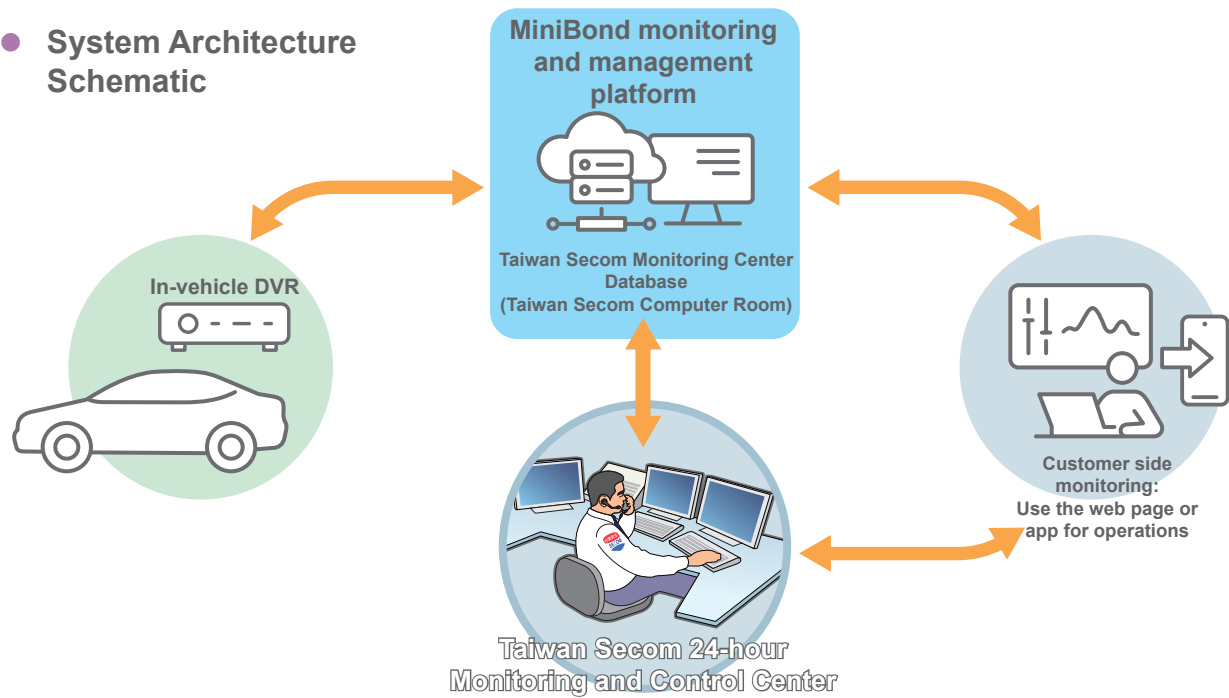
Product innovation

The MiniBond fleet management system integrates in-vehicle DVR equipment

In view of the frequent traffic incidents, Taiwan Secom has developed an in-vehicle DVR (Digital Video Recorder) platform system to enhance the driving vision assistance for drivers, reduce the occurrence of vehicle accidents, and make it easier to clarify the responsibility of both parties in vehicle accidents. It not only provides image data, but also positioning data. The data is digitalized and stored the data in the in-vehicle DVR and cloud server room, ensuring that the data is not lost and can be easily retrieved.

A schematic diagram of Taiwan Secom's in-vehicle DVR platform system structure is shown below. This system integrates in-vehicle DVR equipment that complies with regulations on the vehicle side. At the same time, a year's worth of positioning or image data can be stored in the cloud (can be stored for 3 days/7 days/15 days/30 days), solving customers' problems with data storage.

System Architecture Schematic



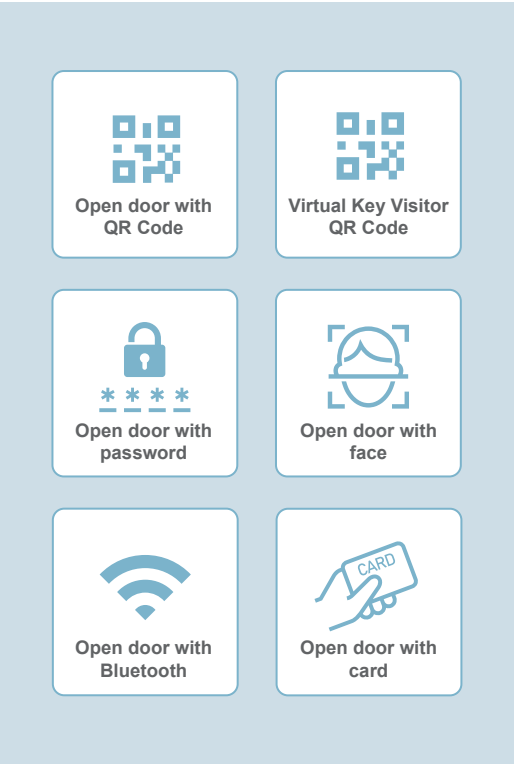
The back-end fleet management system can integrate functions of the in-vehicle DVR to meet users' operational needs. The main components of the system are as follows:

- (1) In-vehicle DVR (terminal equipment): Installed in vehicles to provide relevant data, such as images, positioning, and vehicle speed.
- (2) MiniBond monitoring and management platform: In addition to GPS fleet management positioning, information such as sudden acceleration, sudden deceleration, sharp turns, speeding, and idling will also help fleet operators understand and analyze whether drivers have abnormal driving behaviors. GPS technology is used to report the whereabouts of each vehicle at any time. The vehicles are marked with different colors on the management interface, allowing managers to react intuitively and immediately identify the status of vehicles, obtain the vehicle's current longitude and latitude, vehicle speed, and turning speed. Information on driver departure and return time, driving speed, number of stalls, and accumulated mileage can be inquired from the attendance sheet, allowing managers to monitor the fleet status at any time.
- (3) Customer side monitoring: Customers can connect to MiniBond's monitoring and management platform through a browser on their computer or mobile app to understand the current status of the fleet at any time.

Taiwan Secom Cloud Intercom System

The intercom system is a very important part of smart homes, and it has an increasing number of functions. In addition to the basic video intercom function, it also further integrates functions such as smart home control and property management system, and combines it with cloud technology for users to operate it on their mobile app, creating a safer and more convenient residential environment.

The Taiwan Secom Cloud Intercom System breaks through the existing framework, and eliminates the complicated wiring time and high cost of setting up traditional indoor intercoms. For existing access control intercoms, in addition to opening the door through Bluetooth, cards, passwords, and facial recognition, users can also easily open the door through the mobile app. In addition, when users are not at home, they can immediately see what the visitor looks like through the on-site camera.



Old community with 100 households replaced its intercoms with new ones			Save
Item	Traditional intercom	Smart intercom	
Wiring	Rewire	No wiring required	
Door intercom	Needed	Needed	
Indoor intercom	Needed	Optional	
Expense	Approximately NT\$1,000,000 to NT\$1,500,000	Approximately NT\$100,000 to NT\$250,000	
Future maintenance	Complex and difficult	Simple	



App and door intercom can both be used

Resident opens door

Call from non-resident

1. Open door with mobile phone QR code

2. Wirelessly unlock with phone by shaking the phone or pressing Wireless Unlock, and the door will open in about 4 seconds.

1. Press the call list

2. Select who to call according to the resident name

3. Talk to the resident

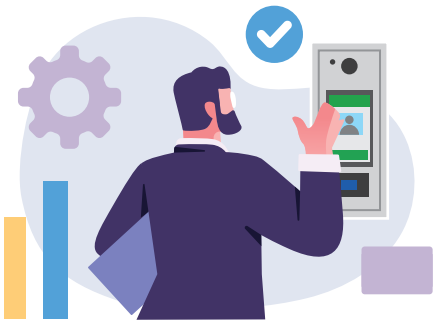
Non-app use

1. Open door with access card

2. Open door with facial recognition

3. Open door according to the resident list/code

4. Enter resident password



The Taiwan Secom Cloud Intercom System can be divided into three blocks. The devices in each block are connected through the Internet. The following are the hardware equipment that can be configured with each device in each block:

- 01 Public area

02 Entrance area

03 Resident
- Community gate intercom

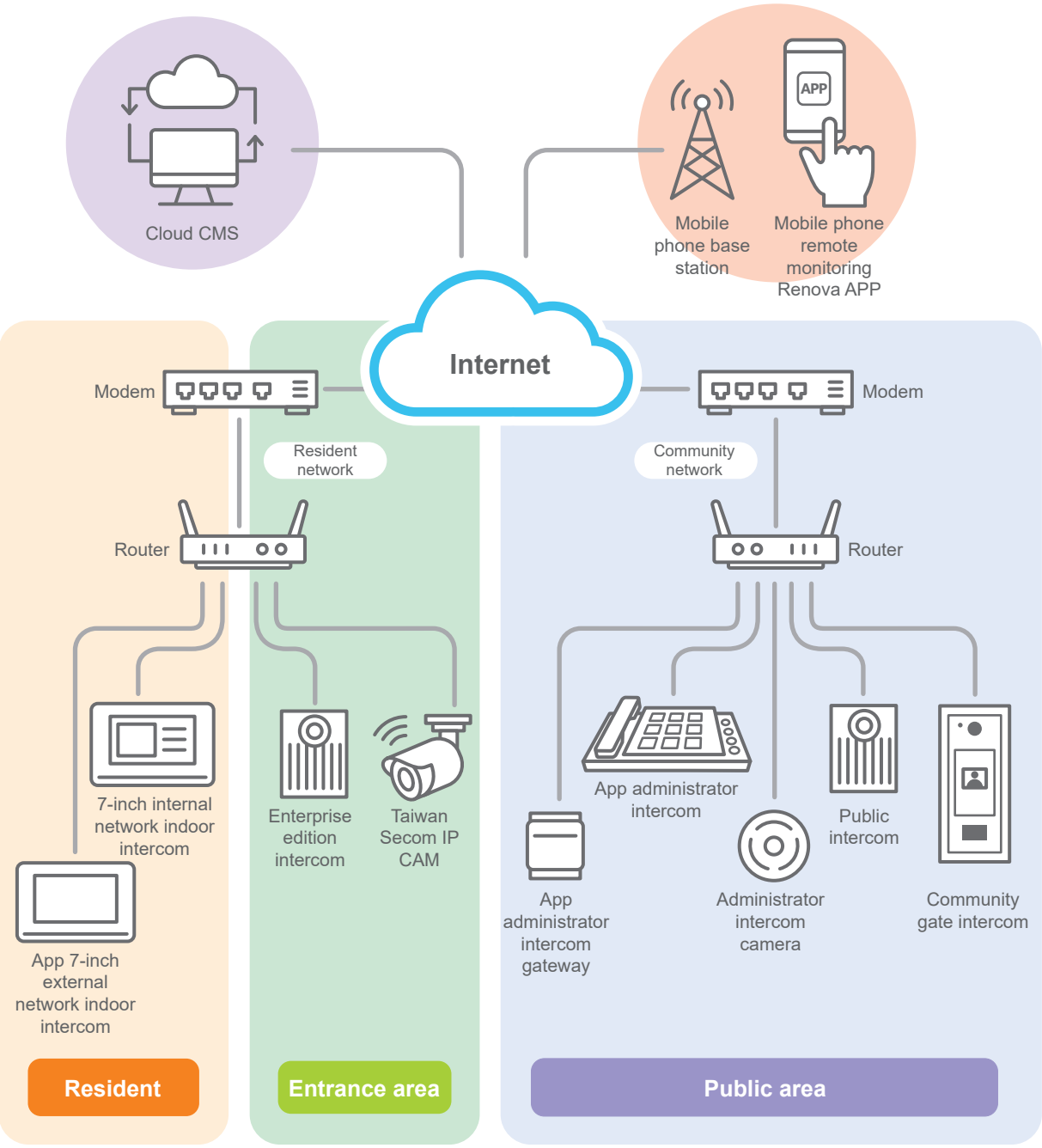
Public (emergency) intercom

Manager's intercom

Small door intercom

Internal/external network indoor intercom

Taiwan Secom intercom system architecture

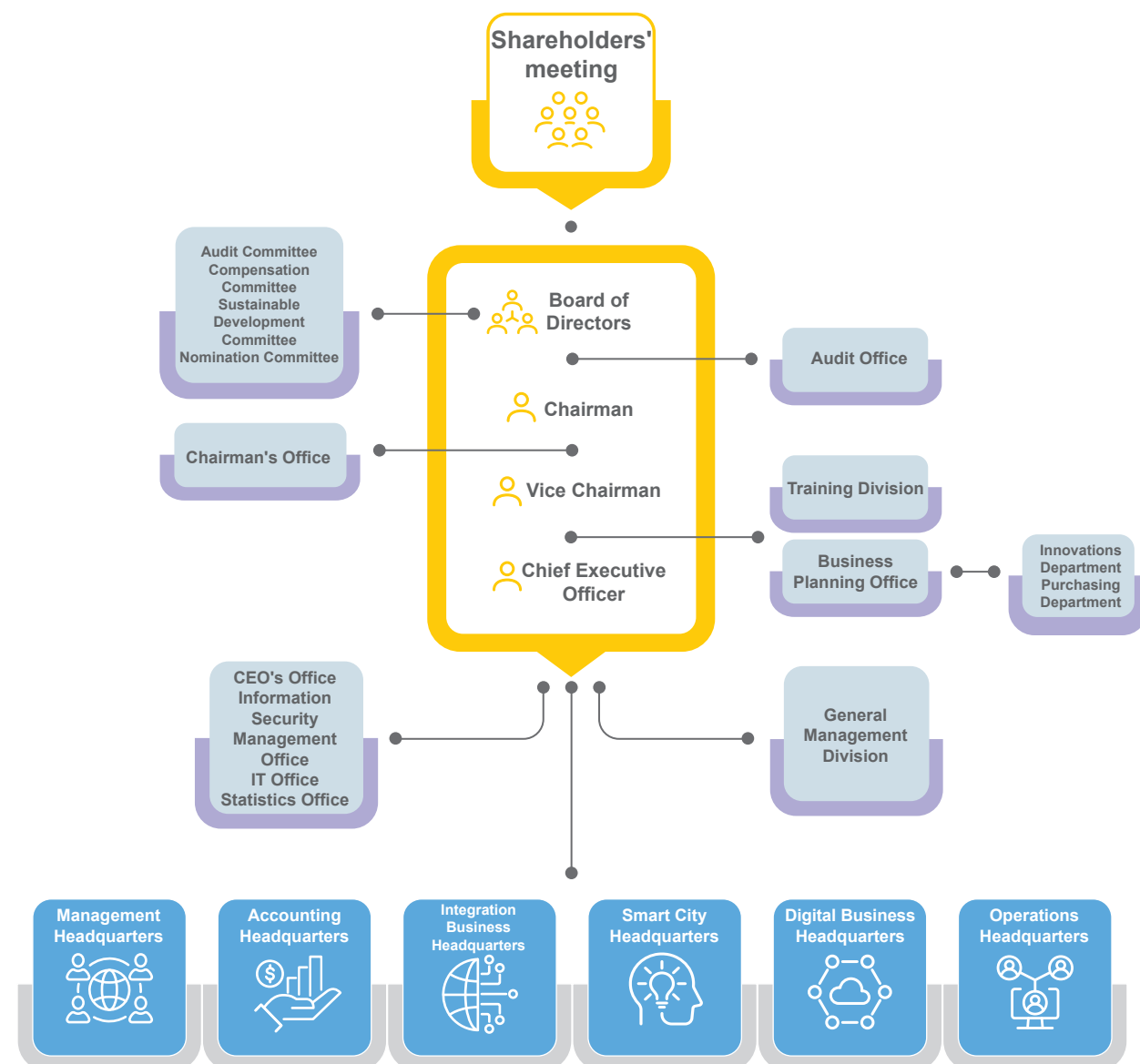


## CH2 Corporate Governance

### 2.1 Governance Structure

The Board of Directors of Taiwan Secom has 12 members including 8 directors and 4 independent directors that are elected by all shareholders. The average age of the board members is 67 and it consists of 10 male members and 2 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 6 meetings were held in 2023 and the average attendance rate was 93%. Five meetings of the Audit Committee were held in 2023 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.



#### Gender Ratio of the Board of Directors of Taiwan Secom

Male	Age range	Female
<div> <div> <div></div> <div>9</div> </div> </div>	50 and above	<div> <div>2</div> <div> </div> </div>
<div> <div>1</div> </div>	Between 30 and 50	<div> <div>0</div> </div>
<div> <div>0</div> </div>	Under 30	<div> <div>0</div> </div>
<div> <div>10</div> </div>	Total	<div> <div>2</div> </div>



Gender Ratio of the Board of Directors of Taiwan Secom

Title	Name	Experience
Chairman	Hsin Lan Investment Co., Ltd. Representative: Lin Chien-Han	1. Chairman, Taiwan Secom Co., Ltd. 2. CEO, Taiwan Secom Co., Ltd.
Vice Chairman	Yuanxin Investment Co., Ltd. Representative: Lin Ming-Sheng	1. Vice Chairman, Taiwan Secom Co., Ltd. 2. CEO, 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	Chengxin Investment Co., Ltd. Representative: Liu Yun-Fang	1. Director, Taiwan Secom Co., Ltd. 2. Vice President, Leebao Security Co., Ltd.
Director	Du Heng-Yi	1. Chairman, Taiwan-Japan Cultural and Economic Association 2. Chairman, Young President's Organization (YPO) 3. Country Representative, International Cotton Advisory Committee (ICAC) 4. Chairman, Wan Yuan Textiles Co., Ltd. 5. Chairman, Ting Fang Investment Co., Ltd. 6. Chairman, Ting Xin Co., Ltd. 7. Chairman, Chung Tai Transportation Co., Ltd. 8. Director, The Ambassador Hotel Co., Ltd.
Director	Shin Lan Enterprise Inc. Representative: Hsu Lan-Ying	1. Chairman, Goldsun Building Materials Co., Ltd. 2. Director, Taiwan Secom Co., Ltd. 3. General Manager, General Management Division, Taiwan Secom Co., Ltd.
Independent Director	Chen Tian-Wen	1. Founder and Chairman, Capital Group 2. Director, Cathay Financial Holdings 3. Director, Taiwan Futures Exchange 4. Consultant, Taiwan Securities Association 5. Consultant, Straits Exchange Foundation 6. Consultant, Council for Economic Planning and Development, Executive Yuan 7. Chairman, Sanhe Industry Co., Ltd. 8. Chairman, Jiashi Construction Co., Ltd. 9. Independent Director, Taita Chemical Company, Limited 10. Independent Director, Yeong Guan Holdings Co., Limited 11. Director, Lianan Wellness Management Co., Ltd. 12. Independent Director, Taipei Private Tsai Hsing School 13. Consultant, Chinese National Association of Industry and Commerce, Taiwan
Independent Director	Jiang Yong-Zheng	1. Judge, Kaohsiung Branch Court, Taiwan High Court 2. Attorney, Cheng Bang and Cheng Young Law Firm 3. Independent Director, Top High Image Corp. 4. Independent Director, Long Da Construction & Development Corporation 5. Independent Director, Nan Pao Resins Chemical Co., Ltd.
Independent Director	Chiang Kuang-Tze	1. Chairman, Aisi Fengyi Co., Ltd. 2. Chairperson, Tong Tong Technology Co., Ltd.
Independent Director	Wei Chi-Lin	1. Professor, Graduate Institute of Business Administration, National Taiwan University 2. Secretary-General, Executive Yuan 3. Chairman, Land Bank of Taiwan 4. Chairman, Research, Development and Evaluation Commission, Executive Yuan 5. Director, Directorate-General of Personnel Administration, Executive Yuan 6. Chairman, Taiwan Financial Asset Service Corporation 7. Director, Chung-Hua Institution for Economic Research 8. Director, Taiwan Stock Exchange Corporation 9. Vice Chairman, Taiwan Artificial Intelligence Academy Foundation 10. Chairman, R.O.C. Bills Finance Association 11. Chairman, IBF Financial Holdings Co., Ltd. 12. Chairman, International Bills Finance Corporation

Senior Manager Remuneration System

The remuneration of the chairman, CEO, president, and vice presidents (senior managers) includes salary, bonus and employee bonus. Fixed remuneration is determined by the Remuneration Committee based on the individual's position, scope of responsibilities, contribution to the Company's business goals, the Company's annual business performance, future risks and the industry standard for similar positions. Variable remuneration is determined after considering the competitiveness of the overall remuneration in the industry and performance, and is also linked to the organizational goals and performance that senior executives are responsible for, which are mainly financial indicators such as company revenue and net profit before tax. At the end of the year, the remuneration plan is formulated based on the achievement of the Company's performance targets and other conditions that must be referenced for management. Performance-oriented variable remuneration tools, such as employee remuneration and special Chinese New Year bonuses, are mainly used when formulating the plan. The remuneration plan is proposed by the Company's Remuneration Office, and the Board of Directors authorizes the head of the Administration Division to approve the plan.

Please refer to the Company's annual report for information on conflict of interest management by the highest governance body, regulations and procedures for nomination and selection of the highest governance body, arrangement and actual implementation of training courses for the highest governance body, performance evaluation of the highest governance body, and implementation status of functional committees under the Board of Directors.

Senior managers' remuneration and ESG-related performance evaluation

The connection between incentives system and sustainable performance:

To encourage senior managers, outstanding key professionals, and all employees to attach importance to long-term comprehensive performance and achieve sustainable development, the six sustainable development strategies and goals are linked to the short-term and long-term incentives and remuneration of the CEO of the Group, CEO, senior managers, and heads of headquarters starting in 2023.

1. CEO of the Group and CEO:  
Performance Indicators - Sustainable development performance (15%), implementation method (weight) - green product innovation (4%), low-carbon manufacturing transformation (4%), occupational safety and health (2%), and others (5%).
2. Senior managers (one of the managers responsible for the six sustainable development strategies):  
Performance Indicators - Sustainable development performance (6%), implementation method (weight) - sustainable responsible procurement (6%).
3. Heads of headquarters (one of the managers responsible for the six sustainable development strategies):  
Performance Indicators - Sustainable development performance (5%), implementation method (weight) - circular economy (5%).

Subjects	Performance Indicators	Implementation plan (weight)
CEO of the Group and CEO	Financial Performance (30%)	
	Market and customers (25%)	
	Internal procedures (10%)	
	Sustainable development performance (15%)	Green product innovation (4%) Low-carbon manufacturing transformation (4%) Occupational Health and Safety (2%) Others (5%)
	Learning and growth (20%)	
Senior managers (One of the managers responsible for the six sustainable development strategies)	Sustainable development performance (6%)	Sustainable responsible procurement (6%)
Heads of headquarters (One of the managers responsible for the six sustainable development strategies)	Sustainable development performance (5%)	Environmental regeneration economy (5%)

2.2 Ethics and Integrity

To achieve the goal of corporate sustainability and avoid legal liability and damage to goodwill caused by unethical conduct, the Company incorporates the values of integrity and ethics into its management strategies. We adhere to the principles of fairness, integrity, trustworthiness, and transparency in conducting business activities, and are committed to promoting the concept of ethical corporate management and making it part of the Company's corporate culture. To implement the ethical corporate management policy and actively prevent unethical conduct, we provide the following regulations to instruct the Company's personnel on matters that they need to pay attention to when performing their duties:

- (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.

Material Issue	Ethics and Integrity
Target	The Company will abide by related regulations and prevent incidents of corruption to create an ethical corporate management culture.
Responsible Units	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.
Action Plan	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 2023.

- 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 CSR Report to the Board of Directors on August 10, 2023.
- II. The Company abides by the Ethical Corporate Management Policy and the implementation status in 2023 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. The Audit Office investigates violations of the Company's ethical corporate management 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

Compliance is an important foundation for steady growth and sustainable development. 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 established management regulations, including 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." We implement the compliance policy to ensure that the Company is not affected by violations of laws or fines, and achieve the goal of "ensuring compliance and establishment of regulations" to prevent corruption.



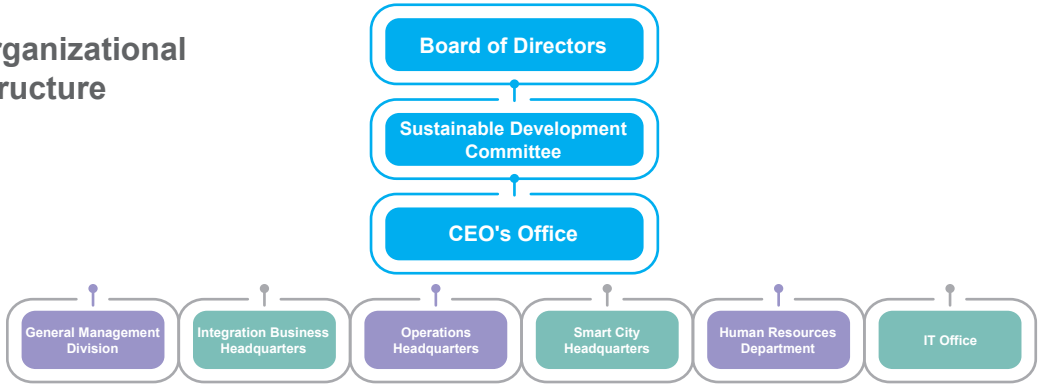
Material Issue	Regulatory Compliance
Target	The Company complies the laws and regulations of the competent authority to prevent material violations of related regulations.
Responsible Units	The Company assigns relevant units to process the compliance with laws and regulations and management. 1. Service 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 2023, 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.

2.3 Risk Management

The Company complies with Article 44 of the "Regulations Governing Establishment of Internal Control Systems by Public Companies," and is committed to improving corporate governance, implementing operational risk management, and ensuring the completeness of the Company's risk system. 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.

Material Issue	Risk Management
Target	I. Risk avoidance: Avoid activities that might involve risks. II. Risk reduction: Take measures to reduce the impact and/or likelihood of the occurrence of risks. III. Risk transfer: Transfer risks, in part or in whole, to another party. IV. 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.
Results	Please see the "Risk Management Operations" section for details.

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 periodically reports to the Sustainable Development Committee every year, including business strategy, product risks, and business risks. The risk assessment is conducted by the departments based on the risk factors considered for the business scope in the formulation of systems 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 reports the business items and implementation status of risk management by the Company's units charged with risk management to the Board of Directors.

In 2023, the Audit Office compiled the risk assessments results of each department and identified 13 high-risk items and 10 moderate-risk items. They were included in the key audits of the business management units, tracked in routine performance management, or included in the 2024 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 control system scorecard 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 scorecard 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.

2.4 Information Security Management

Maintaining information security has become increasingly important due to the increasing diversity of cybercrime, cyberattacks, and fraud. The Company established an information security policy to ensure the confidentiality, integrity, and availability of information assets belonging to Taiwan Secom, and comply with regulatory requirements to protect the information assets from internal and external threats, whether intentional or accidental. At the same time, we strengthen compliance with information security-related management systems, conduct information security assessments, carry out the plan, do, check, act (PDCA) procedures, and continue to carry out information security reviews and improvements.

Material Issue	Information Security Management
Target	<ul style="list-style-type: none"><li>● Comply with regulatory requirements, implement personalized management with training programs and awareness campaigns to enhance information security concepts and personal data protection awareness.</li><li>● Continue to maintain zero privacy and information security violations, implement the company-wide privacy and information security certification system, cultivate information security talents, strengthen the Group's information security team and customer privacy, and improve employees' information security concepts.</li></ul>
Responsibilities and Resources	<p>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.</p> <p>Establish an "Information Security Committee," appoint an information security officer and form a management system implementation team, business process improvement team, information security incident management team, information security audit team, and affiliated enterprise promotion team to be responsible for information security.</p> <ul style="list-style-type: none"><li>● Management System Implementation Team: Responsible for carrying out various information security operations.</li><li>● Business Process Improvement Team: Responsible for carrying out business-level information security operations.</li><li>● Information Security Incident Management Team: Responsible for handling information security incidents.</li><li>● Information Security Audit Team: Responsible for annual audits of the overall information security cycles.</li><li>● Affiliated Enterprise Promotion Team: Responsible for verifying the compliance of affiliated enterprises with the "Security Policies for Documents Involving Personal Information."</li></ul>
Resources Invested and Action Plans	<ul style="list-style-type: none"><li>● The Information Security Team convenes quarterly meetings to review information security policies, enhance management, and improve service quality standards.</li><li>● Appoint dedicated information security personnel to be responsible for formulation, management, and implementation of the information security policy. Also appoint a professional institution to serve as an information security management consultant, and provide guidance and advice on the information security management system.</li><li>● Periodically take inventory of information assets, carry out risk management based on information security risk assessments, and implement various control measures.</li><li>● Regularly carry out information security promotions, inform employees of information security incidents and information security trends through the online training platform, e-mails, and bulletin board notifications, so as to raise employees' information security awareness. Organize information security training sessions every year, all new employees are required to sign a confidentiality agreement and are prohibited from using unauthorized software.</li><li>● All of the Company's employees, contractors, and sub-contractors need to sign a confidentiality agreement to ensure that those who use information services provided by the Company or perform related information operations have the responsibility and obligation to protect the Company's information assets they obtain or use, in order to prevent unauthorized access, modification, damage, or improper disclosure.</li><li>● Establish appropriate backup or monitoring mechanisms for critical information systems or equipment, and conduct regular drills to maintain their availability and personnel's proficiency in system operations and disaster prevention.</li><li>● Install information security equipment, including firewalls, anti-virus software, UTM, and website application firewalls, to prevent hacking.</li><li>● Establish a response mechanism and reporting procedures for information security incidents, and immediately handle information security incidents to prevent further damage.</li><li>● Regularly perform website vulnerability scanning and penetration testing, and handle patching, retesting, and tracking to reduce the risk value to an acceptable range.</li><li>● All personnel are required to abide by laws and regulations and requirements of the information security policy, and supervisors are required to supervise the implementation of the information security compliance system, so as to strengthen employees' information security awareness and legal concepts.</li><li>● Periodically conduct information security audits each year to verify the confidentiality, integrity, and availability of the information security system and the employees' information security awareness in day-to-day operations.</li></ul>
2023 Implementation Results	<p>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.</p>



Taiwan Secom established an Information Security Management Office in 2023 and appointed the vice president as the "Chief Information Security Officer" responsible for comprehensive planning of the Company's information security matters, so as to strengthen the organization's information security management and ensure customer data security, customer asset security, and personal privacy are all strictly protected. At the same time, we implemented network security measures to ensure the normal operation of information systems, equipment, and networks, in order to implement customer personal data security management and avoid hacking and viruses. We provide 24/7 real-time monitoring, and detect and discover information security incidents in advance to provide reassuring and safe services. We continue to verify and maintain the validity of the ISO/IEC 27001:2013 certificate (valid from January 3, 2022 to January 3, 2025), and expect to obtain the new ISO/IEC 27001:2022 certification in 2024.

Considering the uncertainty of information security risks, we purchased information security insurance in 2023 (valid from 2023/3/1 to 2024/3/1) and will renew the insurance upon expiration.

In 2023, a total of 2,342 students took information security-related courses, and 5 meetings were convened.

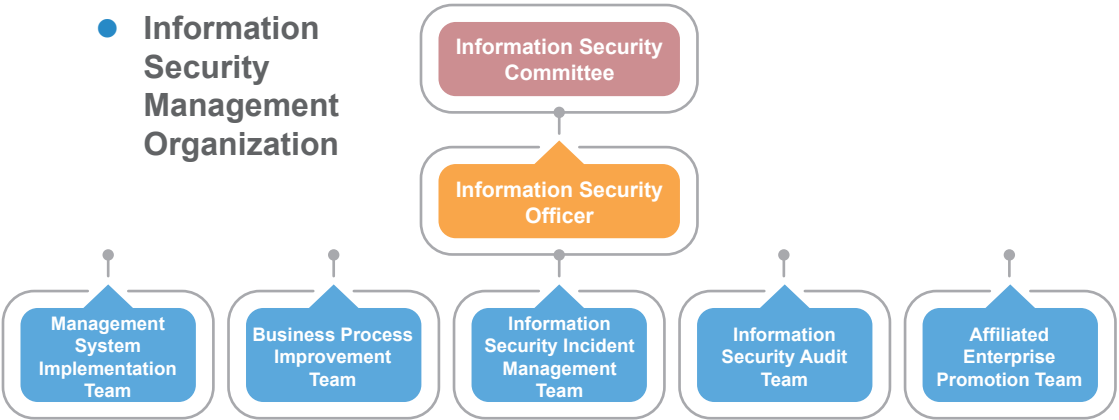
● ISO 27001 certificate



I. Information security risk management framework

1. The Company's chief information security officer established a cross-departmental Information Security Committee. The management system implementation team is responsible for the implementation of the system, and related business units cooperate with implementation to verify the effectiveness of the Company's information security management.
2. The Information Security Committee is responsible for formulating the information security management policy, and reviewing and revising the policy at least once a year.
3. The Information Security Committee holds regular information security meetings to review the implementation status and effectively implement information security management measures. The committee reports the implementation results to the Board of Directors each year.

● Information Security Management Organization



II. Business Continuity Plan (BCP)

The Company plans emergency response and recovery procedures in advance to respond to unexpected disasters, ensuring that key system services continue to be provided to important customers under the minimum acceptable business level, and further improve information service levels. We implement business continuity management for information operations, and combine prevention and recovery control measures to reduce suspensions caused by information disasters or failures (such as natural disasters, accidents, equipment failures, and intentional acts) to an acceptable range.

1. Business Impact Analysis (BIA)

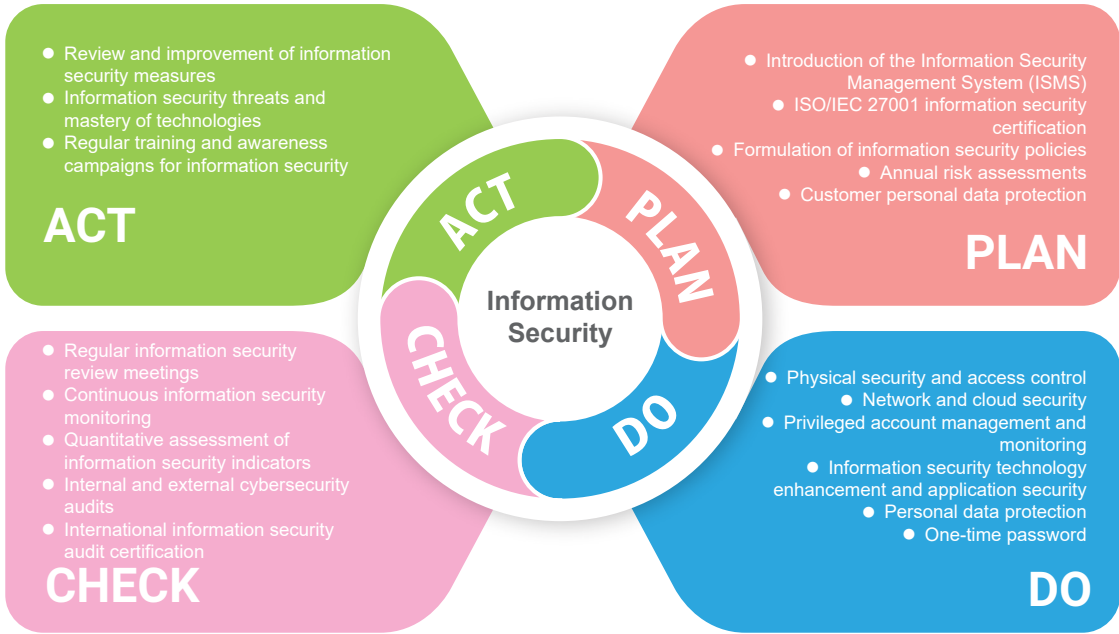
BIA is used to determine the recovery target time, the tolerable data loss time, and the priority of recovery, and to evaluate the minimum resource requirements for recovery, so that we can make preparations in advance.

2. Drills and testing: Simulate drill scenarios for disaster events, and conduct drills and tests on key business systems every six months.

Taiwan Secom implements its protection mechanism when it collects information from customers. Information security as an important issue in operations, ensuring the confidentiality, integrity, and availability of information assets protected by the Company, and complying with regulatory requirements to achieve the Company's sustainable development. We also continue to improve employees' information security capabilities with information security campaigns from time to time, reminding employees to abide by information security regulations.

We established the Personal Information Protection and Management Regulation and the personal information protection and management organization, and conduct simulations drills every year to protect customers' personal information. We use the Plan-Do-Check-Act (PDCA) cycle to improve management procedures:

● Information Security PDCA



The Company follows the Private Security Service Act and prioritizes the protection of customers' freedom of life and property in all services. We view customers as family and perform customers' instructions as a good administrator, and build relationships with customers as the best partner in life.

Strict protection of 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.

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:

- I. Those not registered and verified are not permitted to access.
- II. No information download permitted except from the internal network.
- III. When there is a situation, the Control Center must issue a customer security number as authorization for the security personnel to access the information. The files are automatically deleted when the situation is resolved.
- IV. If an employee is transferred (or resigns), the system automatically suspends the access privileges.

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 2023.

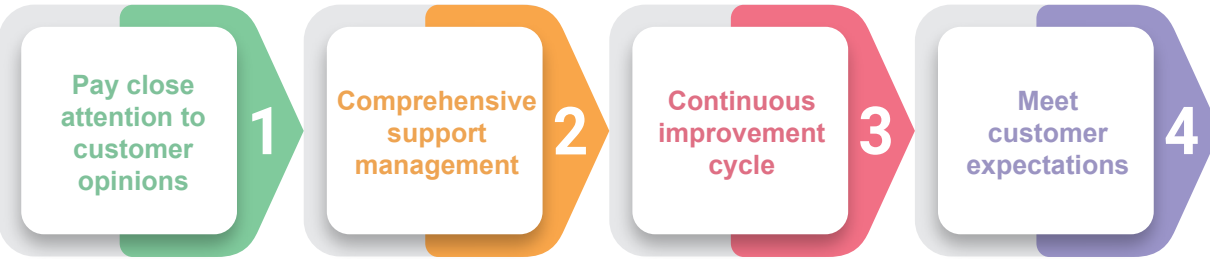


2.5 Customer Service Quality

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 the service quality improvement framework and related management procedures to satisfy customer needs.

Material Issue	Risk Management
<b>Target</b> <div>Short term</div> <div>Medium and long term</div>	<p>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.</p> <p>Continue to improve customer services and set a medium-term goal of "changing the future lifestyle model and becoming a leader in smart living".</p>
<b>Responsibilities and Resources</b>	<p>We took the initiative of setting up seven major centers and managing relations with industry/government/research organizations to maintain technological leadership.</p>
<b>Resources Invested and Action Plans</b>	<p>1. Customer satisfaction surveys for new customers</p> <p>2. Satisfaction rate of telephone interviews of residential customers</p> <p>3. Case closure satisfaction rate of customers receiving services</p>
<b>2023 Implementation Results</b>	<p>1. The target service satisfaction of new customers is 95% and the actual rate was 95.8%</p> <p>2. The target service satisfaction rate of telephone interviews of residential customers should be over 90% and the actual rate was 96.3%</p> <p>3. The target case closure satisfaction rate of customers receiving services should be over 90% and the actual rate was 94.4%</p>

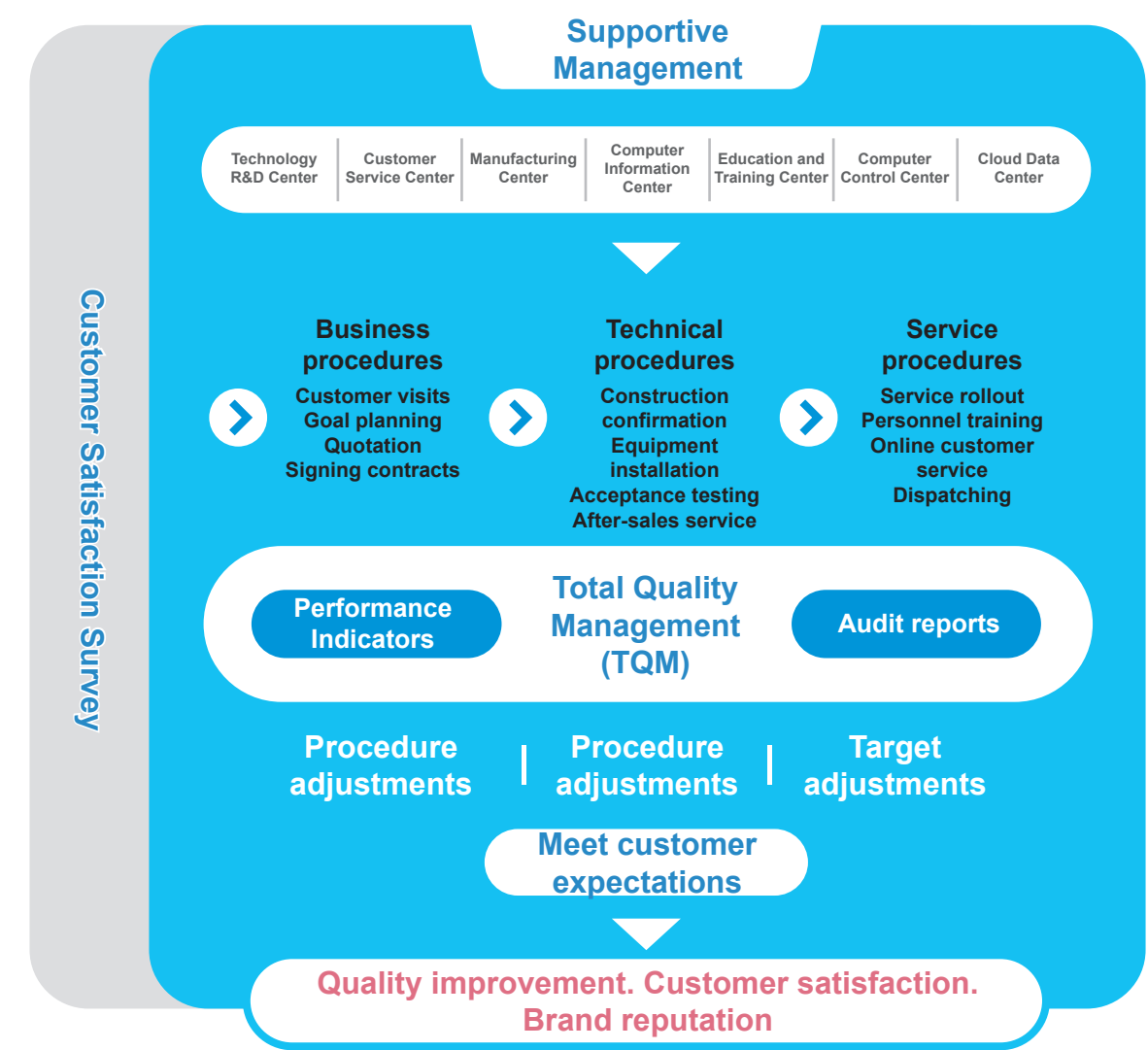
Service quality management policies



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.

● Customer Satisfaction Survey Items and Targets



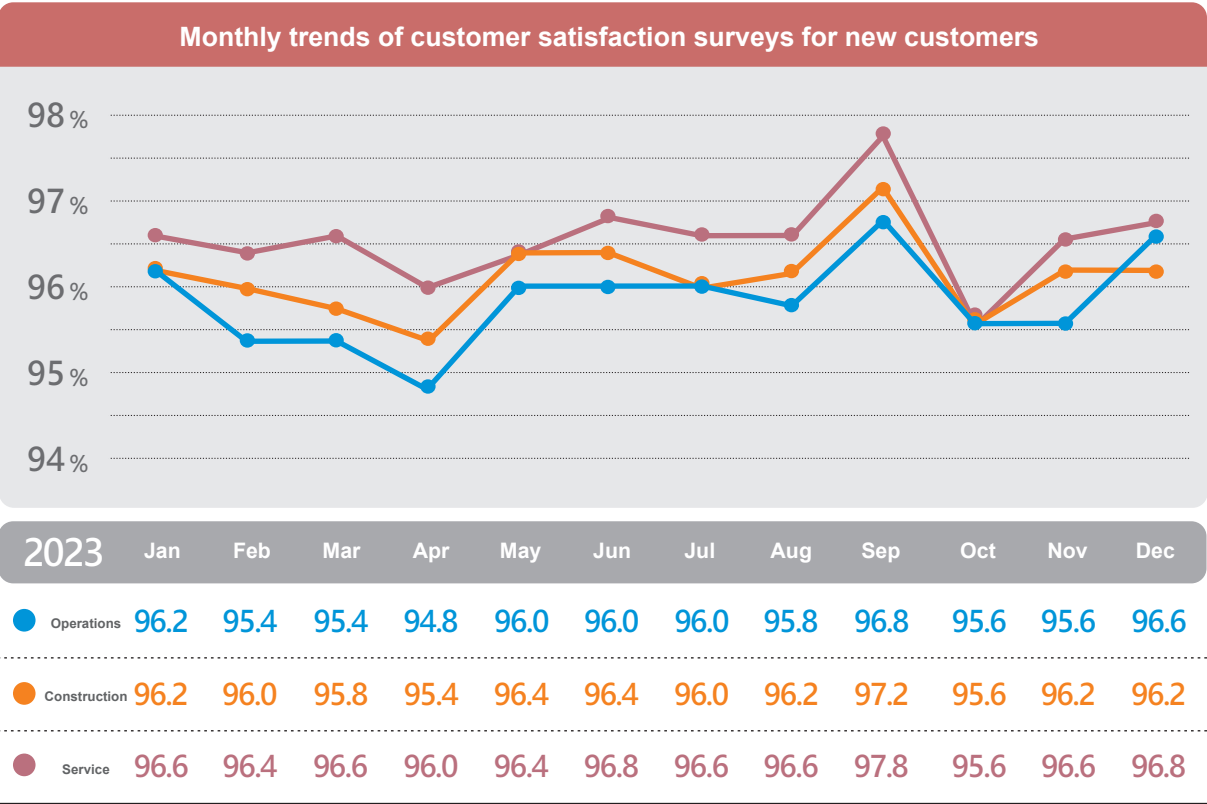
Taiwan Secom developed the [Smart Audio Customer Service System] to use smart technologies to resolve the existing telephone service quality issues. The development includes [incoming] and [outgoing] calls totaling five items. The outbound call part includes [Customer Satisfaction Survey on New Cases] and [Customer Satisfaction Survey on Cases Handled and Concluded During Service]. For the [Customer Satisfaction Survey on New Cases], we launched the AI telephone interviews. The and [Customer Satisfaction Survey on Cases Handled and Concluded During Service] was carried out by a chatbot with customers in July 2023.

Consumer satisfaction survey and targets in 2023:

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

We conducted a survey of new customers on operations, construction, and services. After calculating the score, we announced the rankings of each unit. Units that fail to meet the standards must propose improvement measures in the monthly business management meeting. The customer satisfaction achieved in 2023 was 96.4%.

● New customer satisfaction rate survey trends and analysis (2023)



In 2023, we recovered 13,946 valid questionnaires (75.8%); 275 customers declined to be interviewed (1.5%); we recovered 4,175 invalid questionnaires (22.70%). A total of 18,396 telephone interviews were carried out.

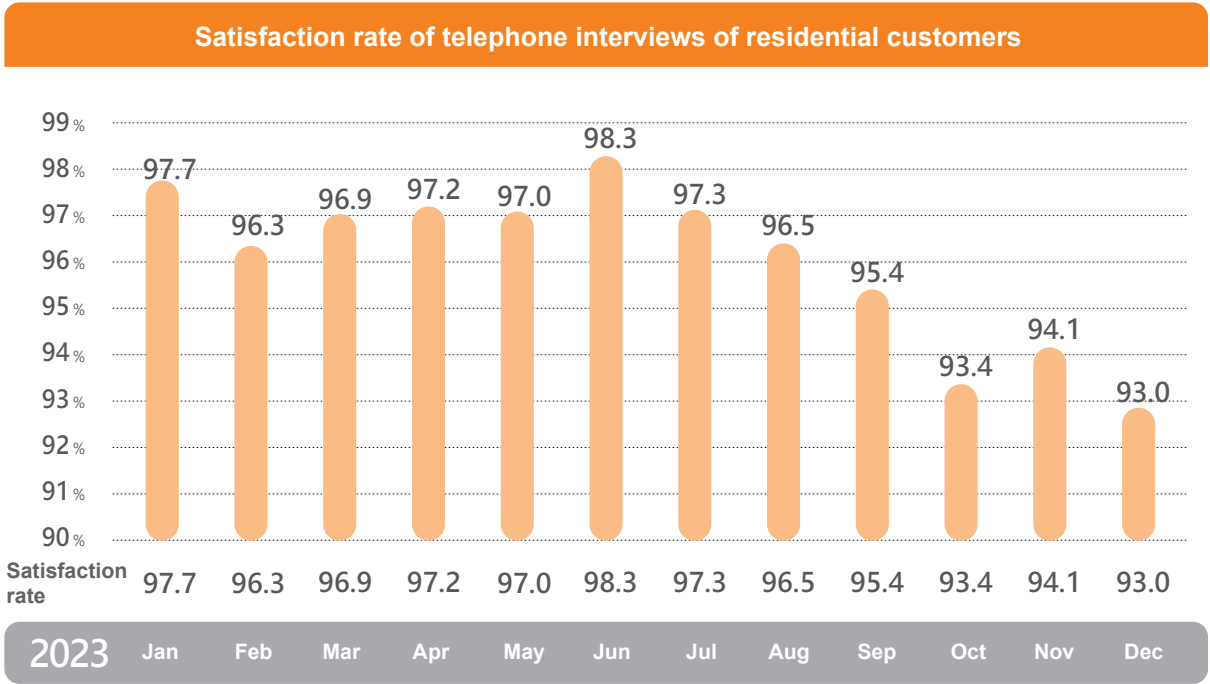
Taiwan Secom regards the information that customers are willing to communicate or correct as valuable assets. For new cases with customer satisfaction below standards, the Company instructs the technical supervisor of the branch to conduct onsite visits to monitor and improve operations. If there is 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 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 (2023)



In 2023, the Company planned to carry out 21,726 surveys. After deducting the 10,034 cases involving customer privacy, 11,692 cases were implemented. 6,286 telephone interviews were completed (53.76%) and 6,026 customers expressed satisfaction with the user interface (95.9%). The telephone interviews identified 116 issues for which supervisors were assigned to visit customers. 19 customers expressed their intent to use value-added services.

Observing survey results of the Customer Service Center for the [Satisfaction rate of telephone interviews of residential customers], the percentage of residential customers who complete telephone interviews has long been around 50%. Taiwan Secom is looking at ways to increase the completion rate of telephone interviews. Customer Service Center analyzed and pointed out: Residential customers attach great importance to personal privacy, so telephone interviews have become growingly difficult to conduct each year. After the head office conducted a cross-departmental comprehensive discussion, we learned that fraud cases have been frequent in recent years, the government has comprehensively improved personal information protection regulations, individuals have heightened awareness of personal information protection, and people are more cautious in filtering incoming calls. It is common for customers to be unwilling to answer calls or ask telecom operators to turn on the "call blocking" function, causing the completion rate of telephone interviews to decline.

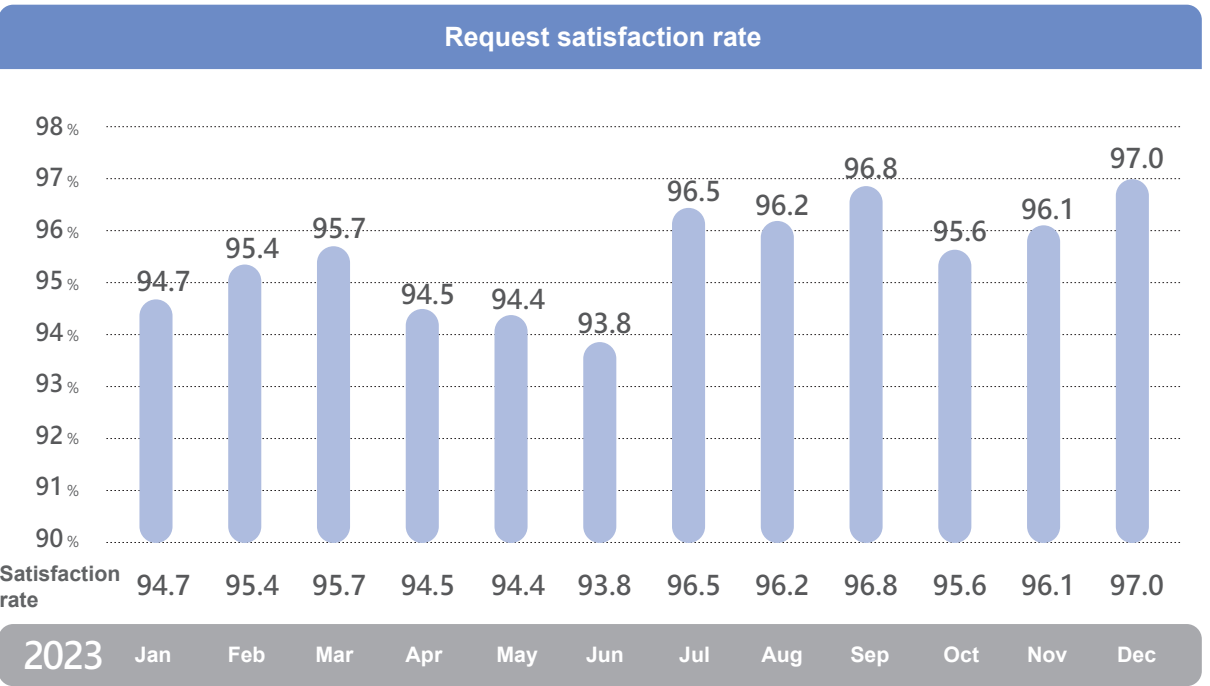
Taiwan Secom understands the concerns of residential customers about telephone interviews, and is currently actively developing an online questionnaire function for the Taiwan Secom Unlimited Plus app. In the future, telephone interviews will be moved to the app platform, allowing residential customers to engage in positive two-way interaction with Taiwan Secom on the app's user interface without any worries.

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 1,572 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, and the actual result in 2023 was 95.6%.

● Customer Service Center Request Satisfaction Rate Confirmation  
Entire company (2023)



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

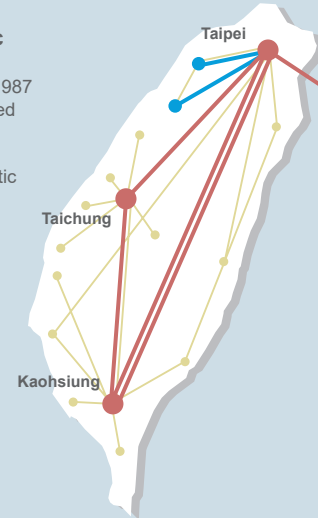


## 01 The Digital Giant of High-Tech Security | Computer Information Center

- 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

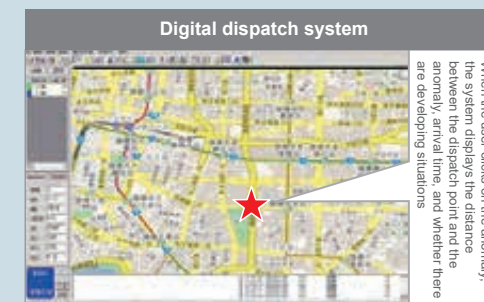
### High-speed fiber optic ring network

- Computerization since 1987
- Completed T1 high-speed network for throughout Taiwan in 1992
- Upgraded to T3 fiber optic ring network in 1998



## 02 The 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

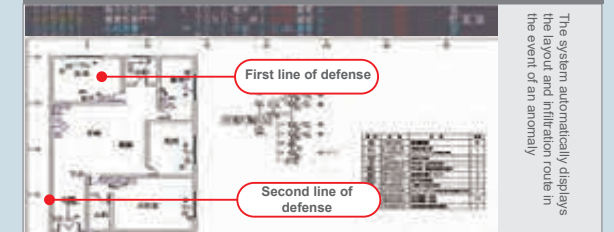


### AMS mobile dispatch system

Taiwan Secom independently developed the app platform (AMS mobile dispatch system) for the complete tracking and dispatching of front-line security service personnel by the Control Center while ensuring customer information privacy



### Graphic Control Management System





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.

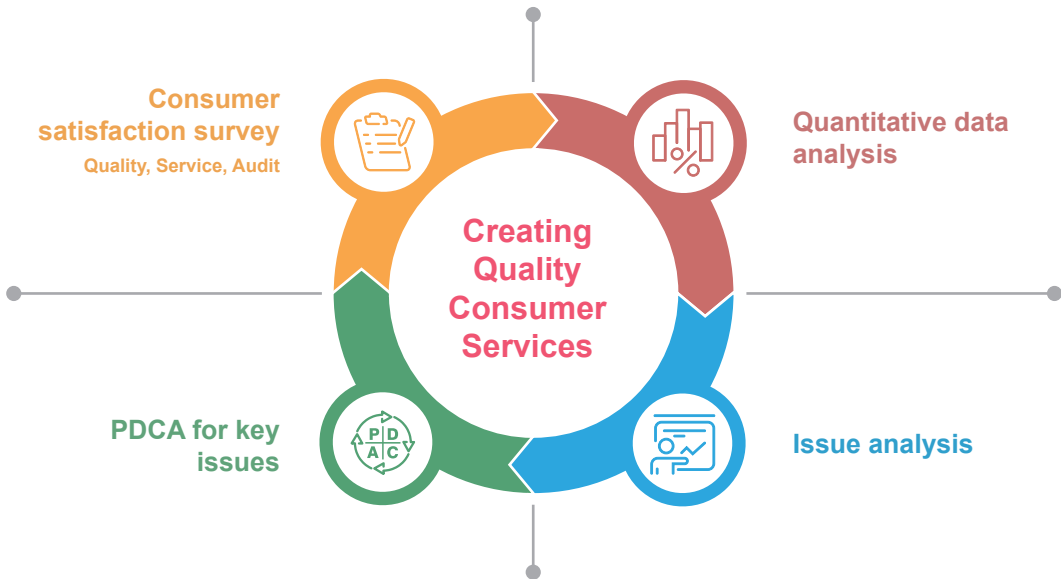
For detailed explanation, please go to Governance Structure - Taiwan Secom | Sustainable Development (secom.com.tw) or <https://esg.secom.com.tw/home/service>



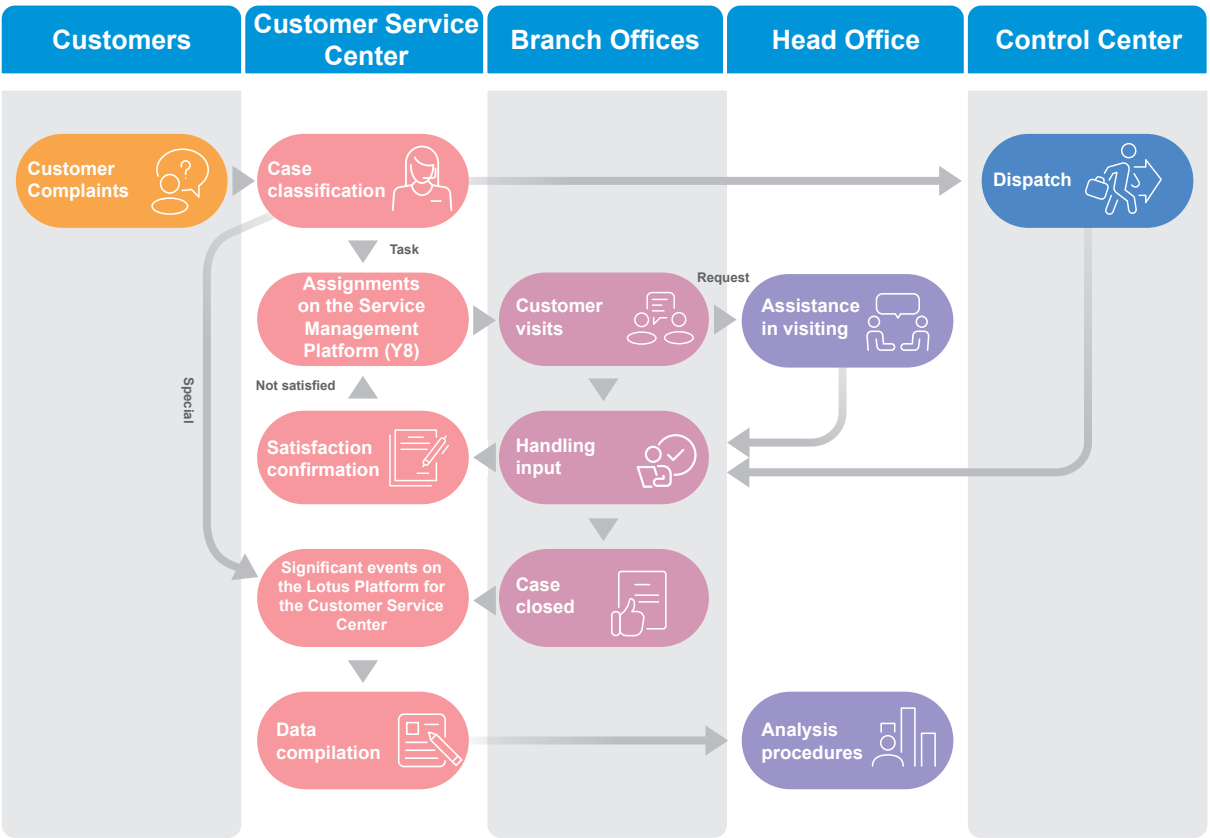
Continuous Improvement Cycle and Valuing Each Incoming Call

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.

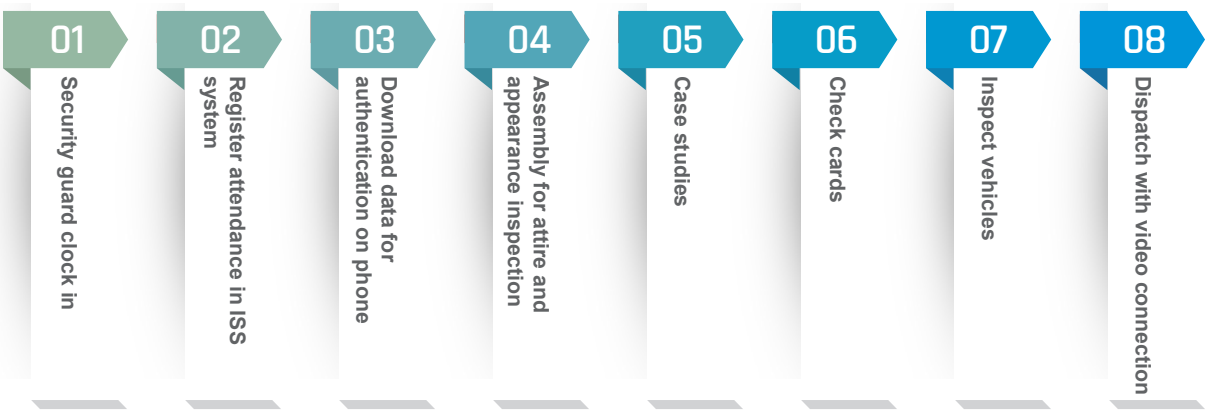
For special cases, the responsible department shall convene project meetings to review the items and improvement procedures. After analyzing the cause, the Company swiftly and actively implements adjustments. The technical department corrects the technical/construction operating procedures and updates 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 2023 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.



2.6 Sustainable Supply Chain

Taiwan Secom is committed to providing a wide range of residential, commercial, government, and various mobile security products and service solutions. Our commitment is not only to personal safety, but also to further incorporate comprehensive management practices of sustainable supply chains. We are committed to ensuring that the product supply and procurement chain complies with sustainability standards and brings positive benefits to society through continuous product technology innovation, supply chain transparency, and the fulfillment of social responsibilities.

The Company's "Supplier Management and Product Procurement System Platform" (hereinafter referred to as the "Platform") was launched for external suppliers in 2022. In 2023, a total of 279 suppliers signed the "Platform Procurement Contract," "Taiwan SECOM Responsible Business Alliance Code of Conduct," "Supplier Social Responsibility Commitment," and "Supplier Commitment to Ethical Conduct."

In 2023, Taiwan Secom established the 5D supply chain strategy to improve supply chain transparency, reduce risks, and strengthen suppliers' sustainable development and information security.

- Definition: Clearly define the conditions for suppliers to use the Platform, including signing procurement contracts and complying with international codes of conduct for ESG (such as RBA COC version 7.0). Added new requirements to the Platform's procurement contract, which clearly stipulate that the ICT systems, equipment, or information security services provided by suppliers must first obtain relevant certifications, information security testing reports or meet the specifications of the customer's project before delivery.
- Disclosure: The Supplier Code of Conduct, Social Responsibility Commitment, and Commitment to Ethical Conduct disclosed on the official website for inspection by all sectors.
- Data: Obtain information on suppliers' ESG and information security performance through the self-assessment questionnaire (SAQ), and use it as the basis for risk assessment.
- Dialogue: Hold supplier promotion briefings so that suppliers will attach greater importance to ESG and information security.
- Do & Check: Conduct sampling inspections of suppliers to verify whether the supplier's products and conduct comply with requirements set forth in the signed documents.

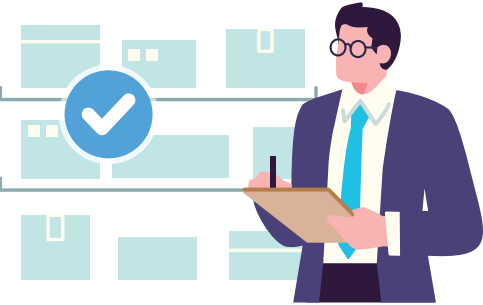
Suppliers Data

Supplier cooperation	Type of suppliers	Type of data	Attained in 2022	2022 Target	Attained in 2023	2023 Target
Signing of the "Code of Conduct" and the "Commitment"	Existing suppliers	Number that signed	204	-	187	-
		Percentage that signed	73%	100%	92%	100%
	New suppliers	Number that signed	-		92	-
		Percentage that signed	The supplier platform was established in 2022		84%	100%
Recovery rate of supplier sustainability risk self-assessment questionnaire	Total number of suppliers	Recovery rate	The collection of SAQs began in 2023	-	72%	100%

Review data based on supplier SAQ results				
	Laborers	Healthy and safe society	Environment	Codie of ethics
Total number of suppliers selected	200	200	200	200
Number of suppliers with negative impact identified	0	1	22	1

Review data based on the supplier information security classification self-assessment questionnaire			
	Information security maturity and analysis of maintenance	System security analysis	Equipment management analysis
Total number of suppliers selected	85	58	88
Number of low-risk suppliers	18	36	73
Number of medium-risk suppliers	13	11	4
Number of high-risk suppliers	54	11	11

Supplier low/medium/high sustainability risk identification <span>Total number: 200</span>									
ESG vulnerability level	Low			Medium			High		
Security threat level	Low	Medium	High	Low	Medium	High	Low	Medium	High
Number of small suppliers	44	3	0	9	0	0	0	0	0
Number of suppliers	52	49	8	7	4	1	0	0	0
Number of key suppliers	7	12	3	1	0	0	0	0	0



Supplier risk management



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.



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 2023, 16 companies have signed contracts with a procurement amount of over NT\$1 million.

Current management regulations for equipment suppliers



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

Unit: In NT\$ thousands (pre-tax)

Year of procurement	2021	2022	2023
Total purchase amount	1,009,085	918,240	869,258
Domestic purchase amount	994,310	910,250	862,605
Percentage of domestic purchase amount (%)	99%	99%	99%



# CH3 Social Responsibility



## 3.1 Human Rights

### Human Rights Policy and Management

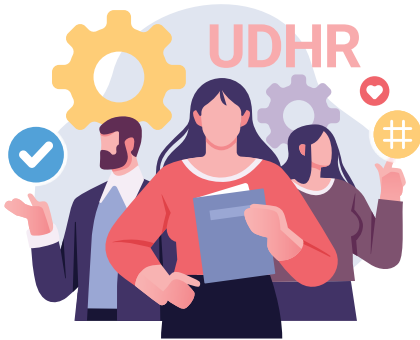
Taiwan Secom is committed to implementing employee rights protection, workplace gender equality policies, family-friendly workplace, and a culture that respects employees' lives outside of work amid the crisis of low birthrate and labor shortage. We are committed to abiding by the government's labor-related laws, formulating and implementing human rights and labor policy protection measures, and do not allow any discrimination, violence, and sexual harassment. We prohibit the employment of child labor, discrimination, and sexual harassment. We are committed to supporting the following international human rights standards and regulations: United Nations Universal Declaration of Human Rights (UDHR)

#### United Nations Universal Declaration of Human Rights (UDHR)

- United Nations Global Compact (UNGC)
- "International Covenant on Civil and Political Rights" and "International Covenant on Economic, Social and Cultural Rights" (ICCPR & ICESCR)
- International Convention on the Elimination of All Forms of Racial Discrimination (ICERD)
- Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW)
- Convention on the Rights of the Child (CRC)
- ILO Convention No. 182 - Convention on Worst Forms of Child Labor
- Convention on the Rights of Persons with Disabilities (CRDP)
- ILO Convention No. 29 - Forced Labor Convention
- ILO Convention No. 155 - Occupational Safety and Health Convention



Material Issue	Human Rights
<b>Target</b> <div>Short term</div> <div>Medium and long term</div>	<p>Implement the prevention of occupational diseases and occupational accidents, promote the physical and mental health of employees, comply with government labor laws and the Company's human rights policy, protect employees' rights and interests, and provide diverse benefits such as activities and child care subsidies.</p> <p>Continue to promote activities to raise awareness of human rights</p>
<b>Responsibilities and Resources</b>	Human Resources Department
<b>Resources Invested and Action Plans</b>	<ol style="list-style-type: none"><li>1. Provide compliance training in orientation training</li><li>2. Provide sexual harassment prevention courses</li><li>3. Implement preventive awareness campaigns against workplace bullying</li><li>4. Provide comprehensive occupational safety training</li><li>5. Establish effective training programs for skills development for employees</li></ol>
<b>2023 Implementation Results</b>	There were no incidents of discrimination, prohibition of freedom of association, child labor, and forced or compulsory labor, and reasonable wages and working conditions were provided in accordance with laws and regulations.





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 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	Implement occupational disease and occupational accident prevention and improve the physical and mental health of employees.	Comply with government labor laws and the Company's human rights policies, provide equal opportunity in recruitment, appointment, and development, and prohibit any level of discrimination in human rights, including race, color, age, gender, sexual orientation, ethnicity, physical and mental disabilities, religion, political affiliation, organizational identity, place of birth, and marital status. Comply with important human rights conventions, such as the Universal Declaration of Human Rights, the United Nations Global Compact, and the International Labor Organization Declaration on Fundamental Principles and Rights at Work. The "Basics of Selection" provided to hiring managers includes not implementing differential treatment of applicants, and eliminating discrimination according to the Company's internal control procedures. The Company does not require applicants to provide personal information that is not related to the job in their resume.	To protect the mental and physical development of children, and 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.	Comply with government labor regulations and the Company's Human Rights Policy, and eliminate all forms of forced or compulsory labor provided by any individual against their will.	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 (work-related musculoskeletal injuries and diseases) 2. Biological hazards (serious special infectious diseases caused by occupational factors) 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	1. 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. 2. On-site physician interviews: For employees who are suspected to be at risk, determined to be at risk, or diagnosed with diseases after assessment, the physician providing on-site health services assist in verifying the risk factor and provides health guidance interviews during on-site services. If symptoms are abnormally severe, the employee will be referred to relevant medical institutions for medical treatment.	The Company implements lawful hiring procedures starting from recruitment to eliminate all forms of 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. Administration: For example, avoid repeated use of a certain body part for a long time. 2. Engineering control: For example, adjust the position of the keyboard and computer for workers. 3. Health management: Participate in the Company's regular health examinations.	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. Also disclose the complaint hotline.

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 resources policy strictly prohibits the employment of child labor who are under the legal minimum age for employment. Relevant personnel determine the age of applicants based on their national ID card or graduation year during the initial stage of screening resumes for recruitment.

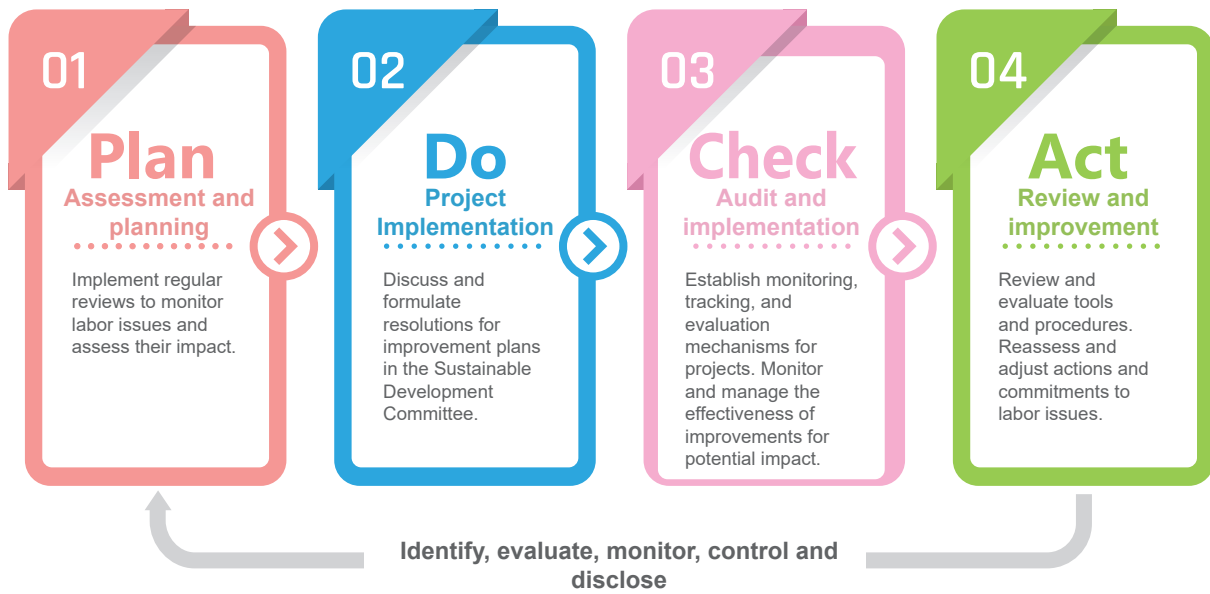
IV. Human Rights Policy Management Indicators

Item	Contents	Target	Actual Performance in 2022	Actual Performance in 2023
Non-discrimination	Total number of discrimination disputes	No discrimination incident	No discrimination incident	No discrimination incident
Freedom of association	Operations identified has having significant risks to the freedom of association and collective bargaining rights	No ban on freedom of association	No ban on freedom of association	No ban on freedom of association
Child labor	Operations identified has having significant risks of child labor disputes and actions that help eliminate child labor	No use of child labor	No use of child labor	No use of child labor
Forced labor	Operations identified has having significant risks of forced or compulsory labor and actions that help eliminate forced or compulsory labor	No forced or compulsory labor	No forced or compulsory labor	No forced or compulsory labor
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 violation of labor laws on working hours and breaks	No fines imposed by the competent authority for violation of labor laws working hours and breaks	Reasonable wages and working conditions are provided in accordance with the law

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

Adhering to the core value of being people-oriented, we hope to create respect and acceptance of diversity, implement gender equality in work, and inclusiveness, in order to create a workplace environment with mutual support and where employees can fully express their opinions. 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	2020		2021		2022		2023	
Category	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Permanent contract employees  Male	2,013	82.74%	1,992	81.61%	2,008	81.59%	2,025	81.13%
	 Female	420	17.26%	449	18.39%	453	18.41%	471
Workers who are not employees	0	0%	0	0%	0	0%	0	0%
Total (number of people)	2,433	100%	2,441	100%	2,461	100%	2,496	100%

By job category

(Unit: person)

2,543 employees	Operations	Service	Management	Technical	R&D	Others	Total
Male	372	802	84	572	63	132	2,025
Female	83	6	6	15	13	348	471

By region

(Unit: person)

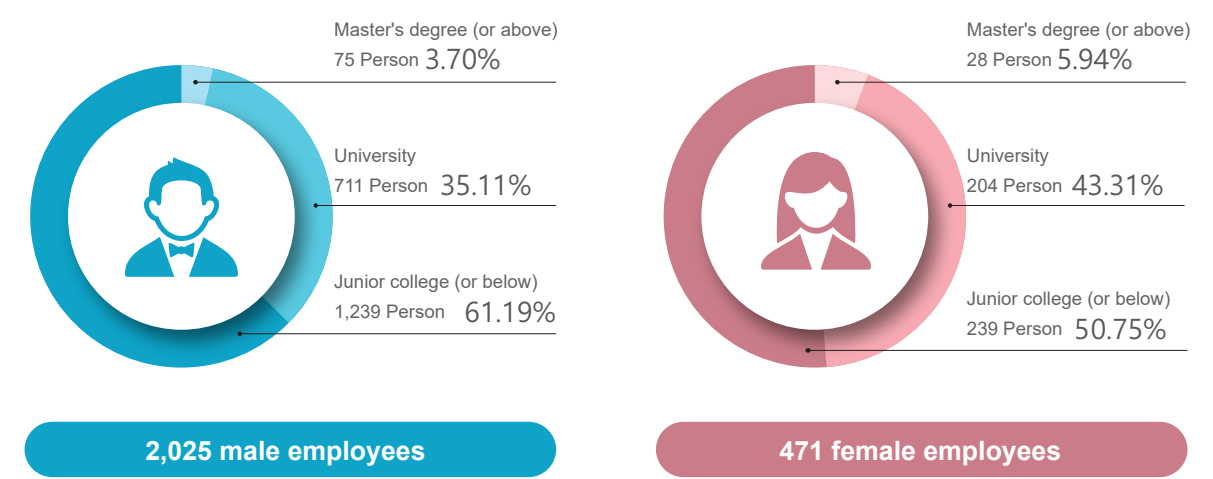
2,543 employees	Northern Taiwan	Central Taiwan	Southern Taiwan	Total
Male	1,364	297	364	2,025
Female	371	40	60	471

By employee age group

(Unit: person)

2,543 employees	50 and above	Over 30 and under 50	Under 30	Total
Male	373	1,416	236	2,025
Female	152	262	57	471

● Academic qualifications



● Managers

(Unit: person)

Item/Year	2020	2021	2022	2023
Male	181	196	204	230
Female	23	26	29	35
Number of employees as of the end of the year	2,433	2,441	2,461	2,496
Ratio of managers	8.39%	10%	9.47%	10.62%

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

● Other diversity indicators

(Unit: person)

Item/Year	2019	2020	2021	2022	2023
Persons with disabilities	22	23	21	23	21
Indigenous peoples	29	28	29	35	34
Foreigners	4	3	4	5	2

3.2 A Happy Workplace

Workplace equality

Taiwan Secom is committed to promoting gender equality in the workplace, implementing measures for sexual harassment prevention, childcare-friendly facilities, and welfare improvement, and setting up safe and comfortable breastfeeding rooms to ensure that female employees can work without worries during pregnancy and after childbirth. This will further help female employees achieve work-life balance.



● Female diversity indicators

Year	2020	2021	2022	2023
Ratio of female employees among all employees (%)	17.26%	18.39%	18.41%	18.87%
Ratio of female executives among all employees (%)	0.95%	1.07%	1.18%	1.4%
Ratio of female executives among all executives (%)	11.28%	11.71%	12.45%	13.2%

Ratio of female employees by age (%)

Under 30	1.81%	2.58%	2.44%	2.28%
Over 30 and under 50	10.65%	10.82%	10.69%	10.50%
50 and above	4.81%	5%	5.28%	6.09%

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

Equal pay

The Company has a "Remuneration Committee" to provide employees with competitive remuneration, and uses a transparent and equal remuneration policy to give back the Company's business performance to employees.

For entry level personnel in the same position, all hired personnel receive the same treatment. For personnel with relevant professional and work experience, their remuneration is determined based on education and experience, expertise, and certifications, and will not differ based on gender or ethnic group.

Equal pay indicator	Gap (%)
The gap between the "average" wages of men and women	13.8
The gap between the "median" wages of men and women	8.9

Note 1: The Company's business relationships are dominated by men.  
Note 2: The salary structure is 1. Fixed salary (base salary, allowances) 2. Variable salary (bonus for the three holidays, various bonuses, and overtime pay).



A Stable Work Environment

To improve the individual qualities and abilities of employees, the Company's employee promotion process is handled in accordance with the "Taiwan Secom Group Regulation on Routine Employee Promotion" under fair, impartial and open mechanisms, in order to meet the Group's business development needs. Under the premise of complying with labor laws and regulations, 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 2023, the Company promoted 342 employees and transferred 838 employees.

(Unit: person)

Item/Year	2019		2020		2021		2022		2023	
Total number of employees	2458	Percentage	2433	Percentage	2441	Percentage	2461	Percentage	2496	Percentage
Promotion	278	11.31%	302	12.41%	296	12.13%	587	23.85%	342	13.45%
Transfer	593	24.13%	624	25.65%	365	14.95%	652	26.49%	838	32.95%

Talent Recruitment and Retention

Facing the population sustainability crisis, the Company is committed to creating a culture that is friendly and respects the value of employees. Employees' salaries are paid without discrimination based on gender or sexual orientation. In addition to monthly salary, employees receive bonuses and gift certificates during Chinese New Year, Dragon Boat Festival, and Mid-Autumn Festival based on the Company's business performance. Employee bonuses are also paid from the earnings each year to increase employee stability and reduce turnover rates. We also implemented the Employee Assistance Program (EAP) and provide a dedicated hotline for employee complaints (fax, e-mail). Feedback from employees are immediately handled so that employees' opinions can be better handled more objectively.

Recruitment Policy

Taiwan Secom recruits through multiple channels in coordination with business development needs. Recruitment methods include human resources websites, human resources management companies, employee recommendations, and employment service stations. Talent recruitment channels include campus recruitment, matchmaking by employment service centers, regional employment fairs, online job banks, and recruitment information published on print media to maintain a stable number of employees. We will also promote an aptitude test system exclusive for our company culture, establish an internal database of outstanding talents, and provide employees with introduction bonuses, as well as methods for outstanding employees who have resigned to return to their position, so as to attract outstanding talents to join our big family. As of the end of 2023, Taiwan Secom had a total of 2,496 employees in Taiwan.

Employee talent referrals

By region	Reinstatement	By employee age group	Reinstatement
Northern Taiwan	63	50 and above	1
Central Taiwan	13	Over 30 and under 50	64
Southern Taiwan	33	Under 30	44
Total	109	Total	109

Employee reinstatement referrals

By region	Reinstatement	By employee age group	Reinstatement
Northern Taiwan	43	50 and above	6
Central Taiwan	12	Over 30 and under 50	53
Southern Taiwan	15	Under 30	11
Total	70	Total	70

Taiwan Secom received the 2023 1111 Job Bank Happy Enterprise Award

The Company fulfills its corporate social responsibility, protects employees' rights and interests, abides by labor laws, implements the EAP, strives to achieve mutual benefit between employees' work and family resources, creates a balance between family and work, and strives to maximize benefits for employees.



Analysis of the number of new employees

Number of employees and annual new recruitment trends

(Unit: person)

Year	2020		2021		2022		2023	
Male	533		454		606		548	
Female	67		113		116		119	
Number of new recruits	600		567		722		667	
Number of employees as of the end of the year	2,433		2,441		2,461		2,496	
Percentage of new recruits in the current year	24.66%		23.23%		29.34%		26.72%	

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		2020		2021		2022		2023	
Age group	Gender	Male	Female	Male	Female	Male	Female	Male	Female
	Under 30	231	28	215	44	262	38	212	38
	30-50 years old	300	35	235	64	333	71	324	69
	50 and above	2	4	4	5	11	8	12	12
Number of people at the end of the year		2,013	420	1,992	449	2,008	453	2025	471
Percentage of new recruits in the current year		26.47%	15.95%	22.79%	25.17%	30.18%	25.83%	27.06%	25.27%

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

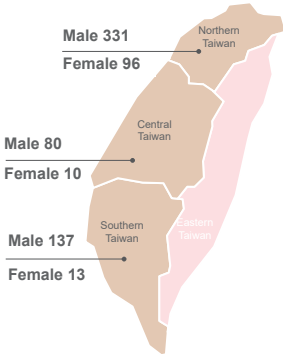
(Unit: person)

667 employees	Operations	Service	Management	Technical	R&D	Others	Total
 Male	126	349	4	41	12	16	548
 Female	30	20	1	3	6	59	119

New recruits By region

(Unit: person)

667 new employees	Northern Taiwan	Central Taiwan	Southern Taiwan	Total
 Male	331	80	137	548
 Female	96	10	13	119





Turnover and Harmonious Workplace Interactions

The Company's talent recruitment focuses on personal characteristics and expertise, and determines salary based on education, experience, and professional knowledge to attract and retain outstanding talents. In addition, the Company encourages employees to accept challenges and improve their abilities through promotions, raises, and subsidies for external training courses. Middle and senior managers at different levels also enjoy medical subsidies for supervisor health examinations, employee assistance programs, and a smooth communication platform. As of the end of 2023, the Group's turnover rate was 24.32%.

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

(Unit: person)

Item/Year	2020	2021	2022	2023
 Male	543	473	537	506
 Female	63	92	109	101
Number of resigned employees	606	565	646	607
Number of employees as of the end of the year	2,433	2,441	2,461	2,496
Annual turnover rate	24.91%	23.15%	26.25%	24.32%

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.

Resigned employees By age group



(Unit: person)

Year		2020		2021		2022		2023	
Age group	Gender	Male	Female	Male	Female	Male	Female	Male	Female
	Under 30	173	6	1 83	23	192	29	152	24
	30-50 years old	344	40	2 69	49	313	66	320	71
	50 and above	26	1 7	2 1	20	32	14	34	6
Number of people at the end of the year		2,013	420	1 ,992	449	2 ,008	453	2,025	471
Annual turnover rate		26.97%	15.00%	23.74%	20.49%	26.74%	24.06%	24.98%	21.44%

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



Number of resigned employees By job category

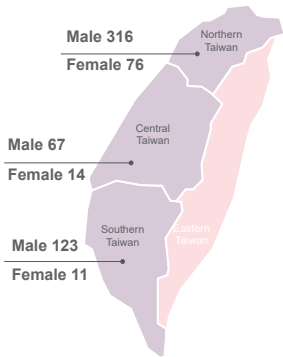
(Unit: person)

607 employees	Operations	Service	Management	Technical	R&D	Others	Total
 Male	127	295	0	61	8	15	506
 Female	30	15	0	2	4	50	101

Resigned employees By region

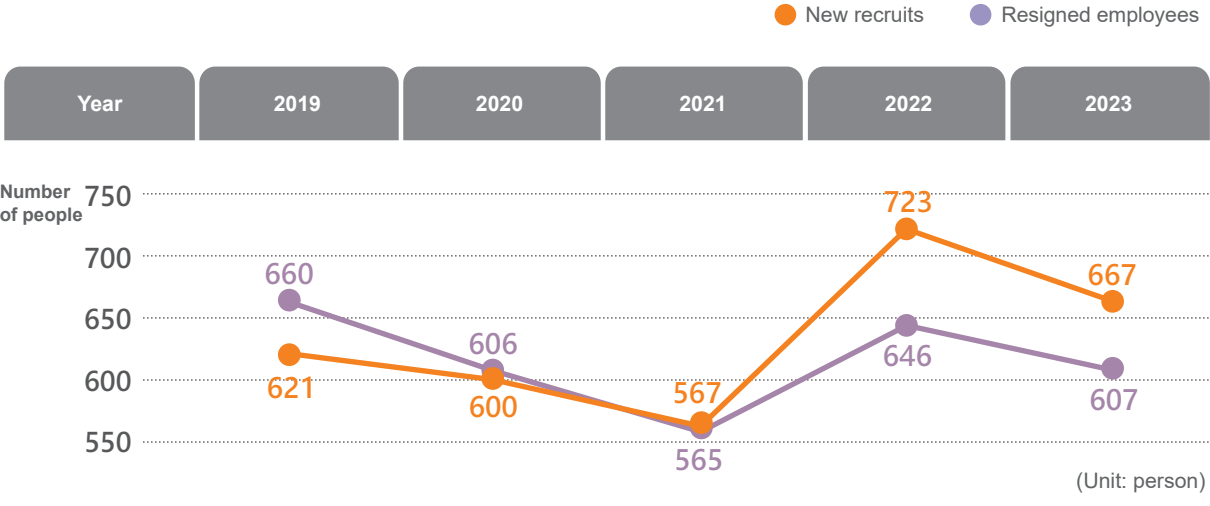
(Unit: person)

607 employees resigned	Northern Taiwan	Central Taiwan	Southern Taiwan	Total
 Male	316	67	123	506
 Female	76	14	11	101





● Number of new employees / resigned employees in past years



Intellectual property rights incentives

The Company continues to implement a wide variety of incentives, including the "Patent Reward Regulations," "Contest Reward Regulations," and "Professional Certification Allowance Regulations," to encourage employee creativity. The incentives systems encourage employees to develop and apply for patents, in order to expand the market and seize 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
Other (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

We appointed occupational safety and health management personnel in accordance with the law to plan, supervise, and carry out occupational safety and health-related affairs for employees, jointly building a safe and healthy labor environment with the management goals of "building a safe workplace" and "zero occupational accidents."

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 occupational safety and health training.

04 Implement preventive awareness campaigns against workplace bullying

Raise awareness of preventing workplace bullying and coordinate the handling of incidents

The Company established the "Employee Voice" system, which specifies 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 for employees, we 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.

Report in person:  
Face-to-face communication

Complaint telephone number:  
02-7737-1306

Complaint fax number:  
02-2557-1703

Written complaint:  
shr@secom.com.tw  
10F, No. 139, Zhengzhou Rd.,  
Datong Dist., Taipei City 10341  
Human Resources Department,  
General Management Division

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.

The Company values and respects employee feedback, and 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

Occupational safety and health is the foundation of decent work. Taiwan Secom's occupational safety and health policy is the Company's overall goal: 0 major occupational safety incidents.

Specific measures for occupational safety

Material Issue	Occupational Safety and Health
Materiality to Taiwan Secom and Purpose of Management	A 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
Number of disabling injuries each year	Number of disabling injuries each year: 0 cases
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.
2023 Implementation Results	There were 0 disabling injuries in Taiwan Secom in 2023 and the target was attained.

Taiwan Secom's has integrated the environmental management system and the occupational safety and health system, and its strategies for implementing occupational safety and health and environmental policies are follows:

- 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.

Labor and management co-create safe and healthy work environment

Taiwan Secom is committed to creating a safe, healthy, and comfortable working environment and continues to reduce the rate of occupational accidents. The management principles of Taiwan Secom's occupational safety and health policy are "zero safety accidents" and "continuous improvement." The Company has an "Occupational Safety and Health Committee" that holds regular meetings every quarter to compile the "Occupational Safety and Health Management Report" and carry out relevant improvement matters in accordance with meeting resolutions, in order to implement occupational safety and health management.

The on-site health service was provided to 282 employees in 2023. In addition to the four major programs regarding ergonomic design, overloading, workplace violence, and maternity health protection, we also organized training courses for middle-aged and elderly people. The Company organized health examinations and distributed questionnaires to grade employees' health conditions, interviewed and evaluated the conditions of employees with medium to high heal risks, and provided advice. The Company continues to provide support for employees who qualify for the maternity health protection program. According to the evaluations in 2023, the high-risk items were prevention of high blood pressure, high blood sugar, and high cholesterol and traffic accidents. Workers in the industry remain inactive for extended periods of time, and most lack exercise habits despite necessary field work from time to time.

Occupational injuries

Traffic accidents accounted for the highest proportion of occupational accidents with 16 accidents (50%). 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.

Occupational injury statistics in 2023

Item	2023
Number of deaths due to occupational injuries	0
Occupational injury death rate	0
Number of disabling injuries	0
Number of severe occupational injuries	1
Percentage of severe occupational injuries	0.161
Number of recordable occupational injuries	16
Percentage of recordable occupational injuries	2.576
Work hours	6,210,000

Note 1: The main types of occupational injuries include: Hits, cuts, falls, slips, commuting accidents  
Note 2: Occupational injury death rate = Number of deaths caused by occupational injuries × 10/Total hours worked  
Note 3: Percentage of severe occupational injuries (excluding deaths) = Number of severe occupational injuries (excluding deaths) × 10/Total hours worked  
Note 4: A severe occupational injury refers to an occupational injury that causes disability for more than 180 days.  
Note 5: Percentage of recordable occupational injuries = Number of recordable occupational injuries × 10/Total hours worked  
Note 6: A recordable occupational injury refers to an occupational injury that must be reported to the Occupational Safety and Health Administration in accordance with the law  
Note 7: The total number of actual work hours of all employees is the same as the statistics reported to the Ministry of Labor.

Occupational hazard identification and risk assessment

We carried out occupational accident hazard identification and risk assessment for employees to prevent occupational disasters, strengthen the health protection of workers in the workplace, and improve the safety and health of employees. Hazard factors in the work site are strictly controlled and monitored to ensure that the impact on employees is minimized.





Occupational accident prevention

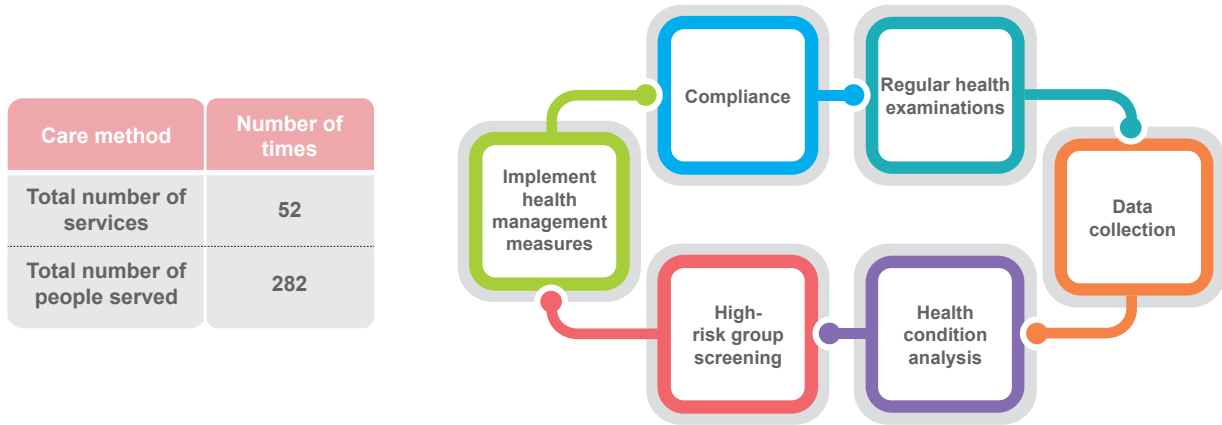
● Safety hazard prevention

Type of disaster	Preventive measures
Hit, smashed, crushed, buried	Pay attention to normal moving objects, put up a sign and lock it in place to avoid accidentally starting and moving objects, ensure that materials are stacked securely to prevent objects from falling and collapsing, construct soil retaining supports in excavation areas, implement area control for lifting operations, pay attention to the load of objects being lifted and that the hooks are stable, and implement 5S to prevent stacking with protruding materials.
Clamping, coiling	Place protective covers on operating machinery or protective fence around conveyor belt equipment; turn off the power, put up a sign, and lock machinery when performing maintenance; and install an emergency stop button and pull ropes for mechanical equipment.
Cutting injuries	Use protective cover and protective fence for mechanical equipment; circular saws are equipped with safety protection devices; turn off the power, put up a sign, and lock machinery when performing maintenance; put up hazard signs (gloves are not allowed for rotating cutting tools); and disassembly and modification of protective measures are strictly prohibited.
Falling, slipping	Pay attention to the on-site environment and wear safety shoes or anti-slip shoes
Electric shock	Implement the Notices on Hazard Signs for Electrical Equipment, install earth leakage circuit breakers, and strictly prohibit live line operations
Falling	Use qualified ladders and conduct regular inspections, wear safety protective equipment (hard hats, seat belts), carry out safety and health training for aerial work vehicles, and carry out hazard identification and installation of guardrails and protective covers at openings.
Hypoxia	Strengthen safety awareness training for confined space operations and implement environmental monitoring during confined space operations (add note to the yellow duty card)
Commute-related accidents	Strengthen traffic safety promotion and implement defensive driving training

Occupational disease prevention

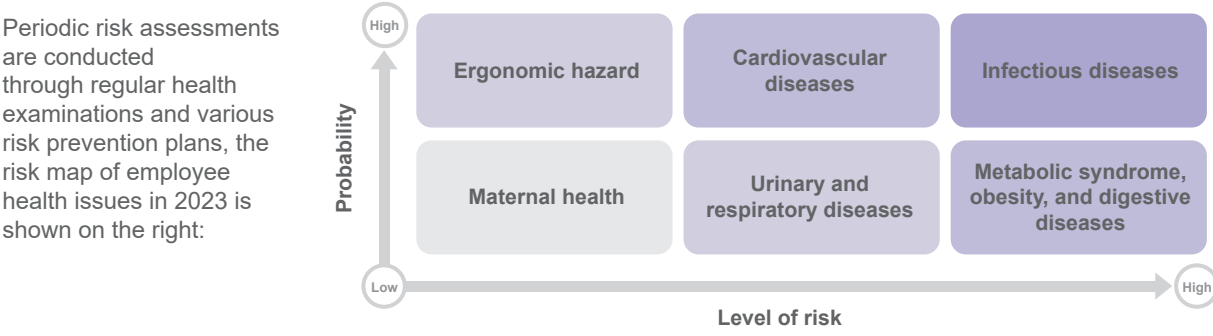
We reference the following health management methods and health hazard prevention measures during implementation, in order to reduce risks prevent occupational diseases and occupational disasters from occurring. New employees are required to receive health examinations in medical institutions for labor 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.



Health Risk Map

Taiwan Secom screens and identifies health risks with higher incidence among employees based on important indicators, such as employee work patterns, working environment, and age and gender distribution. Based on the health risk matrix, cardiovascular diseases, metabolic syndrome, obesity, and digestive diseases are medium and high risk factors for employee health. Remaining health risk factors are all medium and low risk. The Company formulates different mitigation measures based on the level of risk, and implements mechanisms such as independent management and active tracking to help employees stay away from workplace health hazards. The four major programs for workplace health protection have been fully implemented. When physicians provide on-site services, high-risk groups are given priority for consultation, followed by employees who received their health examination reports or recently had health issues.



3.3 Labor Relations, Employee Rights and Benefits

Taiwan Secom complies with domestic labor-related laws and regulations, provides a safe working environment for employees, submitted work rules for approval in accordance with the law, formulates labor contracts that comply with legal requirements, establishes multiple channels for complaints and suggestions, and coordinates labor relations through labor-management meetings, facilitating labor-management cooperation. We strive to eliminate workplace discrimination and create workplace environment with diversity, equality, and inclusion, providing unpaid parental leave and miscarriage leave that are better than required by law. The core is to make every member of the organization feel safe, respected and valued, and to help employees contribute to the Company. Pension for retired employees is provided in accordance with the "Employee Pension Payment Regulations" and Labor Standards Act. Severance pay is provided by the Company's Employee Welfare Committee.

Material Issue	Labor Relations, Employee Rights and Benefits
Target	Strive to eliminate inequality, promote decent work, and share the results of business success.
Responsibilities and Resources	<ul style="list-style-type: none"><li>● Human Resources Department, branch managers, Employee Welfare Committee, and Occupational Safety and Health Committee.</li><li>● External systems: Labor Standards Act, Employment Service Act, Occupational Safety and Health Act, and Act of Gender Equality in Employment.</li><li>● 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.</li></ul>
Resources Invested and Action Plans	<p>(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.</p> <p>(II) Communication platform: Electronic bulletin boards, website of the Employee Welfare Committee, employee mailbox, and email.</p> <p>(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.</p>
2023 Implementation Results	<ul style="list-style-type: none"><li>● Compliance with the Labor Standards Act in hiring employees.</li><li>● No risks of forced or compulsory labor in 2023.</li><li>● No cases of violation of discrimination in 2023.</li><li>● 75% reinstatement rate after unpaid parental leave in 2023.</li><li>● Breastfeeding room used 290 times in 2023.</li></ul>

Childcare

Taiwan Secom provides a complete and diverse benefits system. In addition to providing leave and ensuring the promotion, performance appraisal, and benefits of employees who take unpaid parental leave in accordance with the Labor Standards Act, Regulations of Leave-Taking of Workers, and Act of Gender Equality in Employment, the Company also provides a more flexible period of unpaid parental leave (not limited to 6 months), which may be extended based on personal needs. Employees may also be reinstated early. Employees can still be enrolled in labor insurance and National Health Insurance with the Company while they are on unpaid parental leave. To achieve the goal of a workplace that is friendly to parenting.

In addition, for female employees with breastfeeding needs, the Company established a breastfeeding room. The Company and Employee Welfare Committee also signed contracts with well-known childcare institutions to provide employees with childcare services at a discount. 27 employees applied for unpaid parental leave in 2023 (all applications were approved) and the average reinstatement rate was 75%. Benefits such as family care leave and childcare subsidies ensure the rights and interests of employees.

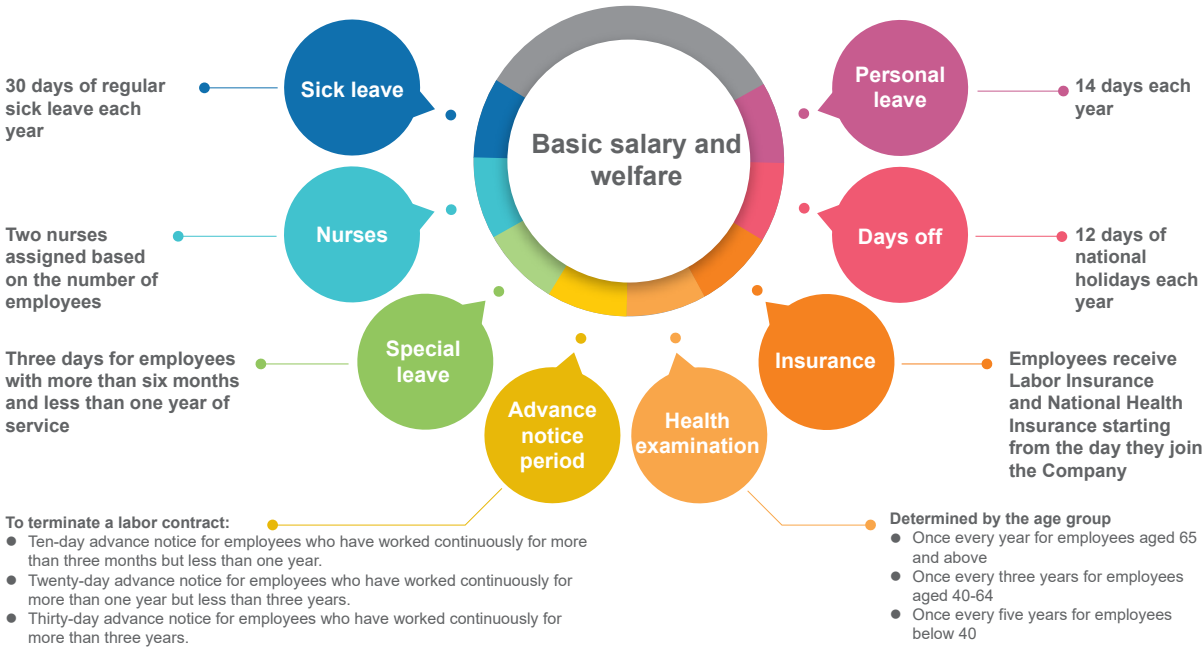
Item	Number of Men	Number of Women	Total
Total number of employees who actually used parental leave in 2023	14	13	27
Total number of employees reinstated from parental leave in 2023 (A)	10	10	20
Total number of employees reinstated during the reporting period after taking parental leave in 2023 (B)	6	9	15
Total number of employees reinstated during the reporting period after taking parental leave in 2022 (C)	5	3	8
Total number of employees reinstated after parental leave ended that were still employed 12 months after their return to work in 2022 (D)	3	3	6
Reinstatement rate (B/A)	60%	90%	75%
Retention rate (D/C)	60%	100%	75%

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.

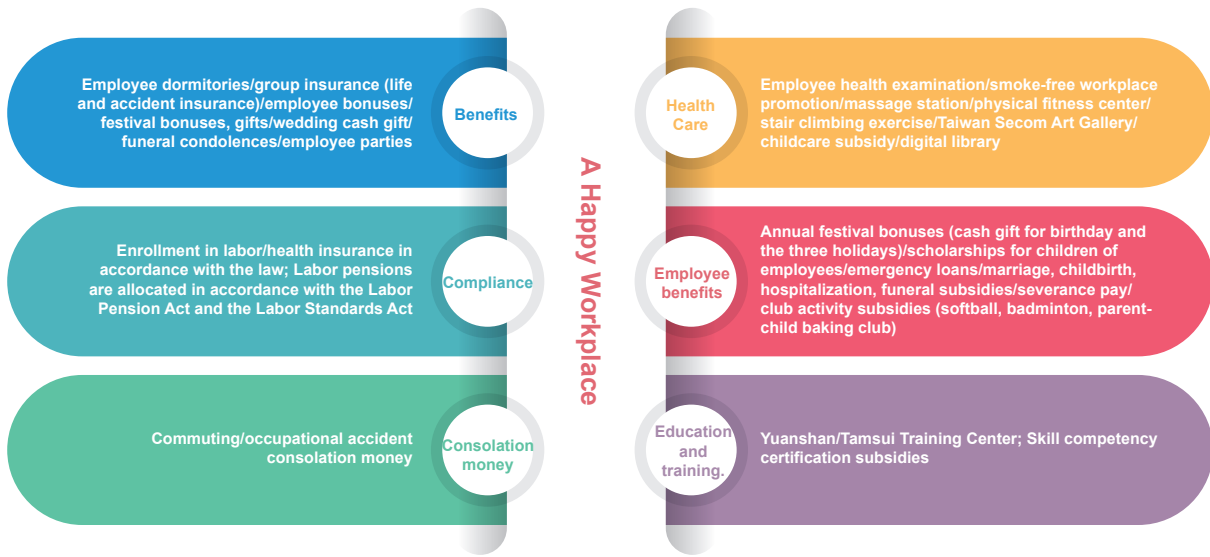


Complete Retirement Care and Plan

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. In addition to setting aside retirement reserves in accordance with the law, the Company also calculates the retirement reserve required to ensure that we allocate a sufficient amount to protect employees' rights when they apply for their pension in the future. In 2023, 27 employees retired and withdrew pension from the Company's Labor Pension reserve account.

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.





3.4 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 2023

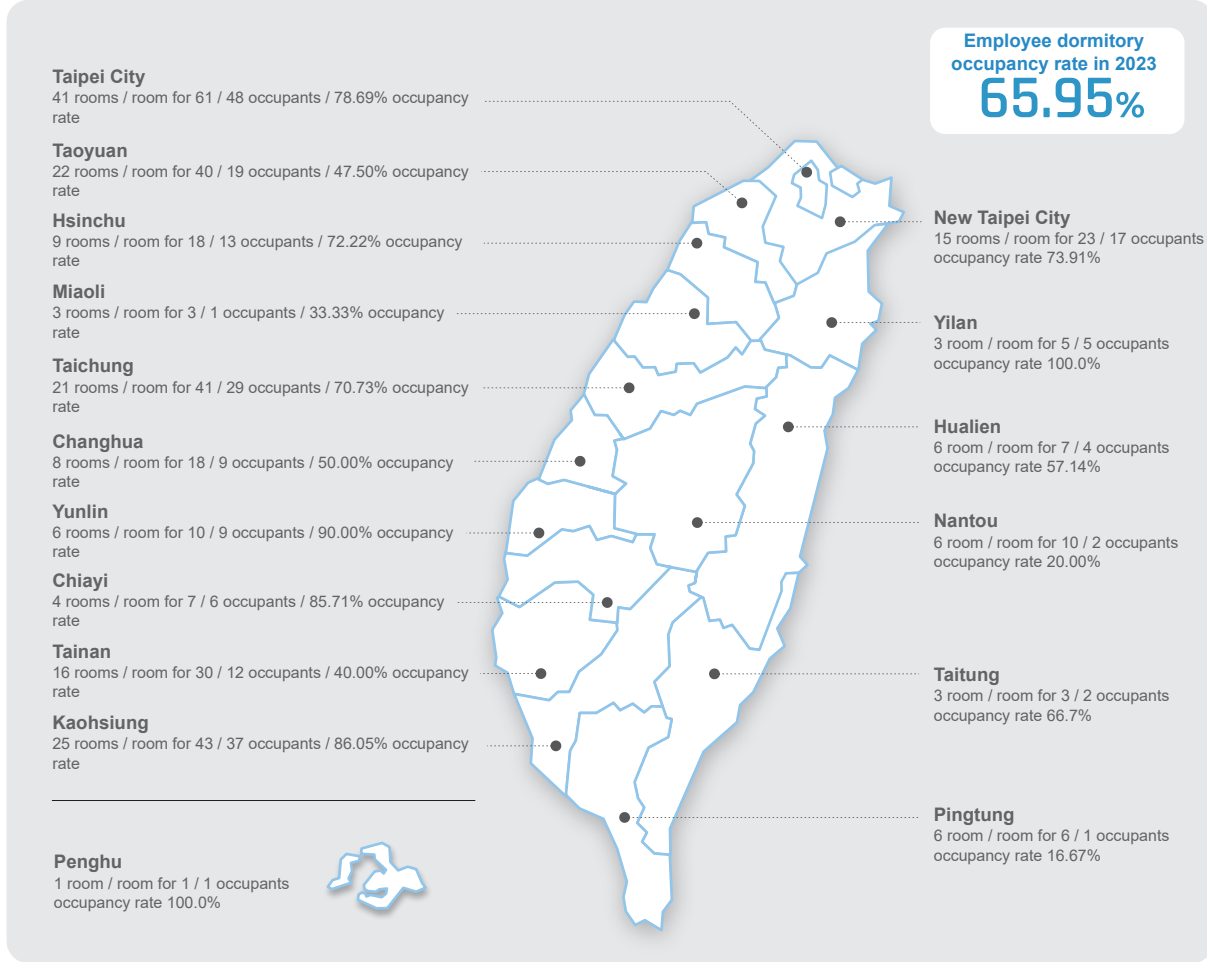
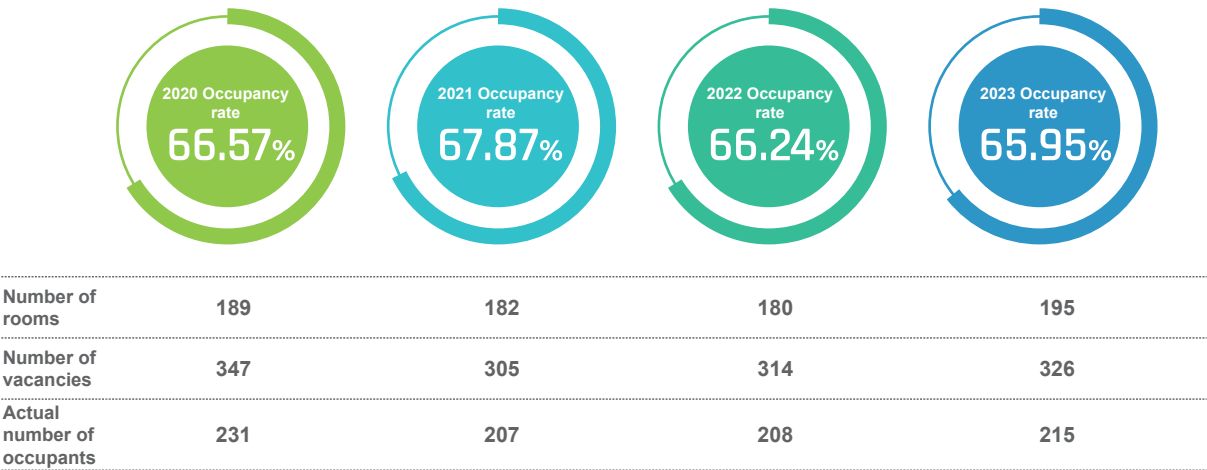
Item	Children's scholarships	Year-end, birthday, and three festival bonuses	Marriage, hospitalization, funeral subsidies, severance and retirement subsidies	Club subsidies	Employee benefits and health insurance
Total number of applicants	1,118	14,423	205	3	254
Total value of applications	1,813,000	10,069,700	2,471,894	40,000	10,057,944

Excellent employee dormitories for non-local employees

To recruit talents and retain good employees, Taiwan Secom provides employees with free dormitories with no additional water, electricity, or Internet fees for employees seeking work or assigned to work outside their hometown. Employee dormitories all have air-conditioning, washing machines, kitchenware, and furniture, and there are supermarkets or convenience stores within walking distance. Anyone who meets the application qualifications can apply, and dormitory fees and miscellaneous fees, such as water and electricity charges and Internet fees, are waived, providing employees with a comfortable and safe living space. 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 65.95% in 2023.



Employee dormitory statistics in past years



Encouraging Employees to Form Clubs and Attend Welfare Activities

Employees can form leisure clubs with different attributes on their own. Taiwan Secom established the "Clubs and Society Subsidies Regulation," and all employees may apply to establish clubs in accordance with the regulation. The Company currently has a diverse range of clubs, including the badminton club, family baking club, and softball club, allowing employees to relieve stress from work, achieve physical, mental, and spiritual balance, and strengthen employee engagement.





Complete training

Taiwan Secom attaches great importance to employee training and reserve plans to ensure that they can continue to improve their professional competencies. We have implemented seven major programs that combine emerging technologies, such as AIoT, to improve the work efficiency and capabilities of employees, in order to adapt to market changes. At the same time, we continue to take stock of employee needs and establish a complete training system.

Material Issue	Employee Education and Training
Target	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:	<div>1. Learning environment: There are two major training centers (Yilan and Tamsui) and a total of 6 training classrooms across Taiwan.</div> <div>2. Professional lecturers: In addition to training experienced and professional employees to serve as full-time lecturers, the Training Division also provides centralized training or teaching in regional units, and hires external lecturers in professional fields according to course needs.</div> <div>Training platform: In addition to classroom courses, Taiwan Secom Elite Academy has also introduced a training platform and established a complete KM learning knowledge base so that employees can learn conveniently anytime and anywhere.</div>
Complaint Channels	Training Division
Specific Actions	<div>1. Senior manager training courses: Offered 3 senior manager training courses covering "Information and Personal Data Security," "Future Development and Opportunities of Generative AI," and "Corporate Governance Regulations," and invited professional lecturers to provide information on the latest technical capabilities and the latest laws and regulations to senior managers.</div> <div>2. Disaster prevention seed instructor (certification) training: Offered disaster prevention certification courses, hired professional disaster prevention consultants to train disaster prevention seed instructors, and cultivated a professional planning service team for Taiwan Secom's disaster prevention services.</div> <div>3. CRM courses: Introduced Salesforce system courses together with the CRM Office, how to make good use of CRM and integrate it into sales of more diversified and complete service applications.</div> <div>4. Elite cultivation project: Provided guidance to outstanding supervisors to continue their studies, strengthened their management competencies, and provided subsidy policies. Trending Topic - AI Application Open Course: Offered the course "Utilize ChatGPT to develop precision AI briefing capabilities," and invited professional lecturers to apply AI to create eye-catching presentations.</div>
Results	<div>1. A total of 2,792 people received 69,928 hours of training throughout the year.</div> <div>2. Completed 3 senior management training courses with 250 participants.</div> <div>3. Completed a total of 13 management training courses with 505 participants. Special topic training is provided to supervisors and entry level employees. A total of 10 CRM Salesforce training sessions were offered with 256 participants. A total of 4 batches of disaster prevention seed courses were offered with 104 participants.</div> <div>4. Completed the course "Utilize ChatGPT to develop precision briefing capabilities," which was offered in 2 batches with a total of 73 participants from 33 departments, including the IT Office, General Affairs Division, Business Planning Office, Sales Division, Customer Service Department, Sales Planning Office, and affiliated enterprises.</div> <div>5. Completed the annual sales/service personnel professional skills test. In 2023, a total of 141 sales personnel passed the test, and a total of 504 service personnel passed the test. The Company will continue to maintain the Unlimited Plus talent pool.</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. We uphold the idea of "lifelong learning" and continuous advancements towards professionalism, technology, and innovation in the "Taiwan Secom Elite Academy."

In addition to solid courses, a variety of marketing and management video courses are provided on the Taiwan Secom Elite Learning Platform, so that employees can learn anytime and anywhere.

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.

Physical classroom

Training Type	Training Hours		Number of Trainees		Average Training Hours	
	Male	Female	Male	Female	Male	Female
Business personnel	12,361	2,992	804	172	15.37	17.39
Service personnel	34,460	315	1,361	13	21.13	24.43
Management personnel	1,491	29	157	6	9.49	4.85
Technical personnel	9,860	76	868	17	11.36	4.47
R&D personnel	204	70	84	18	2.43	0
Others	2,128	5,943	184	580	11.57	10.25
Total	60,504	9,424	3,728	806	16.23	11.69

Course Design and Planning for the Seven Major Programs

New Job Operation Program	This program helps new recruits gain the required knowledge, skills, and attitude for operations and enhances the professional competencies of operations personnel to develop new customers and increase the market share.
New Job Service Program	This program improves the professional technical skills of new service engineers in the attendance, repairs, and equipment setup operations and improves their service and technical competencies. The Company established skill evaluation criteria based on the need for professional skills of each job level and incorporated the skill evaluation items into the courses.
Special Field Program	Create market segmentation with high quality, enhance knowledge of products in professional fields, improve the value of reliability for customers, and develop comprehensive service ideals.
Management Program	Enhance the professional skills of officers on all levels and the management and leadership of groups to increase management performance and competitiveness.
Elite Training Program	Officer human resource development for cultivating future officers and instructors
Enhanced OJT Program	Continue to enhance the work skills and motivation of current employees, improve the knowledge, skills, attitude, and reliability of employees in all departments, and develop comprehensive service ideals
Innovation Program	We adopt a new training model and provide a diverse range of training resources to enhance the competencies of employees from front-line employees to management. We create a comprehensive social system industry with innovation of the business service model and expansion of the gap of our technological lead to fulfill corporate social responsibility and align with international standards.



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 2023	211	126	101	66	(Not yet organized)

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 2023
Level 1	Able to independently complete sales process	(1) Unlimited Plus planning capabilities (small-scale projects) (2) System, service, procedures, and product knowledge (functions)	Fundamentals 1	Basis for official hiring of service operators (within 3 months)	89
Level 2	Attain performance targets and enhance professional skills	(1) Project planning capabilities (medium-scale projects) (2) System, service, procedures, and product knowledge (applications)	Fundamentals 2	Specialist promotion criteria	20
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)	Advanced training	Deputy manager appointment criteria	32

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:

● Photos of Training Activities in 2023





### 3.5 Social Care

At Taiwan Secom Group, we firmly believe that corporate growth and social progress should go hand in hand. Therefore, social care has always been the core of our Code of Conduct. We show our deep concern for society through in-depth education and nurturing young talents, and thereby create a virtuous cycle.

The three major foundations established under the Taiwan Secom Group are the Taiwan Secom Cultural and Educational Foundation, Lin Teng Cultural and Educational Foundation, and the latest Lin Hsiao-Hsin Cultural Foundation. The three major foundations have long focused on education and dedicated their efforts to the Rural Talents Cultivation Project, investing over NT\$100 million in Yilan as they continue to expand various education projects. The foundations have been recognized by the Ministry of Education with the Crystal Award, Gold Award, and Silver Award, and quite a few schools received funding so that they will be capable of discovering and cultivating experts in various fields. More and more students are bringing glory to their hometowns in domestic and international competitions. These are the results that the foundations are very happy to see.

#### Three major foundations under the Taiwan Secom Group

##### Taiwan Secom Cultural and Educational Foundation

The Taiwan Secom Cultural and Educational Foundation was established in 1996. Over the years, it has provided large-scale, long-term, and stable tutoring for disadvantaged students in Yuanshan Township, Yilan. It hires external professional lecturers and pays their wages, providing tutoring services for schools targeting disadvantaged students who are lagging behind in learning progress. The students range from first grade to ninth grade, spanning 9 grades. This also indirectly prompted Yilan County Government to successively set up after-class tutoring classes in each school, becoming an integral part of basic education.

For English proficiency and information technology to take root, we have focused on promoting bilingual education in recent years, and upgraded the Taiwan Secom after-class tutoring course to 2.0 combining English and information technology. We invested NT\$1 million to build two interactive English classrooms in Yuanshan Elementary School, and planned a full set of advanced multimedia equipment to provide situational teaching, so that children in rural areas can enjoy the same English learning environment as students in the plains. It has obtained star certification from Yilan County Government. This forward-looking investment in education not only closes the educational gap between urban and rural areas, but also opens the door to unlimited possibilities for children in rural areas.



▲ Taiwan Secom's after-class tutoring class provides children with remedial teaching after school, and also connects with high school education teams every year to hold various summer camps during winter and summer vacations, which not only allows children to broaden their horizons and grow happily in a rich learning environment, but also passes on the spirit to deepen the connection between communities.



▲ Taiwan Secom Group leads the three major foundations to hold a grand Thanksgiving dinner every year to reunite with students in Yilan and share the fruitful results.

##### Lin Teng Cultural and Educational Foundation

Lin Teng Cultural and Educational Foundation was established in 1989. It focuses on cultivating core competitiveness and provides educational services to young students. It not only provides high scholarships to 12 high (vocational) schools in Yilan County every semester, but also provides the "Lantern Star Cultivation Program," "Expertise Potential Cultivation Program," and "Yilan Youth Elite Cultivation Program." It has invested a large amount of funds and resources to strengthen the local digital education ecosystem in Yilan, systematically cultivate language and ICT talents, and build strong soft power.

The foundation has already invested over NT\$20 million into the "Lantern Star Cultivation Program." Besides working with National Yilan Senior High School, National Lan-Yang Girls' Senior High School, National Lotong Industrial Vocational High School, and National I-Lan Commercial Vocational Senior High School to jointly establish various resource centers, the program has organized training camps related to programming, English proficiency certification, and ICT, allowing students to enjoy world-class teaching resources close to home, and obtain professional certificates, including General English Proficiency Test (GEPT), TOEIC, and Advanced Placement Computer Science (APCS), as well as AI robot and information network skills. This will give them an advantage and rich learning experience for future employment or application to top universities in Taiwan and overseas. So far, more than a thousand local students have benefited and won honors in various competitions, which has also enhanced Yilan's international competitiveness.

The "Yilan Youth Expertise Potential Cultivation Program" was implemented to encourage students' adaptive and diverse development, and has opened up the opportunity to adopt the National Yilan Senior High School Basketball Team, National Lotong Industrial Vocational High School Baseball Team, and National Tou Cheng Home Economics and Commercial Vocational High School Volleyball Team. It not only assists in meeting needs for player training, but also helps players obtain professional certifications and develop second expertise, helping them become student athletes.



▲ Lin Teng Cultural and Educational Foundation co-organized the "Lin Teng Cup AI Ironman Trials" with National Lo-Tung Senior High School to create a paradise for children to achieve their heroic dreams



► The "Lin Teng Cup Yilan Science Ability Competition" organized for seniors in junior high school allows students who are gifted in mathematics and physics to not only test their own capabilities through the competition, but also get the opportunity to be admitted to the Science Experimental Class of National Yilan Senior High School, or get a better chance of being admitted to the school they want by earning extra points in the multi-channel admission.



► The "Lin Teng Cup English Expression Competition," which was originally only a competition within Yilan County, has expanded into a major national event since last year.



#### ◀ National Yilan Senior High School Basketball Team

The National Yilan Senior High School Basketball Team has entered the top 12 in the HBL for two consecutive years. The team has rapidly improved its skill level and successfully achieved many brilliant records. It is now an outstanding team ranked top 10 in the country.



#### ▲ National Lotong Industrial Vocational High School Baseball Team

National Lotong Industrial Vocational High School Baseball Team, which was just formed four years ago, has continuously set records in team history and has now become a highly regarded team from Yilan in the youth baseball world. This year, many students have successfully obtained certificates and are moving towards the goal of being student athletes.



#### ◀ National Tou Cheng Home Economics and Commercial Vocational High School Volleyball Team

National Tou Cheng Home Economics and Commercial Vocational High School Volleyball Team, which was formed only five years ago, has set a brilliant record of reaching the top eight in the HVL for four consecutive years. With solid training, every player has the ability to become a starter, creating many stories about the legend of the "Northeast Volleyball Team."

#### ► Lin Teng Literature Award

To deeply cultivate the literary soil of Yilan and encourage young people's literary and artistic creation, the "Lin Teng Literature Award" is held every year to provide a stage for young writers to show their literary talents and creativity, and the winning works are collected into a volume and published as "Yuanshan Yinwang," which is available and can be purchased at the "Lantern Space" in the youth cultivation center sponsored by the foundation.





### Lin Hsiao-Hsin Cultural Foundation

The new Lin Hsiao-Hsin Cultural Foundation was established with the belief that art and culture can enrich people's lives, inspire creativity, and unite emotions and values of society. The foundation is dedicated to promoting cultural and artistic activities, providing rewards for cultural and academic undertakings, and cultivating cultural and artistic talents. In addition to organizing four a cappella concerts for students to experience the charm of the human voice, it has also cooperated with National Yilan Senior High School, National Lan-Yang Girls' Senior High School, National Lotong Industrial Vocational High School, and National I-Lan Commercial Vocational Senior High School to form the "a cappella club," cultivating students' musical interests, teamwork, and performance skills. This allows it to discover and nurture potential musical talents, support them in participating in international competitions, and help Yilan become a music capital.

► The Lin Hsiao-Hsin Cultural Foundation is committed to promoting cultural and artistic activities, and its first task is to bring a cappella, which features the charm of the human voice, into campuses.



### 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. So far, there has been a total of 4,945 participants who donated 6,970 bags with 1,742,500 cc of blood. This not only provides medical institutions in urgent need of blood with precious resources, but also allows employees to pay attention to their health condition at all times, which also reflects on the Company's social responsibility and mission.



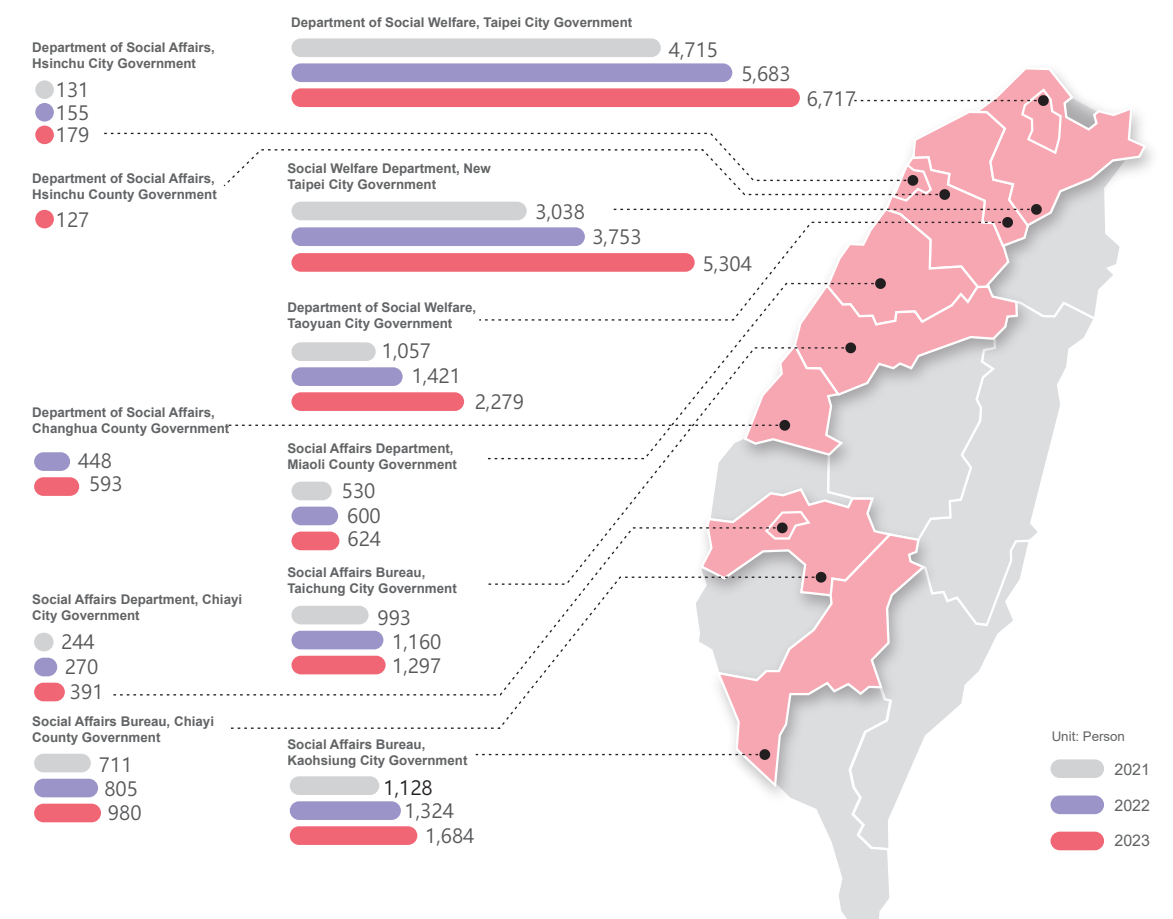
### Protecting the Elderly with Technology and Love

Taiwan is facing a rapid aging problem. The current population of people over 65 years old has reached 4 million, and Taiwan is expected to become a super-aged society in 2025. Facing this phenomenon, Taiwan Secom Group established the "Health Care Business Division" in 2006 to focus on the care needs of the elderly, using advanced technologies such as NCC-certified emergency notification servers and smart sensors, and combining it with professionals such as nurses and social workers to provide 24/7 care services. In addition, we also cooperate with local governments to establish physical day care centers and install proprietary technology and equipment to create a comfortable care environment for the elderly, giving their families peace of mind. These efforts aim to realize the government's smart healthcare policy, promote aging in place, improve the quality of life of elderly people through the combination of technology and human care, and further establish a complete care system that combines online and offline services to meet the needs of more elderly people.

### Emergency Notification and Rescue

According to statistics of the Ministry of Health and Welfare, falling is one of the main causes of death for people over 65 years old. Falling not only increases the physical and psychological burden on the elderly, but may also lead to serious consequences, such as becoming bedridden or death. To this end, Taiwan Secom has developed a system designed to ensure that the elderly and people with disabilities can live safely and independently at home, while ensuring that they can quickly receive assistance in case of an emergency. This system includes remote care equipment, supports emergency notification and contact for emergencies at home, improves home safety, and effectively shortens emergency rescue time. This service of Taiwan Secom is widely recognized, and we have cooperated with many county and city governments to provide emergency rescue and cloud health services for elderly people living alone and people with disabilities. The service covers 11 counties and cities, including Taipei City and New Taipei City. There have been many successful rescue cases over the years with excellent reviews.

### Client and Total Number of People Served





● Items and Times of Service

Service Item (Unit: times)	2021	2022	2023
Telephone support call	486,231	591,203	634,388
Care visit	42,351	46,283	58,905
Emergency rescue services	1,050	1,798	1,529
Health consultation and resource referral	6,592	8,382	10,321
Distribution of supplies	>1,000	>2,000	>1,700

Recognized and Trusted by the Elderly Who Live Alone

Aunt Wu, who is 72 years old and lives alone in Taichung City, once fell at home. She had higher risk of falling while her vision was recovering after just receiving cataract surgery. The Taichung City Government Social Affairs Bureau paid attention to her situation and provided emergency rescue services through Taiwan Secom. It installed fall detection equipment in high-risk areas of Aunt Wu's home and has been using it for six months. Aunt Wu expressed her gratitude for this service and believed that the equipment provided important protection for the safety of elderly people living alone. Taiwan Secom also provides GPS rescue watches in cooperation with the Taichung City Government to meet the emergency rescue needs of elderly people when they go outside. The watches have a button to call for help and automatic fall notification functions to ensure that the elderly can receive immediate assistance under any circumstances.



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



▲ Improved home safety



▲ Improved home lighting



▲ Sports meet event for the elderly



▲ Donated supplies needed by disadvantaged elders



▲ Birthday parties for the elderly

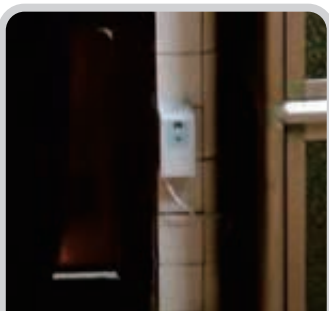


▲ Assisted government agencies with material donations

In the era of pursuing excellence, the Taiwan Secom Group adheres to the belief that "to do a job well, one must have the right equipment," and is committed to technological innovation and service quality improvement. The Company utilizes its abundance of experience to engage in R&D and innovation with the goal of serving society with advanced equipment, and pays special attention to the needs of elders and their families. In recent years, we have successfully developed innovative products such as wireless IoT hosts, thermal imaging fall detectors, and watches for positioning and care, showing our continuous efforts to drive technological advancement and improve the safety of elderly people.



Wireless IOT device

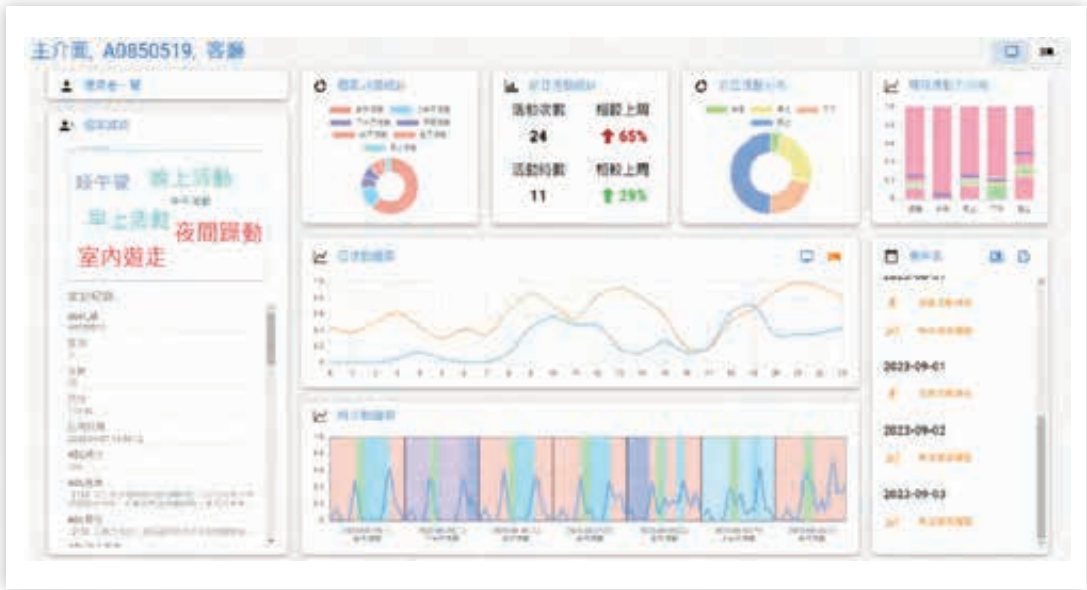


Thermal imaging fall detection equipment



Positioning watch

At the same time, we actively responded to the development of AI and integrated it into elderly care services. This initiative allows the service to more accurately meet the needs of elderly people, gain an in-depth understanding of daily life patterns of elderly people, and promptly detects and pays attention to short-term changes in their daily routines. This allows care center staff to strengthen their care and encourages family members to stay alert to the recent conditions of their elders, taking care of elderly people together.



▲ AI analysis of elderly people's activity patterns

Taiwan Secom Group hopes to provide reassuring and warm services to more elderly people and their families through continuous technological innovations and a deep understanding of social needs. The Company firmly believes that technological advancements should serve the people. The Company hopes that its efforts will bring more positive impacts to society, so that every senior citizen can enjoy a safe, convenient, and dignified life. Taiwan Secom Group will continue to move forward on this path, continue to explore and innovate, and use the power of technology to warm the hearts of every individual.





### Caring for the health of elderly people at all times

As the population ages, home care will become even more important, especially when facing challenges brought by extreme weather and epidemics. To ensure the safety, health, and quality of life of elderly people, we have taken a number of service measures:

- I. In terms of epidemic prevention, even though the most severe period of the COVID-19 pandemic has passed, we continue to provide epidemic prevention materials and education, and periodically provide personal protection training for personnel making home visit, so as to prevent infections and the spread of viruses.
- II. In terms of environmental adaptation, we take into account the challenges brought by climate change, especially the frequent temperature changes in Taiwan. We use service equipment to promptly transmit climate change information to help elderly people adapt to the environment and reduce health risks.
- III. We also focus on mental health and social interactions. During the epidemic, isolation has put great psychological pressure on the elderly. We provide psychological support and social activities, such as video chat and telephone condolences, and use technology to facilitate community interactions to enrich their social life.
- IV. In terms of technical support, following the popularization of technology, educating elders to use smart devices not only provides greater convenience in life, but also helps reduce loneliness and increase connections with the outside world.

Our services not only emphasize material support, but also pay attention to psychological and social needs, and improve the quality of life of elderly people through comprehensive measures. This not only shows our responsibility as caregivers, but also reflects the common concern of society and families for the elderly. Our goal is to establish a more caring and supportive social environment for the elderly.



▲ Care center staff express their concern for elderly people and provide climate change information

▼ Personnel make home visits to help elderly people handle computer problems



### Online to offline care

As Taiwan becomes an aging society, the demand for high-quality elderly care services has increased. Day care centers provide this service to reduce the stress on family caregivers, allowing family members to concentrate on work or temporarily relieve stress. Taiwan Secom collaborated with Japan's SECOM to develop home emergency rescue and remote care technology. We referenced Japan's experience and introduced smart systems and the lighting system jointly developed with the ITRI, in order to improve the quality of care and provide a suitable care model for Taiwan. Since Taiwan Secom jointly established a smart elderly center with New Taipei City Government in 2018, we subsequently worked with Taoyuan City Government and Taipei City Government in establishing four day care centers. We are currently preparing to establish a fifth day care center in Guanyin District, Taoyuan City. These day care centers provide spaces for elderly people to interact with each other and resting spaces for caregivers, embodying Taiwan Secom's values of "safety and trust" and smart care expertise.

The purpose for establishing day care centers is to provide day care and activity leadership for elderly people, and to delay functional deterioration. In recent years, the "Balance Measurement System" and "RINGOAL Home" equipment have been introduced to realize digital management and evaluate the effects of rehabilitation. Elderly people who have received care from Taiwan Secom's day care centers for over a year have shown significant improvement overall. Family members are promptly informed of these improvements in the condition of their elders through Line@, giving them greater peace of mind.



▲ Reading activities for elderly people



▲ Elderly people use "RINGOAL Home" for exercise

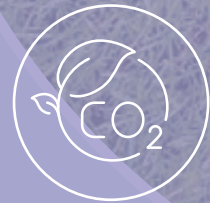
### Taiwan Secom Group supports domestic cultural development and collaborated with Taiwan Creative Content Agency to establish "My Story Entertainment" to distribute domestic movies, drama series, and IP.

The Company actively participates in cultural and creative investments, hoping to drive the development of the overall cultural and creative industry and fulfill its corporate social responsibility. In 2023, My Story Entertainment Co., Ltd., a subsidiary of the Company, specially participated in the Ministry of Culture's "Implementation Plan for Strengthening Investment in Cultural and Creative Industries - Cultural Content Investment Project" and invested a total of NT\$200 million in exhibition and performance facilities, movies, and TV series. We are actively cooperating with government policies, hoping to jointly help push Taiwan's cultural and creative industry onto the international stage.

The Company's first investment in the cultural and creative industry was an investment of NT\$20 million in the domestic films "Breaking and Re-entering" and "Born for the Spotlight." The total investment in movies in 2023 was NT\$45 million. Films that are expected to be released before 2024 include "Breaking and Re-entering," "Dead Talents," and "18x2 Beyond Youthful Days," leading the trend in the domestic industry.



## CH4 Sustainable Development of the Environment



Climate change has become the focus of global attention in recent years. Extreme weather has seriously impacted habitats and even impacted economic activities of companies. As the international community pays more and more attention to environmental sustainability, coupled with the enactment of environmental regulations, companies must shoulder their responsibility for environmental sustainability while pursuing profits, and take action for energy conservation and carbon reduction. We will integrate internal and external resources for green transformation, so as to realize the vision and goal of sustainable development.

### Sustainable Environment Strategy

- Actively review and invest resources to replace old equipment and prioritize equipment and vehicles with low energy consumption in procurement.
- Assign personnel to take part in energy conservation technology development and service strategy improvements to reduce the consumption of resources in products and services.
- Integrate work areas of similar nature to reduce the use of energy for non-essential purposes.
- A GHG inventory of six major locations of the head office was compiled in 2023 to examine GHG emissions and formulate corresponding energy-saving and carbon reduction measures.



## 4.1 Climate Change

According to the "Global Risk Report 2024" released by the World Economic Forum (WEF) in January 2024, "extreme climate events" and "pollution" ranked second and fifth among the top ten short-term risks within 2 years. The top four long-term risks within 10 years are all related to the environment, including "extreme weather events," "extreme changes in Earth's systems," "biodiversity loss and ecosystem collapse," and "shortage of natural resources." The contents above show that the actions of enterprises to maintain environmental sustainability are very important and time-sensitive, and must immediately propose corresponding plans and measures and invest resources to mitigate and respond to the severe impacts of climate change.

Taiwan Secom discloses its governance mechanisms for climate issues and the climate risks and opportunities it identified through the four aspects: governance, strategy, risk management, and metrics and targets according to the recommendations of the Taskforce on Climate-Related Financial Disclosure (TCFD), in order to respond to the impacts brought by climate change. We further assessed and formulated related policies or measures on this basis. We hope to use our role and perspective as a global citizen and industry leader to invest resources, continue to pay attention to climate change, and improve or reduce possible impacts and hazards.

### Governance

The Sustainability Development Committee of Taiwan Secom holds regular discussions every year on the risks and related responses that may be affected by climate change during business operations, and formulates the goals and policies of Taiwan Secom for environmental sustainability each year. The chairman of the committee is the CEO, and the meeting conclusions and resolutions are reported to the Board of Directors to form effective governance and supervision.

The Company established a GHG Inventory Committee in 2022 to evaluate and plan the compilation of a GHG inventory. The committee's members are composed of employees from various departments, and the chairman of the Board also serves as the chairman of the committee, which supervises and carries out GHG inventory tasks. After completing GHG inventory work and issuing a GHG inventory report, it will be reported to the Board of Directors every year.

In accordance with the "Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the corporate governance officer of Taiwan Secom participated in the continuing education course "How the board of directors develops ESG sustainable governance strategies in 2023" organized by Taiwan Corporate Governance Association on April 10, 2023, learning how to formulate a company's sustainable governance strategy and apply it in practice, in order to ensure that ESG governance concepts can be accurately implemented in the Company and achieve the purpose of supervision.

In addition to establishing a Sustainable Development Committee and a GHG Inventory Committee, the Business Planning Office invited the consulting team in February 2024 to provide training to senior managers of the Group's affiliated enterprises on current domestic sustainability information disclosure and carbon pricing development trends. Senior managers from 14 affiliated enterprises were invited to participate in the training with more than 20 participants. The training provides senior managers with concepts and knowledge of ESG-related issues, updates and tracks the latest international trends, regulations, and orders, improves senior managers' understanding of ESG issues, and convey concepts to employees to achieve the purpose of taking root.



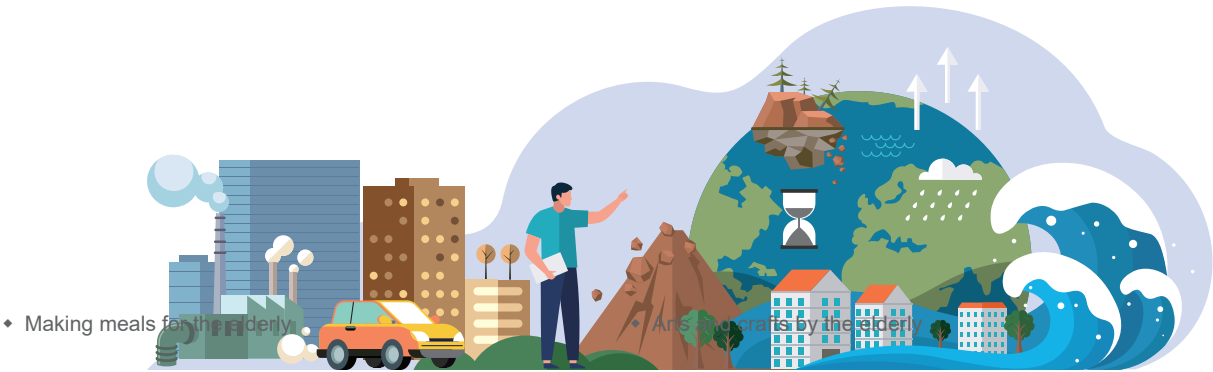


Strategy

Taiwan Secom uses existing or potential climate risks to explain the impact of short, medium and long-term risks on the Company's financial position, as well as its corresponding measures. At the same time, we identify 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 corporate sustainability strategy. Taiwan Secom is in a special industry. How to maintain existing service quality and commitments when facing the impact of extreme weather, and propose corresponding preventive and response measures to potential risks are the primary assessment directions for Taiwan Secom when formulating policies related to climate change, so as to ensure that equipment, services, and operations remain normal and unaffected when facing extreme weather conditions.

Situation	Adaptation strategy
Power outage	<div>1. Regularly inspect emergency power supply equipment at business locations to ensure that the equipment maintains effective and normal operation.</div> <div>2. Provide customers with UPS or energy storage system.</div> <div>3. Regularly save and back up important data to facilitate restoration of normal operations after power is restored.</div> <div>4. Establish SOP to deal with power outages.</div>
Signal interruption	<div>1. Regularly save and back up important data to avoid data being affected.</div> <div>2. Provide special customers (e.g., financial institutions/jewelry industry) with dual-module backup signal transmission.</div>
Impact on equipment	<div>1. Periodically manage and verify backup supplies in equipment warehouses of branch offices.</div> <div>2. Formulate various equipment installation specifications (install waterproof boxes or limit installation height).</div> <div>3. Develop and design extreme weather-resistant equipment that meets standards.</div> <div>4. Strengthen the inspection and testing of equipment before it is released in the market.</div>
Impact on duty	<div>1. Develop emergency response plans, establish SOPs, and conduct regular drills.</div> <div>2. Make adjustments in accordance with government policies.</div>

Every year, Taiwan Secom will review and assess the physical and transition risks caused by climate change. After identifying the climate risks, we will measure and assess them, then formulate and implement response strategies based on the risks, and finally monitor whether the strategies are effective and make rolling adjustments at the same time.

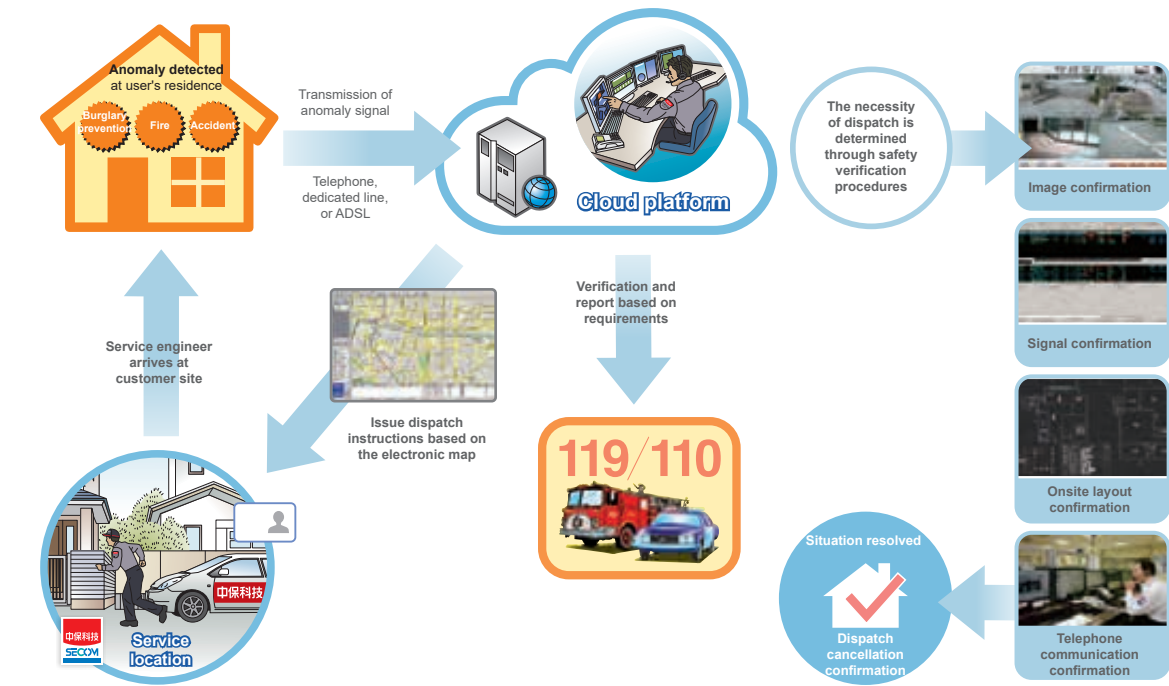


Climate Risks/ Opportunities		Potential Financial Impact	Responses
Transition Risk	Policies and regulations	<div>1. Increase in energy prices due to the Climate Change Response Act and the 2050 Net Zero Emissions Policy will lead to an increase in operating costs.</div> <div>2. The establishment and changes in other government policies, regulations, or enforcement rules may increase the cost of services and products or reduce demand.</div>	<div>1. Increase the efficiency of energy use, maximize equipment efficiency, and actively promote turning off non-essential electrical equipment.</div> <div>2. We prioritize the purchase of hybrid vehicles with low fuel consumption and increase the quantity purchased each year.</div> <div>3. Collect information on the latest domestic and international sustainability trends and changes in government environmental regulations.</div> <div>4. Establish incentives to encourage employees to conserve energy and reduce carbon emissions, raise employees' energy conservation awareness, and make it a habit in daily life.</div> <div>5. Regularly organize promotion events and training related to regulations to cultivate employees' professional competencies in laws and regulations.</div> <div>6. Invest in independent power generation resources or green energy to increase the percentage of renewable energy use.</div>
	Technical	More costs need to be invested in training technical personnel in response to product R&D and transformation, which will increase R&D and operating costs.	<div>1. Implement the product or service life cycle management model to develop new types of products and 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 implementing R&amp;D projects, in order to reduce the impact of inventoried assets.</div> <div>4. Adjust the operating method or equipment functions.</div>
	Market	<div>1. Higher environmental awareness causes changes in preferences of service and product sales subjects, causing demand for products or services to decrease.</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 understand related regulations before purchasing real estate, in order to lower the probability of repricing.</div>
	Goodwill	<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> <div>4. Regularly review the formulation and implementation status of sustainability strategies, maintain contact with stakeholders at all times, and value their feedback.</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 and causes electricity fees to increase.</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. Water shortages and severe droughts may cause power shortages, interrupt operations, or cause fires.</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. Climate change has led to the frequent occurrence of extreme weather disasters and increased commercial 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>
Opportunities	Installation of renewable energy equipment	<div>1. Installation of solar photovoltaic systems.</div>	<div>1. The Group planned and installed a solar photovoltaic system in the Taiwan Secom Cloud Building in Q4 of 2023, which will not only help reduce the heat island effect, but also lower the room temperature by 3-5 degrees.</div> <div>2. The subsidiary Titan Star International Co., Ltd. plans to install a solar photovoltaic system in its new plant. Besides responding to the government's requirements for reduction measures to achieve net-zero emissions, it will also generate additional income for the Group.</div>



Besides formulating corresponding strategies within the Company, external suppliers are also required to sign the "Supplier Corporate Social Responsibility Commitment," requiring suppliers to implement and comply with regulations related to sustainability risk assessment. Please see the section on sustainable supply chain under corporate governance for details.

● Service dispatch carbon reduction strategy



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.

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. Detailed targets are as follows:

Energy and green purchasing management targets

1. Purchased energy:

- The baseline year is 2020 (the electricity consumption was 9,570,879 kWh).
- Electricity consumption is expected to be reduced to 95% of the electricity consumption in 2020 (less than 9,070,959 kWh) by 2025.
- Electricity consumption is expected to be reduced to 90% of the electricity consumption in 2020 (less than 8,593,540 kWh) by 2030.

2. Fuel:

- The baseline year is 2020 (carbon emissions from fuel per million kilometers is 303.04 metric tons).
- Carbon emissions from fuel per million kilometers is expected to be 275 metric tons before 2025.
- Carbon emissions from fuel per million kilometers is expected to be 200 metric tons before 2030.

3. Green purchasing:

- Gradually expand the purchase of green products each year.
- Purchase hybrid vehicles or electric vehicles as service vehicles and company vehicles.



Measures to achieve energy and green purchasing targets

1. Purchased energy:

- Conduct a rolling assessment of the lighting equipment replacement needs in office areas and replace old lighting equipment.
- Regularly inspect and evaluate old air-conditioning equipment and conduct replacement evaluations.
- Examine the electricity consumption of other equipment, carry out electricity-saving operations, and encourage employees to respond to electricity saving through competitions.
- 2021-2023 Electricity and Water Consumption Statistics Table

● Total electricity consumption of Taiwan Secom 2021-2023



Year	2021	2022	2023
Total electricity consumption (kWh)	9,283,234	8,856,602	8,939,630
Total number of employees	2,441	2,461	2,496
Power consumption per capita	3,803.05	3,598.78	3,581.58

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.

In recent years, the Company has formulated many policies and incentive mechanisms for energy conservation, carbon reduction, and electricity saving, in hopes that employees will implement energy conservation in their daily lives. Based on the table above, due to the increase in the number of employees, the total electricity consumption in 2023 increased compared with 2022, but electricity consumption per employee was lower than in 2021 and 2022. It is clear that the energy-saving policies formulated by the Company have been effective.

● Total water consumption of Taiwan Secom 2021-2023



Year	2021	2022	2023
Total water consumption (M3)	52,006	49,166	50,279
Total number of employees	2,441	2,461	2,496
Water consumption per capita	21.31	19.96	20.14

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.

Taiwan Secom has paid more attention to related water resources issues after seeing the growingly severe water shortages in recent years, and has posted notices and verbally promoted water saving policies to remind employees to save water. In 2022, water consumption decreased due to working in rotations in separate groups during the pandemic. As the pandemic subsided in 2023, employees began to return to normal work and life, so water consumption increased, but it was still lower than that in 2021, showing that employees have developed the concept of saving water and implemented it in daily life.

Compile a GHG inventory and formulate response policies

To achieve the policy goal of net-zero emissions in 2050 and to comply with the requirement of the Sustainable Development Guidemap for TWSE and TPEX Listed Companies announced by the FSC to complete our GHG inventory in 2026, the Board of Directors approved the establishment of a GHG Inventory Committee in the second half of 2022, and also decided to carry out GHG inventory work in advance. The GHG inventory for six major locations of the parent company was completed in 2023, and we released the first GHG Inventory Report, formulating relevant carbon reduction policies based on the results of the inventory. We plan to complete the GHG inventory of the head office and branches in 2024, and carry out external verification and auditing.

The GHG inventory for the entire group (including subsidiaries in the financial statements) is expected to be completed in 2025, and the external verification and audit will be completed in 2027. The overall schedule for compiling the inventory is earlier than the time specified by the FSC, which shows that Taiwan Secom Group attaches great importance to GHG inventory operations and actively cooperates with the positive actions of relevant policies, in hopes of realizing the vision of environmental sustainability as soon as possible.

Taiwan Secom GHG inventory in 2021-2023 <sup>Note 1</sup>

Greenhouse gas inventory		2021	2022	2023
Scope1 (Direct emissions)	Gasoline	3,194.40	3,163.67	3,037.70
	Diesel	145.99	141.59	157.46
Scope2 (Direct emissions)	Electricity	4,660.18	4,508.01	4,416.18
Scope1+Scope2 (ton-CO2e)		8,000.57	7,813.27	7,611.34
Emission intensity = total carbon emissions / net revenue (ton-CO2e, NTD million)		1.11	1.07	1.00

Note 1: Overview of Taiwan Secom's GHG inventory in 2021-2023  
(1) 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.  
(2) Emission coefficient: 2.2631 kg CO2/L for gasoline and 2.6060 kg CO2/L for diesel. Electricity emission factor: The 0.502kg CO2e/kWh of 2020 was used in 2021; the 0.509 kg CO2e/kWh of 2021 was used in 2022; the 0.494 kg CO2e/kWh of 2023 was used in 2023. Source of emission coefficient: GHG Emission Factor Management Table Version 6.0.4 of the Ministry of Environment, electricity emission coefficient of the Bureau of Energy, Ministry of Economic Affairs.  
(3) Emission intensity = total carbon emissions / net revenue (ton-CO2e/NTD million).  
(4) The statistics in the table are all retrieved from the Company's internal energy platform. The data was collected in 2023 and was retrieved on March 6, 2024.  
(5) The scope of carbon emission intensity is Scope 1+2.

In 2022, Taiwan Secom compiled a GHG inventory for six major locations and also released the first GHG Inventory Report. Since this is the first time that the inventory was compiled, we were not able to provide all GHG activity data, and could only analyze and disclose the activity data that was available. The report verification was carried out with reference to ISO 14064-1 and ISO 14064-3. The assurance level for Scope 1 and Scope 2 was reasonable assurance, and for Scope 3 it was limited assurance.

1. Fuel:

- Encourage public transportation to be given priority for business trips.
- Regularly maintain and inspect vehicles to reduce energy consumption.

2. Green purchasing:

- Products with energy-saving labels and green products are mainly considered when making purchases.
- Replace cars with hybrid cars and only purchase ICE vehicles for special purposes.

Progress to date

Purchased electricity achieved the goals set for 2025 ahead of schedule: The total electricity consumption in 2023 was 8,939,630 kWh, a decrease of 6.595% from the 9,570,879kWh in 2020, reaching the target set for 2025 ahead of schedule. The proportion of hybrid vehicles purchased has increased: We gradually increase the proportion of hybrid vehicles among service vehicles each year, and purchased 20 hybrid vehicles in 2023 for use as service vehicles. We currently have 1 electric vehicle, 44 hybrid vehicles, and 30 electric scooters. Hybrid vehicles account for 10.7% of our service vehicles. Increasing amount of green purchasing each year: The purchase of green products has increased each year and reached NT\$39,375,576 in 2023.

Service vehicle

Vehicle fuel consumption management

Taiwan Secom is well aware that vehicle energy consumption and fuel efficiency have a huge impact on the environment. Sustainability must start from enterprises: Therefore, we have established clear policies and management regulations for the fuel consumption data of the Company's own vehicles, and achieved predetermined goals through various action plans, implementing energy conservation and environmental protection in every detail.



Taiwan Secom Vehicle Fuel Consumption Management Policy

Target	Management/ Implementation	Action Plan
Maintain optimal vehicle performance	Vehicle Management Department, General Affairs Division, Management Headquarters	Compile statistics on fuel consumption and set the useful life for vehicle replacement 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

Taiwan Secom analyzed in detail ways to save fuel and required units to develop good habits in vehicle fuel management. This includes requiring user units to remove excess items in vehicles when they hand over vehicles and reduce the load of non-essential items in vehicles. 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. We have purchased new hybrid vehicles when replacing old vehicles starting in 2022.

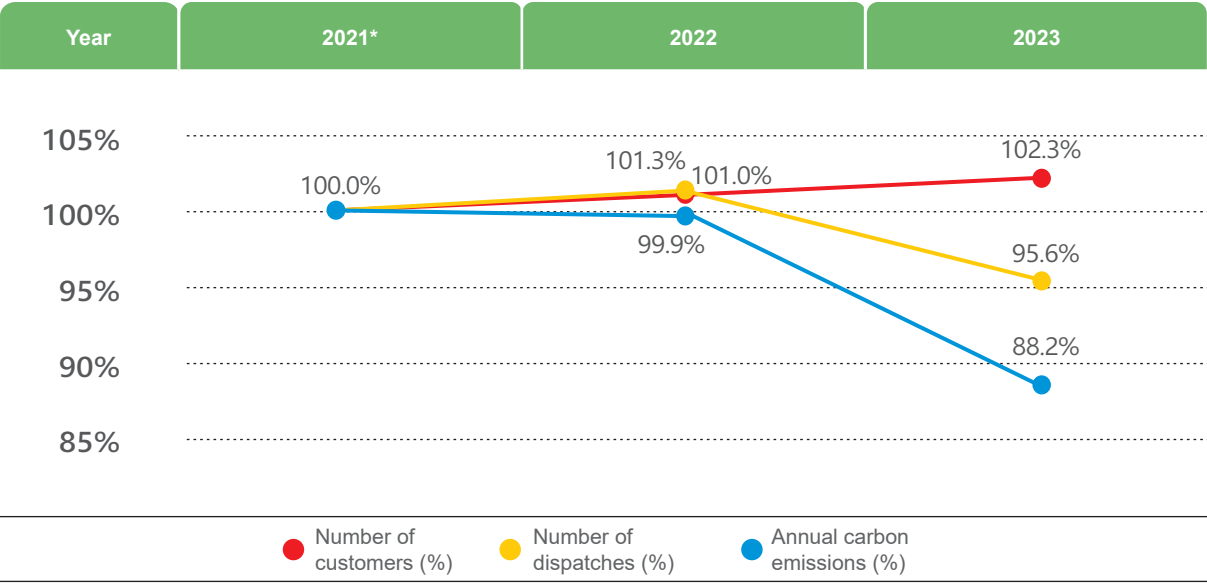


● Energy consumption of all vehicles 2021-2023

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)
2021	Gasoline	522	1,411,516.40	3,194.40	11,268,416	296.44
	Diesel	16	56,021.98	145.99		
2022	Gasoline	525	1,402,250.06	3,163.67	11,343,381	291.38
	Diesel	16	54,330.83	141.59		
2023	Electric vehicles	25	0	0	11,418,716	279.82
	Gasoline	516	1,342,272.17	3,037.70		
	Diesel	17	60,423.21	157.46		

In addition to using a complete management mechanism to control vehicle fuel use, Taiwan Secom also considers adjustments in service processes and system architecture, and improves the normal work cycle, so that employees will attach greater importance to carbon reduction. In addition, starting from 2022, we plan to replace old vehicles with hybrid vehicles, and gradually expanded the purchase of hybrid vehicles for service at external sites starting in 2023. Newer ICE scooters are used to replace older vehicles. We organize an energy saving competition for electricity saving, and invite employees to take part in energy conservation and carbon reduction, deeply embedding the concept of energy saving in the minds of employees, so that they will implement energy saving in daily life.

● Carbon Reduction Performance of the Efficiency Integration Platform



As shown in the figure, the control center uses the service dispatch efficiency integration platform to effectively control the number of dispatches. The number of customers increased by 102.3% in 2023 compared to 2021 (the baseline year). Combined with clear management approaches and implementation actions, the number of dispatches decreased to 95.6% of the original number. Combined with clear management policies and implementation actions, the service dispatch efficiency integration platform was used to reduce total carbon emissions (kgCO2e/km) by 64.7 metric tons in 2023 compared to 2021 (baseline year). Taiwan Secom makes good use of technology, implements positive and effective actions, continues to avoid energy waste, and hopes to set a good example for society to build a low-carbon and green life.

● Carbon Reduction Data of the Efficiency Integration Platform

Year	2021*	2022	2023
Number of customers (%)	100.0%	101.0%	102.3%
Number of dispatches (%)	100.0%	101.3%	95.6%
Annual carbon emissions (%)	100.0%	99.9%	88.2%

Note:  
1. The average baseline distance per dispatch is 3.5km. Distance traveled = number of dispatches \* average baseline distance.  
2. 2021 is the baseline year.



4.2 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:

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

- 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.
- The procedures in the environmental management system are as follows:

● Manage and control the scrapping process



- 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.
- 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	2021	2022	2023
Quantity of batteries recycled	8,431.0	5,529.6	4,616.3
Quantity of miscellaneous hardware recycled	20,436.0	14,911.5	27,962.3

Note: 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
- 4. Replacement of 3C/computer equipment



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	1	The Security Industry Association of R.O.C.	Member
2	Chinese Security Association	Director	2	Chinese Security Association	Director
3	Taipei Security Commercial Association	Executive Director	3	Taipei Security Commercial Association	Executive Director
4	Association of Security Companies of New Taipei City	Member	4	Association of Security Companies of New Taipei City	Member
5	Taoyuan Security Commercial Association	Member	5	Taoyuan Security Commercial Association	Member
6	Taichung Security Commercial Association	Member	6	Taichung Security Commercial Association	Member
7	Kaohsiung Security Companies Association	Member	7	Kaohsiung Security Companies Association	Member
8	Taiwan Automation Intelligence and Robotics Association	Member	8	Taiwan Automation Intelligence and Robotics Association	Member
9	Taiwan Electrical and Electronic Manufacturers' Association - Communications Industry Alliance	Member	9	Taiwan Electrical and Electronic Manufacturers' Association - Communications Industry Alliance	Member
10	Taiwan Electrical and Electronic Manufacturers' Association	Member	10	Taiwan Electrical and Electronic Manufacturers' Association	Member
11	Taiwan Safety and Security Industry Association	Member	11	Taiwan Safety and Security Industry Association	Member
12	Cloud Computing & IoT Association in Taiwan	Member	12	Cloud Computing & IoT Association in Taiwan	Member
13	Zero Energy Building Technology Alliance	Director	13	Zero Energy Building Technology Alliance	Director
14	Taiwan Intelligent Building Association	Member	14	Taiwan Intelligent Building Association	Member
15	Intelligent Living Space Alliance	Member	15	Intelligent Living Space Alliance	Member
16	Taiwan Intelligent Aerotropolis Association	Member	16	Taiwan Intelligent Aerotropolis Association	Member
17	Association of Chain and Franchise Promotion, Taiwan	Member	17	Association of Chain and Franchise Promotion, Taiwan	Member
18	Taipei Electrical Commerce Association	Member	18	Taipei Electrical Commerce Association	Member
19	New Taipei Electrical Commerce Association	Member	19	New Taipei Electrical Commerce Association	Member
20	Taipei City Fire Safety Equipment Industry Association	Executive Director	20	Taipei City Fire Safety Equipment Industry Association	Executive Director
21	Taipei City Fire Safety Association	Director	21	Taipei City Fire Safety Association	Director
22	Chinese Association of Fire Protection	Director	22	Chinese Association of Fire Protection	Director
23	National Association of Fire Engineering Equipment	Director	23	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 2023 (January 1 to December 31, 2023).
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	110-116
2-6	Activities, value chain and other business relationships	1.1 Company Overview	18
2-7	Employees	3.2 A Happy Workplace	65
2-8	Workers who are not employees	Taiwan Secom did not have workers who are not employees in 2023 or previous years. All workers at Taiwan Secom are employed by the Company.	--
2-9	Governance structure and composition	2.1 Governance Structure 2023 Annual Report	29 11
2-10	Nomination and selection of the highest governance body	2023 Annual Report	24-26
2-11	Chair of the highest governance body	2023 Annual Report	11
2-12	Role of the highest governance body in overseeing the management of impacts	2023 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	2023 Annual Report	11-15
2-16	Communication of critical concerns	2023 Annual Report	24-26
2-17	Collective knowledge of the highest governance body	2023 Annual Report	13-14, 46
2-18	Evaluation of the performance of the highest governance body	2023 Annual Report	27-28
2-19	Remuneration policies	2023 Annual Report	22-23
2-20	Process to determine remuneration	2023 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 President	6-7
2-23	Policy commitments	2.6 Sustainable Supply Chain 3.1 Human Rights Policy and Management	54 58
2-24	Embedding policy commitments	2.6 Sustainable Supply Chain 3.1 Human Rights Policy and Management	54 58
2-25	Processes to remediate negative impacts	Stakeholder Communication	12-13
2-26	Mechanisms for seeking advice and raising concerns	2.2 Ethics and Integrity	32-33
2-27	Regulatory Compliance	2.2 Ethics and Integrity	33-34

GRI Indicators	Disclosure Item	Chapter	Page
2-28	Membership of associations	Appendix 1. Participation in Professional Associations	105
2-29	Approach to stakeholder engagement	Stakeholder Communication	12-13
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. Please refer to the section on "Labor Relations, Employee Rights and Benefits" for details.	--

GRI 3: Material Topics 2021

GRI Indicators	Disclosure Item	Chapter	Page
3-1	Process to determine material topics	Stakeholder Communication	14
3-2	List of Material Topics	Identification of Material Topics	14-15
3-3	Management of Material Topics	Identification of Material Topics	16-17

Topic-specific Disclosures

Category/topic	GRI Number	GRI Indicators	Corresponding Chapters	Page
Economic				
Corresponding material issues: Customer Service Quality*				
Other material issues	3-3	Management of Material Topics	● Identification of Material Topics	14-17
Corresponding material issues: Customer Service Quality*				
Customer Privacy: 2016	3-3	Management of Material Topics	● Identification of Material Topics	16-17
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	● 2.4 Information Security Management	37
Corresponding material issues: Ethics and Integrity				
Other material issues	3-3	Management of Material Topics	● Identification of Material Topics	16-17
Economic performance: 2016	201-1	Direct economic value generated and distributed by the organization	● 1.3 Financial Performance	21
	201-3	Defined benefit plan obligations and other retirement plans	● 3.3 Labor Relations, Employee Rights and Benefits	75-77
Anti-corruption: 2016	205-1	Operations assessed for risks related to corruption	● 2.3 Risk Management	36
	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: Compliance				
Other material issues	3-3	Management of Material Topics	● Identification of Material Topics	16-17
Corresponding material issues: Innovation of products and services				
Other material issues	3-3	Management of Material Topics	● Identification of Material Topics	16-17

Category/topic	GRI Number	GRI Indicators	Corresponding Chapters	Page
Environmental				
Emissions	305-1	Direct (Scope 1) GHG emissions	● 4.1 Climate Change	100
	305-2	Energy indirect (Scope 2) GHG emissions	● 4.1 Climate Change	100
Energy	302-1	Energy consumption within the organization	● 4.1 Climate Change	99
	302-4	Reductions in energy requirements of products and services	● 4.1 Climate Change	99
Supplier environmental assessments	308-1	New suppliers that were screened using environmental criteria	● 2.6 Sustainable Supply Chain	54
Social				
Labor relations: 2016	Corresponding material issues: Labor Relations, Employee Rights and Benefits			
	3-3	Management of Material Topics	● Identification of Material Topics	16-17
	401-1	New employee hires and employee turnover	● 3.2 A Happy Workplace	67-70
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	● 3.3 Labor Relations, Employee Rights and Benefits	75-77
	401-3	Parental leave	● 3.3 Labor Relations, Employee Rights and Benefits	76
Occupational health and safety: 2018	Corresponding material issues: Occupational Health and Safety			
	3-3	Management of Material Topics	● Identification of Material Topics	16-17
	403-1	Occupational Safety and Health Management System	● 3.2 A Happy Workplace	70-72
	403-2	Hazard identification, risk assessment, and incident investigation	● 3.2 A Happy Workplace	72
	403-4	Worker participation, counseling and communication in occupational health and safety	● 3.2 A Happy Workplace	72
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	● 3.2 A Happy Workplace	74
	403-9	Work-related injuries	● 3.2 A Happy Workplace	72-73
Training and education: 2016	Corresponding material issues: Employee education and training, human rights			
	3-3	Management of Material Topics	● Identification of Material Topics	16-17
	404-1	Average hours of training per year per employee	● 3.4 Employee benefits	81
Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	● 3.1 Human Rights	61
Diversity and equal opportunity: 2016	405-1	Diversity of governance bodies and employees	● 3.1 Human Rights	62-64
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 "3.1 Human Rights"	--
Supplier social assessment: 2016	414-1	New suppliers that were screened using social criteria	● 2.6 Sustainable Supply Chain	54-57
	414-2	Negative social impact within the supply chain and countermeasures	● 2.6 Sustainable Supply Chain	54-57

Appendix 3. Sustainability Accounting Standards Board (SASB) Indicator

Professional Commercial Services

Topic	Indicator	No.	Corresponding Chapters	Page
Information Security	Description of approach to identifying and addressing data security risks	SV-PS-230a.1	● 2.4 Information Security Management	36-37
	Description of policies and practices relating to collection, usage, and retention of customer information	SV-PS-230a.2	● 2.4 Information Security Management	40
	(1) Number of data breaches; (2) Percentage involving customers' confidential business information or personally identifiable information; (3)	SV-PS-230a.3	● 2.4 Information Security Management	36-37
Workforce Diversity and Engagement	Percentage of gender and racial/ethnic group representation among (1) senior management and (2) all other employees	SV-PS-330a.1	● 3.1 Human Rights	64
	(1) Voluntary and (2) involuntary turnover rate of employees	SV-PS-330a.2	● 3.2 A Happy Workplace	68-69
Professional integrity	Description of approach to ensuring professional integrity	SV-PS-510a.1	● 2.2 Ethics and Integrity	32-33
	Total amount of monetary losses as a result of legal proceedings associated with professional integrity	SV-PS-510a.2	● 2.2 Ethics and Integrity	32-33
Activity Metrics	Number of (1) full-time and part-time, (2) temporary, and (3) contract employees	SV-PS-000.A	● 3.2 A Happy Workplace	65-69



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 2023 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 assurance tasks on the information in this report in accordance with the TWSAE3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information issued by the Accounting Research and Development Foundation, and issued a limited assurance report on whether the subject information needs to be revised in any material aspect because it was not prepared in accordance with the standard. 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

Thursday, June 20, 2024



Attachment 1:

No.	Title	Subject Information	Application Criteria
1	Assurance of compliance	The 2023 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 2023 was approximately NT\$52.79 billion. The operating revenue was NT\$7.645 billion; the net income after tax was NT\$2.591 billion; the earnings per share was NT\$5.85; and the return on assets (ROA) and return on equity (ROE) were 10.28% and 20.49%, respectively. The Group's consolidated revenue was NT\$17.074 billion.	2023 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 individuals holding the highest percentage of shares. According to the statistical data as of September 3, 2023, the percentages of shares held by foreign institutions and foreign nationals, other legal entities, and individuals were 42.58%, 25.00%, and 18.70%, 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 2023 totaled NT\$869,258 thousand, including NT\$869,258 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 2023, we recovered 13,946 valid questionnaires (75.8%); 275 customers declined to be interviewed (1.5%); we recovered 4,175 invalid questionnaires (22.7%). A total of 18,396 telephone interviews were carried out. The customer satisfaction for new customers in 2023 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 2023, the Company planned to carry out 21,726 surveys. After deducting the 10,034 cases involving customer privacy, 11,692 cases were implemented. 6,286 telephone interviews were completed (53.76%) and 6,026 customers expressed satisfaction with the user interface (95.9%). The telephone interviews identified 116 issues for which supervisors were assigned to visit customers. 19 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

No.	Title	Subject Information	Application Criteria
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 2023.	No complaints of breaches of customer privacy were found in the review of customer service records
6	Energy Management	In the vehicle energy consumption statistics for 2023, the Company used 25 electric vehicles, 516 gasoline vehicles, and 17 diesel vehicles, and the fuel consumption (L) totaled 1,342,272.17 and 60,423.21 liters, respectively. The total distance traveled was 11,690,532 km.	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 2023, the direct emissions in the GHG inventory totaled 3,037.7 tons CO2e for gasoline and 157.46 tons CO2e for diesel. The indirect emissions totaled 4,416.18 tons CO2e; the carbon emissions totaled 7,611.34 tons and the emissions intensity was 1.00. (Emission coefficient: 2.631kg CO2/L for gasoline and 2.6060 kg CO2/L for diesel. Electricity emission factor: 0.494kg 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 2023, the direct energy consumption of gasoline (L) and diesel (L) totaled 1,342,272.17 and 60,423.21 liters, respectively. The indirect energy consumption in the use of electricity (kWh) was 8,939,630kWh.	Based on the consumption of gasoline, diesel, and electricity by all official and service vehicles of the Company.



No.	Title	Subject Information	Application Criteria																																																																													
7	Waste Management	The quantity of outsourced processing of general hazardous industrial waste in 2023 included 4,616.3 kilograms of batteries and 27,962.3 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																																																																													
8	Comprehensive Training Resources	<table><tr><td></td><td colspan="2">Training Hours</td><td colspan="2">Number of Trainees</td><td colspan="2">Average Training Hours</td></tr><tr><td></td><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>12,361</td><td>2,992</td><td>804</td><td>172</td><td>15.37</td><td>17.39</td></tr><tr><td>Service personnel</td><td>34,460</td><td>315</td><td>1,631</td><td>13</td><td>21.13</td><td>24.23</td></tr><tr><td>Management personnel</td><td>1,491</td><td>29</td><td>157</td><td>6</td><td>9.49</td><td>4.85</td></tr><tr><td>Technical personnel</td><td>9,860</td><td>76</td><td>868</td><td>17</td><td>11.36</td><td>4.47</td></tr><tr><td>R&amp;D personnel</td><td>204</td><td>70</td><td>84</td><td>18</td><td>2.43</td><td>0.00</td></tr><tr><td>Others</td><td>2,128</td><td>5,943</td><td>184</td><td>580</td><td>11.57</td><td>10.25</td></tr><tr><td>Total</td><td>60,504</td><td>9,424</td><td>3,728</td><td>806</td><td>16.23</td><td>11.69</td></tr></table>		Training Hours		Number of Trainees		Average Training Hours			Male	Female	Male	Female	Male	Female	Business personnel	12,361	2,992	804	172	15.37	17.39	Service personnel	34,460	315	1,631	13	21.13	24.23	Management personnel	1,491	29	157	6	9.49	4.85	Technical personnel	9,860	76	868	17	11.36	4.47	R&D personnel	204	70	84	18	2.43	0.00	Others	2,128	5,943	184	580	11.57	10.25	Total	60,504	9,424	3,728	806	16.23	11.69	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														
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9	Work Environment	<p>As of the end of 2023, Taiwan Secom had a total of 2,496 employees in Taiwan.</p> <p>Among the new employees in 2023 were 548 men and 119 women. The number of new employees totaled 667 and the annual new hire rate was 26.72%. The age groups, job categories, and work regions are shown below:</p> <p>By age group</p> <table><tr><td colspan="2">Year</td><td colspan="2">2023</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>212</td><td>38</td></tr><tr><td>30-50 years old</td><td>324</td><td>69</td></tr><tr><td>50 and above</td><td>12</td><td>12</td></tr><tr><td colspan="2">Number of people at the end of the year</td><td>2,025</td><td>471</td></tr><tr><td colspan="2">Percentage of new recruits in the current year</td><td>27.06%</td><td>25.27%</td></tr></table> <p></p> <table><tr><td colspan="2">By job category</td><td>Male</td><td>Female</td></tr><tr><td colspan="2">Business personnel</td><td>126</td><td>30</td></tr><tr><td colspan="2">Service personnel</td><td>349</td><td>20</td></tr><tr><td colspan="2">Management personnel</td><td>4</td><td>1</td></tr><tr><td colspan="2">Technical personnel</td><td>41</td><td>3</td></tr><tr><td colspan="2">R&amp;D personnel</td><td>12</td><td>6</td></tr><tr><td colspan="2">Others</td><td>16</td><td>59</td></tr><tr><td colspan="2">Total</td><td>548</td><td>119</td></tr></table> <p></p> <table><tr><td colspan="2">By region</td><td>Male</td><td>Female</td></tr><tr><td colspan="2">Northern Taiwan</td><td>331</td><td>96</td></tr><tr><td colspan="2">Central Taiwan</td><td>80</td><td>10</td></tr><tr><td colspan="2">Southern Taiwan</td><td>137</td><td>13</td></tr><tr><td colspan="2">Total</td><td>548</td><td>119</td></tr></table>	Year		2023		Age group	Gender	Male	Female	Under 30	212	38	30-50 years old	324	69	50 and above	12	12	Number of people at the end of the year		2,025	471	Percentage of new recruits in the current year		27.06%	25.27%	By job category		Male	Female	Business personnel		126	30	Service personnel		349	20	Management personnel		4	1	Technical personnel		41	3	R&D personnel		12	6	Others		16	59	Total		548	119	By region		Male	Female	Northern Taiwan		331	96	Central Taiwan		80	10	Southern Taiwan		137	13	Total		548	119	<p>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</p> <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 2023, and gender.</p>
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No.	Title	Subject Information	Application Criteria																																
9	Work Environment	Among the resigned employees in 2023 were 506 men and 101 women. The number of resigned employees totaled 646 and the annual turnover rate was 24.32%. The age groups, job categories, and work regions are shown below:	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  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 2023, and gender.																																
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Total	506	101																																	
10	Gender equality in employment	27 employees applied for unpaid parental leave in 2023 (all applications were approved) and the average reinstatement rate was 75%.	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 2023</td><td>14</td><td>13</td><td>27</td></tr><tr><td>Total number of employees reinstated from parental leave in 2023 (A)</td><td>10</td><td>10</td><td>20</td></tr><tr><td>Total number of employees reinstated during the reporting period after taking parental leave in 2023 (B)</td><td>6</td><td>9</td><td>15</td></tr><tr><td>Total number of employees reinstated during the reporting period after taking parental leave in 2022 (C)</td><td>5</td><td>3</td><td>8</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>3</td><td>3</td><td>6</td></tr><tr><td>Reinstatement rate (B/A)</td><td>60%</td><td>90%</td><td>75%</td></tr><tr><td>Retention rate (D/C)</td><td>60%</td><td>100%</td><td>75%</td></tr></table>		Item	Number of Men	Number of Women	Total	Total number of employees who actually used parental leave in 2023	14	13	27	Total number of employees reinstated from parental leave in 2023 (A)	10	10	20	Total number of employees reinstated during the reporting period after taking parental leave in 2023 (B)	6	9	15	Total number of employees reinstated during the reporting period after taking parental leave in 2022 (C)	5	3	8	Total number of employees reinstated after parental leave ended that were still employed 12 months after their return to work in 2022 (D)	3	3	6	Reinstatement rate (B/A)	60%	90%	75%	Retention rate (D/C)	60%	100%	75%
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		Retention rate (D/C)		60%	100%	75%																													

No.	Title	Subject Information	Application Criteria																		
11	Protection of benefits	<p>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 2023 were as follows:</p> <p>Applications Filed in 2023</p> <table><tr><th>Item</th><th>Children's scholarships</th><th>Annual festival bonuses Birthday and three festival bonuses</th><th>Marriage, hospitalization, funeral subsidies, severance and retirement subsidies</th><th>Club subsidies</th><th>Employee benefits Health insurance</th></tr><tr><td>Total number of applicants</td><td>1,118</td><td>14,467</td><td>205</td><td>3</td><td>254</td></tr><tr><td>Total value of applications</td><td>1,813,000</td><td>10,069,700</td><td>2,471,894</td><td>40,000</td><td>10,057,944</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	1,118	14,467	205	3	254	Total value of applications	1,813,000	10,069,700	2,471,894	40,000	10,057,944	Children's scholarships, bonuses for festivals, severance pay and pension, employee benefits and health insurance, and other benefits
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	1,118	14,467	205	3	254																
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Future Prospects

Following the trend of AI technology applications  
Taiwan Secom will utilize innovation to improve operating performance  
and deepen the integration of AI technology and ESG concepts

Become a pioneer in ESG technology

Achieve the SDGs

