



**帝寶工業股份有限公司**  
**DEPO AUTO PARTS IND. CO., LTD.**

**2023**

**ESG REPORT**

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# ABOUT THIS REPORT

## SCOPE AND BOUNDARIES

The scope of disclosure of this report is based on the operating bases under the parent company of DEPO Auto Parts Ind. Co., Ltd. (“DEPO”), including the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department, but excluding subsidiaries. Some of the disclosed information does not fully include the operating bases of the parent company, as explained in the notes. The financial information in this report is extracted from the annual report. The Company's annual report is presented in accordance with the International Financial Reporting Standards (IFRS) and is denominated in NT\$.

## ISSUANCE INFORMATION

DEPO published the 2023 Sustainability Report for the first time in 2024 and disclosed it on the Company's website.

<b>Reporting Period</b>	For the year ended December 31, 2023
<b>Issuance Cycle</b>	Once a year
<b>Issuance Date of the Current Issue</b>	Issued in August 2024
<b>Next Issuance Date</b>	Issue in August 2025

## CONTACT INFORMATION

If you have any comment on the content of this report, or any questions or suggestions on the sustainable development of DEPO, you are welcome to contact us.

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## REVIEW AND ASSURANCE

The Company's Sustainability Report is prepared in accordance with the Global Reporting Initiative's (GRI) Standards, the recommendations under the framework of the Task Force on Climate-related Financial Disclosures (TCFD), and the preparation standards of the Sustainability Accounting Standards Board (SASB). To ensure the quality of information disclosure, the Company commissioned Deloitte Taiwan to issue a limited assurance report in accordance with the Standards on Assurance Engagement No. 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the Accounting Research and Development Foundation. Please refer to the assurance report at the appendix for the assurance scope and conclusion. This report was approved by the Board of Directors on August 9, 2024 for publication.

# Message from the Operator

DEPO specializes in the production and manufacturing of automotive lights, taking into account both economic and sustainable development, and building a corporate sustainable culture at DEPO which adheres to the philosophy of being "sincere and pragmatic," while closely monitoring international sustainable development trends, and responding to the United Nations Sustainable Development Goals, to fulfill our responsibilities as a member of the global village. The Board of Directors of DEPO established the "Sustainable Development Committee" as a functional committee on November 9, 2023, hoping to achieve a win-win situation for economic and sustainable development through more horizontal and vertical cross-departmental collaboration in the future.

"Only by improving at the source, can we truly achieve sustainability." Adhering to the spirit of tracing the source, in terms of environmental sustainability, DEPO has set annual energy-saving goals and improvements at the source that include manufacturing process improvements and spatial planning optimization, to reduce electricity consumption in 2023 by 3%, better than the goal of reducing electricity consumption by 1%. In terms of energy use, DEPO plans to apply for a solar power generation license in the future, to increase the proportion of renewable energy use, and build an energy storage system; DEPO's main business is the export of automotive lighting products. In addition to the proportion of materials used, DEPO has also adjusted the materials and the design of packaging materials, to develop 100% recyclable and decomposable packaging as well as reducing its size. To cope with the growth of the operation scale of DEPO, the green building method is adopted for newly constructed factories to ensure environmental protection from the source of operation. In response to the net zero emissions goal, DEPO has incorporated carbon management issues into its business strategies, and started to introduce ISO 14064-1 in 2024.

In terms of social involvement, DEPO has been investing in education for many years, because a sustainable society can only be achieved through quality education and a healthy learning environment. Since 2023, DEPO has donated NT\$5 million to help Li Zhi High School build the "Inspirational Dream Academy," to help reformatory education students connect with society. In addition, the DEPO Education Foundation has provided scholarships totaling NT\$102,314,000 on a long-term basis to the children of the Company's employees and outstanding students in the community; DEPO also pay attentions to local education and arts and cultural activities by participating in local arts and cultural activities in Changhua, such as the Hometown Melody Concert, the DEPO Art Exhibition, and the Calligraphy Boulevard, while regularly organizing local education and workshops and sponsoring the Lukang Times to pass on Taiwan's local culture.

DEPO regards employees as the Company's most important asset, and has established the Employee Welfare Committee to conduct various employee welfare activities, such as birthday speeches and childcare allowances. It also contributes pension according to laws and regulations to ensure employees' retirement lives. In addition to the relevant welfare activities and allowances, the Company considers its employees as family members. The Company has built the employee residence, the "DEPO Residence," which is offered to employees with good performance at a price below the market price. The goal is to help employees successfully start a family and allow outstanding talents to work at DEPO with peace of mind. With the introduction of ISO 45001, we aim to "improve occupational safety and health" to ensure that employees are protected from occupational injuries and diseases. We also assist our partners in obtaining relevant certifications to expand our influence.

In the future, DEPO will continue to aim to perfect automotive lighting and safety, while being committed to giving back to society, environmental protection, and working with distributors and partners to create a green value system and a better future.



Chairperson

CEO

謝綉氣

A stylized handwritten signature in black ink, consisting of several overlapping loops and lines.

# CH1 Stakeholders and Material Issues

## 1.1 Stakeholder Engagement

To communicate more effectively with our stakeholders, we identify and prioritize stakeholders by referring to the five principles of the AA1000 SES Stakeholder Engagement Standards, including responsibility, influence, tension, diverse perspectives, and dependency. In 2023, through the stakeholder material issue identification questionnaire, four groups were identified as major stakeholders: employees, suppliers, government agencies, and customers.

In daily operations, DEPO engages with various stakeholders through different communication channels and platforms, and hopes that through this report, all stakeholders may better understand DEPO and respond to issues of concern.

Group	Description	Implications of Stakeholders to DEPO	Issues of Concern	Communication methods and frequency	2023 Communication Performance
<b>Employees</b>	All employees of the Company.	Employees are the most important assets of the Company. By gathering the wisdom, technology and experience of all, value is created for partners.	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Innovation management of organization</li> <li>• Labor-management relationship</li> <li>• Social engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Holding labor-management meetings (quarterly)</li> <li>• Holding Employee Welfare Committee meetings (about three to five meetings a year)</li> <li>• Communicate with employees (irregularly)</li> </ul>	Discuss work roles and responsibilities, provide constructive feedback on job performance, and describe the management of welfare projects, etc.
<b>Suppliers</b>	Refers to suppliers of raw materials and equipment.	Stakeholders who wish to build a sustainable supply chain and fulfill corporate social responsibilities together.	<ul style="list-style-type: none"> <li>• Social engagement</li> <li>• Corporate governance and ethical management</li> <li>• Supply chain management</li> <li>• Labor-management relationship</li> </ul>	Conduct on-site inspections of existing suppliers on a quarterly basis.	In 2023, DEPO evaluated 7 OEM suppliers for the Lukang Plant, and issued Subcontractor Corrective Action Notices for 2 suppliers found to be non-conforming, requesting the suppliers make improvements and be re-evaluated. In addition, 25 suppliers were scheduled for evaluation at the Xinying plant, 17 of which were defined as exempt from appraisal <sup>1</sup> , and the remaining 8 key parts suppliers were rated A.
<b>Government agencies</b>	Refers to government organizations.	Monitor DEPO's achievements in complying with various laws and regulations related to the economic, environmental, and social aspects of sustainable development, as well as the important stakeholders that affect the development of the industry and the promotion of policies.	<ul style="list-style-type: none"> <li>• Social engagement</li> <li>• Labor-management relationship</li> <li>• Corporate governance and ethical management</li> <li>• Supply chain management</li> </ul>	<ul style="list-style-type: none"> <li>• Official correspondence (quarterly).</li> <li>• Participate in regulatory briefings or public hearings of the competent authorities (quarterly).</li> <li>• Report on the website of the competent authorities (depending on the required reporting cycle).</li> <li>• Audits and visits by the competent authorities (quarterly).</li> </ul>	<ul style="list-style-type: none"> <li>• Report disaster statistics to the smart cloud of Occupational Safety and Health Administration, Ministry of Labor every month.</li> <li>• Report information on the Stationary Source Air Pollution Control Fees and Emissions Reporting Integrated Management System, Ministry of Environment.</li> </ul>

<sup>1</sup>Definition of exemption: Non-key component manufacturers or the existing leading manufacturers in the concerned fields (such as raw materials, springs, etc.).

Group	Description	Implications of Stakeholders to DEPO	Issues of Concern	Communication methods and frequency	2023 Communication Performance
Customers	Refers to major automobile manufacturers and repair shops.	Monitoring the product quality and service of DEPO, and pay attention to the stakeholders of DEPO's operations, legal compliance and environmental protection actions.	<ul style="list-style-type: none"> <li>• Social engagement</li> <li>• Corporate governance and ethical management</li> <li>• Labor-management relationship</li> <li>• Customer service management</li> </ul>	<ul style="list-style-type: none"> <li>• Business visits (annually)</li> <li>• Participate in relevant domestic and international exhibitions (annually).</li> <li>• Communicate with customers through sales service email and phone (daily).</li> </ul>	In 2023, we participated in two domestic and foreign exhibitions to communicate our market strategies to our customers.

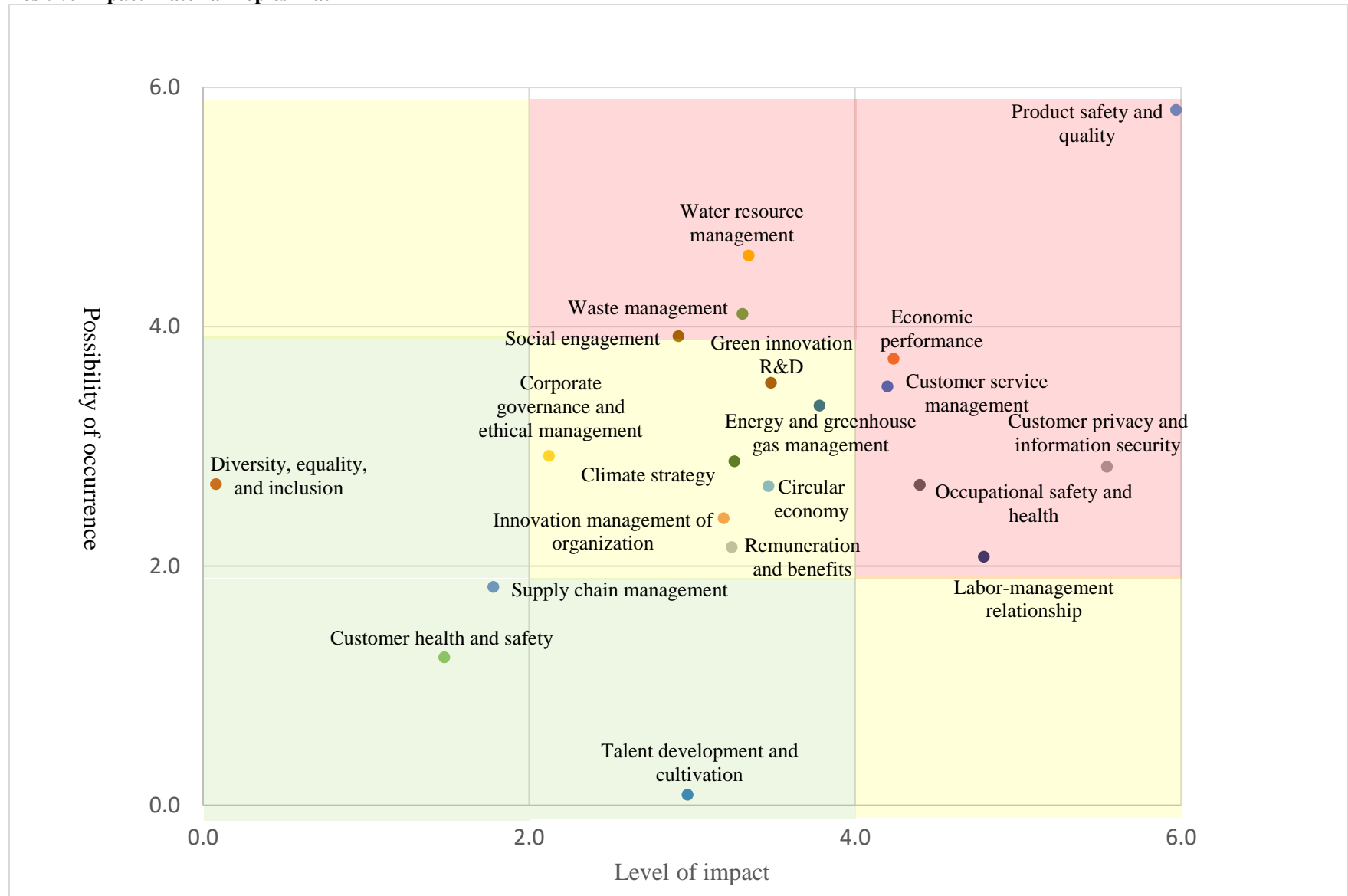
## 1.2 Identification of Material Issues

### 1.2.1 Identification Procedure for Material Issues

By referring to the GRI Standards, and material issues and development trends in the industry, 20 sustainability issues were selected; the material issues were identified through questionnaires. The identification procedures for material issues in 2023 are as follows:

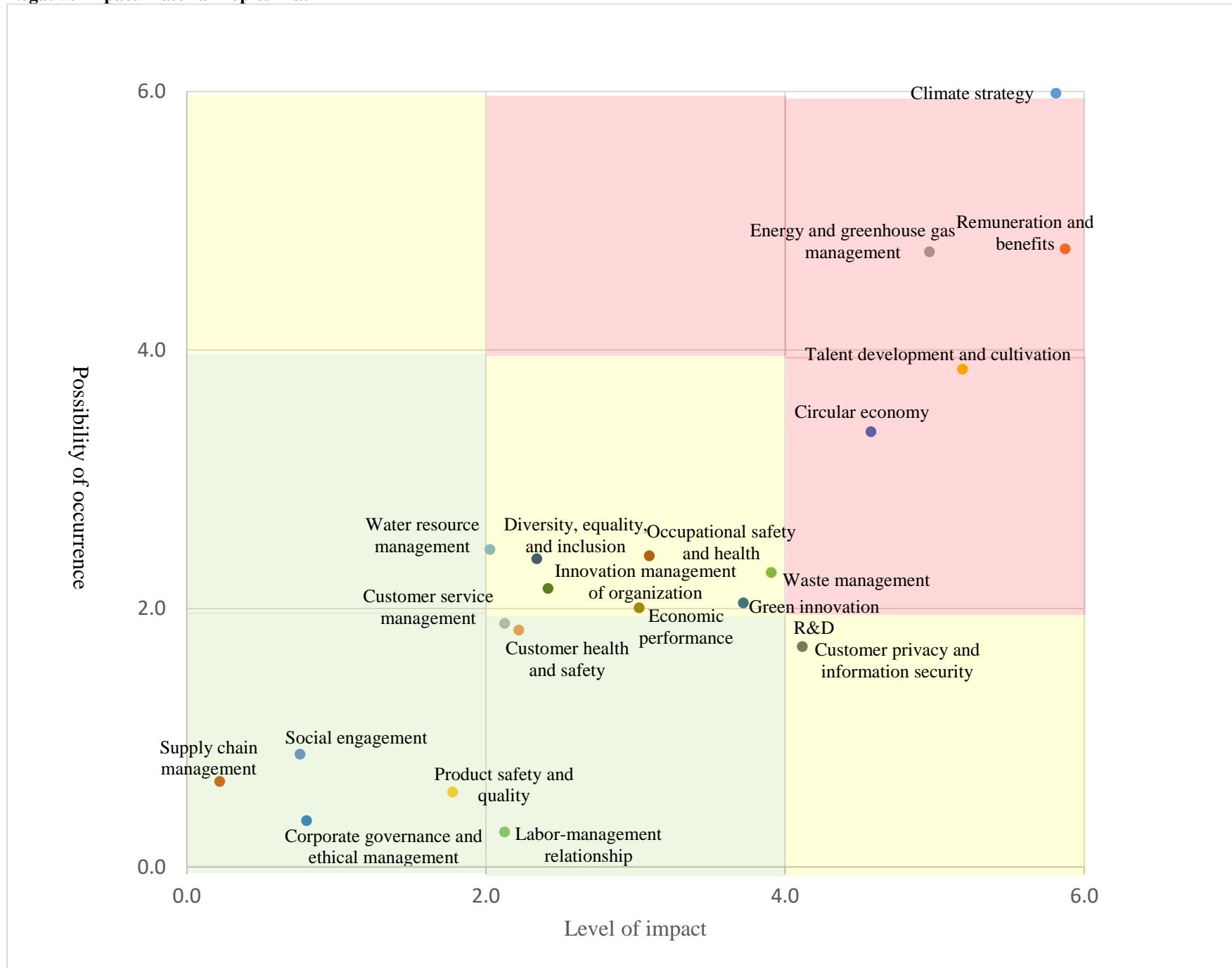
Regarding the internal material issues, 26 senior executives of DEPO assessed the impacts in the actual, potential, negative, and positive aspects of sustainability issues relating to the environment, society, and corporate governance. An internal impact assessment questionnaire was filled out, and the response rate of the questionnaire was 100%. After analyzing the internal positive and negative impact assessment questionnaires, five major sustainability issues before the positive and negative impacts were collected in a joint method to summarize ten internal material issues in 2023: product safety and quality, economic performance, customer privacy and information security, water resource management, customer service management, climate strategy, remunerations and benefits, energy and greenhouse gas management, talent development and cultivation, and circular economy.

**Positive Impact Material Topics Matrix**





**Negative Impact Material Topics Matrix**



For external material issues, the responsible department distributes questionnaires on sustainable development issues for stakeholders to complete, in order to understand the level of stakeholders' attention to the sustainable development issues of DEPO. In 2023, a total of 206 effective questionnaires were distributed. After developing the issue of concern questionnaire, we came up with five external material topics: social engagement, labor-management relations, corporate governance and ethical management, supply chain management, and water resource management.

Therefore, there are a total of ten material topics in 2023: product safety and quality, economic performance, customer privacy and information security, water resource management, customer service management, climate strategy, remunerations and benefits, energy and greenhouse gas management, circular economy, talent development and cultivation.

## 1.2.2 Management of Material Issues

Material issues identified by internal and external stakeholders are compiled and submitted to the Sustainable Development Committee for deliberation. The priority of the sustainable development goals of DEPO and the impacts of each issue on the internal development of DEPO and external ESG considerations, shall also be considered. The issues of similar implications are grouped, and a total of seven annual material issues after adjustment.

### Material Issues and Value Chain Management

●Direct impact ◎Indirect impact

Material Issues	Significance and Importance	Corresponding GRI Topic	SASB	Value Chain Impact Boundary			Impact Classification		Corresponding Page
				Upstream	DEPO	Downstream	Positive	Negative	
Product safety and quality	Aiming to create the highest quality automotive lighting and high safety standards are the core values of DEPO's pursuit of success.	Self-defined topic	TR-AP-250a.1		◎	•	V		
Economic performance	The economic performance is the foundation of all development	201			•		V		
Customer service management	Good customer service management is critical to customer experience and benefit performance	Self-defined topic			◎	•	V		
Climate strategy	Regularly review climate change-related risks and opportunities to achieve sustainable management	Self-defined topic	TR-AP-150a.1	◎	•			V	
Remuneration and benefits	Employees are the most important asset of DEPO, and we are committed to creating a happy workplace that makes employees feel at home	Self-defined topic			•			V	
Energy and greenhouse gas management	The Company pursues economic performance, while taking into account of environmental sustainability, including reductions in energy consumption and greenhouse gas emissions.	302、305	TR-AP-130a.1		•			V	
Talent development and cultivation	Emphasis on employee career development and talent cultivation to enhance the competitiveness of DEPO	404			•			V	

Note: The boundary and level of the impact are identified based on the value chain of DEPO. The core of the value chain is DEPO itself and includes employees; upstream is the raw material suppliers; downstream is the customers.

<b>Material issue: Product Safety and Quality</b>	
<b>Material Topic: Self-Defined Topic</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	Perfect lights and safety will continue to reduce the PPM of product shipments and the ratio of quality cost to revenue.
<b>Commitments</b>	The Company's quality policy is based on the Company's business philosophy. The General Manager convenes the heads of various departments to formulate the quality policy, which is implemented by the Quality Assurance Department and announced to all employees by the heads of the Production Department during the monthly, morning, and sunset meetings, for employees at all levels to understand, implement and maintain.
<b>Goals and Targets</b>	Pursue the goals of "quality first," "meeting requirements," "continuous improvement" to improve the "customer satisfaction" with the goal of "sustainable management."
<b>Responsibilities</b>	The Company's products are insured with product liability insurance to protect customers. Each plant has established an emergency response unit and processes in the plant area to respond to various risks and take relevant emergency response measures in a timely manner, to ensure the normal operation of the Company's quality system and provide quality products to all customers.
<b>Resources</b>	Through the ERP system and mold revision database, the production and mold revision data of each year are collected, and big data is analyzed for reference during production control.
<b>Grievance Mechanism</b>	There is a contact section on the Company's official website. If stakeholders need to contact the Company, they can do so by phone, in writing, or via email.
<b>Specific Actions</b>	The Company's quality management system is process-oriented. This provides a link between a single process in the process system and the combination and interaction of these processes through continuous control, to achieve customer satisfaction by meeting customer requirements. The "process-oriented" is applied to all processes with Plan, Do, Check, Action (PDCA).
<b>Mechanism for Evaluating the Management Guidelines</b>	<ul style="list-style-type: none"> <li>• The management team holds the business and strategy planning meeting in October each year to formulate key business goals and strategic management guidelines for the next year.</li> <li>• Through annual internal and external audits, the Company's team implements countermeasures, improvement, systematic correction, and preventive measures for the deficiencies found.</li> <li>• The officers conduct routine daily action management inspections. Through thorough reviews and audits, defects are discovered and the responsible units are required to make improvements immediately or within a time limit.</li> </ul>
<b>Results of the Management Guideline Evaluation</b>	<ul style="list-style-type: none"> <li>• A management review meeting is convened every year for the heads of each unit to review and communicate the achievement of the current year's goals, and set the quality goals for the next year.</li> <li>• A monthly quality meeting is held every month for quality assurance to review the countermeasures for abnormal conditions and the achievement of monthly quality goals.</li> </ul>

<b>Material issue: Economic Performance</b>	
<b>Material issue: GRI 201 economic performance</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	In response to changes in the market and to relevant laws and regulations, the Company adjusts its operational strategies in real-time and monitors risks such as changes in interest rates and exchange rates.
<b>Commitments</b>	Ensure the rights and interests of stakeholders and the timeliness of information disclosure.
<b>Goals and Targets</b>	Pursue operational performance while taking into account sustainable development.
<b>Responsibilities</b>	Compliance with regulatory information and real-time cost control to improve operational efficiency and profitability.
<b>Resources</b>	<ul style="list-style-type: none"> <li>Financial aspect: Maintain good relationships with external financial institutions, monitor interest rate and exchange rate fluctuations, and adjust strategies in a timely manner to reduce risks.</li> <li>Accounting aspect: In response to changes in laws and regulations, the Company prepares financial statements in accordance with the IFRS, relevant laws and regulations, and international accounting standards endorsed by the Financial Supervisory Commission, and maintains a good relationship and open communication with the tax authorities.</li> </ul>
<b>Grievance Mechanism</b>	<ul style="list-style-type: none"> <li>Keep an open dialogue during investor conferences.</li> <li>Each stakeholder section is available on the Company's website.</li> </ul>
<b>Specific Actions</b>	Enhance performance management to strengthen the link between individual performance and the Company's operational performance.
<b>Mechanism for Evaluating the Management Guidelines</b>	Regularly conduct financial reports and analysis to grasp the current production and financial situation and compare with peers to make adjustments as required.
<b>Results of the Management Guideline Evaluation</b>	The net profit after tax in 2023 increased by 31.6% compared to 2022.

<b>Material issue: Customer Service Management</b>	
<b>Material Topic: Self-Defined Topic</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	Conduct market development and maintain good interactive relationships with customers through daily contact and regular visits/exhibitions.
<b>Commitments</b>	Provide customers with high-quality products/services and solve customer feedback problems in a timely manner.
<b>Goals and Targets</b>	<ul style="list-style-type: none"> <li>• Provide customers with high-quality products and services and solve customer feedback problems in a timely manner.</li> <li>• Maintain market share, conduct market development, and adjust market strategies in response to market changes.</li> </ul>
<b>Responsibilities</b>	<ul style="list-style-type: none"> <li>• Set performance targets for review and conduct regular reviews.</li> <li>• Formulate business development strategies, actively increase customer orders, and regularly review customer satisfaction to ensure service quality.</li> </ul>
<b>Resources</b>	The customer is one of DEPO's stakeholders. On-time production delivery, high-quality management, and risk control are what DEPO needs to provide customers.
<b>Grievance Mechanism</b>	There is a contact section on the official website, where customers can obtain relevant information and services by phone or email.
<b>Specific Actions</b>	In response to the different needs of customers, we provide flexible market prices and services.
<b>Mechanism for Evaluating the Management Guidelines</b>	Conduct annual customer satisfaction surveys.
<b>Results of the Management Guideline Evaluation</b>	Gather the results of customer satisfaction surveys and hold review meetings to make relevant suggestions and follow up on implementation.

<b>Material issue: Climate Strategy</b>	
<b>Material Topic: Self-Defined Topic</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	With the United Nations Sustainable Development Goals as the pillar, we integrate a sustainable environment into our corporate culture, integrate Group resources, expand our core to all levels, and meet the expectations of all stakeholders through continuous innovation and improvement.
<b>Commitments</b>	<p>We consider all people a part of one big family and so we actively promote sustainable development with the goal of peaceful co-existent with each other and the planet.</p> <ul style="list-style-type: none"> <li>• In line with international development trends, we continue to promote sustainable environmental protection to provide a sustainable future for the earth.</li> <li>• Work with partners in the value chain to continuously develop and improve various technologies, to reduce carbon emissions through technological innovation, hoping to achieve the goal of net zero emissions by 2050.</li> </ul>
<b>Goals and Targets</b>	<ul style="list-style-type: none"> <li>• Reduce electricity consumption</li> <li>• Reduce waste generated</li> <li>• Reduce greenhouse gas emissions</li> </ul>
<b>Responsibilities</b>	The Environmental Sustainability Team has been established under the Sustainable Development Committee, which sets short, medium, and long-term goals and reports to the Board of Directors after tracking the progress and results of implementation.
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Climate-related risks and opportunities are identified through cross-departmental discussions.</li> <li>• Assess the potential operational and financial impacts of material climate risks and opportunities on the Company.</li> </ul>
<b>Grievance Mechanism</b>	Report to the Environmental Sustainability Team via phone and email, to discuss and make adjustments at meetings.
<b>Specific Actions</b>	<ul style="list-style-type: none"> <li>• Set annual power saving goals.</li> <li>• Invest in energy-saving automation equipment and apply for government subsidies related to green energy and smart technologies.</li> </ul>
<b>Mechanism for Evaluating the Management Guidelines</b>	Establish goals for energy management and resource circulation management.
<b>Results of the Management Guideline Evaluation</b>	<ul style="list-style-type: none"> <li>• In 2023, electricity consumption was reduced by 3% compared to 2022.</li> </ul>

<b>Material issue: Remuneration and Benefits</b>	
<b>Material Topic: Self-Defined Topic</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	Ensure gender equality, equal pay for equal work, profit sharing, and create a safe and friendly workplace.
<b>Commitments</b>	Continuously review the performance and remuneration system
<b>Goals and Targets</b>	Reduce the turnover rate due to remuneration and benefits.
<b>Responsibilities</b>	Stable profits through sustainable operations and protection of employees' remuneration and benefits.
<b>Resources</b>	There is a reward mechanism and a defined source of reward amount, with diverse channels provided to ensure smooth communication.
<b>Grievance Mechanism</b>	There are diverse channels including the opinion mailbox, hotlines, and email, as well as assistance from various partners, including department heads, management, and the Company's senior management.
<b>Specific Actions</b>	Provide training opportunities for officers to improve management and communication skills, and for colleagues to improve their knowledge and skills.
<b>Mechanism for Evaluating the Management Guidelines</b>	Regularly conduct employee satisfaction surveys and assessments.
<b>Results of the Management Guideline Evaluation</b>	<ul style="list-style-type: none"> <li>• The overall satisfaction level of our colleagues in 2023 was "acceptable," which was the same as that in 2022.</li> <li>• The 2023 retention rate was 81%.</li> </ul>

<b>Material Issues: Energy and Greenhouse Gas Management</b>	
<b>Material Topics: GRI 302 Energy, GRI 305 Emissions</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	In response to the goals of the "Paris Agreement," we are committed to reducing greenhouse gas emissions from our operations.
<b>Commitments</b>	Continuously reduce energy consumption and greenhouse gas emissions per NT\$ million of revenue
<b>Goals and Targets</b>	<ul style="list-style-type: none"> <li>• Increase the proportion of renewable energy used</li> <li>• Reduce greenhouse gas emissions</li> </ul>
<b>Responsibilities</b>	The Environmental Sustainability Team has been established under the Sustainable Development Committee, which sets short, medium, and long-term goals and reports to the Board of Directors after tracking the progress and results of implementation
<b>Resources</b>	<ul style="list-style-type: none"> <li>• Introduction of renewable energy</li> <li>• Improvement from process and space planning</li> </ul>
<b>Grievance Mechanism</b>	Report to the Environmental Sustainability Team via phone and email, to discuss and make adjustments at meetings.
<b>Specific Actions</b>	Promote energy saving and carbon reduction measures with 2023 as the base year
<b>Mechanism for Evaluating the Management Guidelines</b>	Set short-, medium- and long-term targets for energy intensity and GHG emission intensity.
<b>Results of the Management Guideline Evaluation</b>	<ul style="list-style-type: none"> <li>• Energy intensity of 2023: 0.0138 (1000 TJ/NT\$ thousand)</li> <li>• 2023 GHG emission intensity: 1.9753 (tCO<sub>2</sub>e/NT\$ million)</li> </ul>



<b>Material Issue: Talent Development and Cultivation</b>	
<b>Material Topic: GRI 404 Training and Education</b>	
<b>Item</b>	<b>2023 Management Guidelines</b>
<b>Policy</b>	Upholding the principle of "gender equality and meritocracy," we help employees to grow and create a better future with the Company.
<b>Commitments</b>	Ensure that employees have fair learning and development opportunities and that employee performance is linked to salary adjustment/promotion/development.
<b>Goals and Targets</b>	Implement function inventory and training arrangement to strengthen talent quality and assist in development.
<b>Responsibilities</b>	Plan and review talent cultivation and development plans.
<b>Resources</b>	Through industry-academia collaboration and cooperative education, we nurture the talents needed by the Company in advance.
<b>Grievance Mechanism</b>	There are diverse communication channels including opinion mailbox, hotlines, and email, as well as assistance from various partners, including department heads, management, and the Company's senior management.
<b>Specific Actions</b>	Regularly propose ad hoc education and training programs.
<b>Mechanism for Evaluating the Management Guidelines</b>	Conduct the annual education and training review every October.
<b>Results of the Management Guideline Evaluation</b>	In 2023, a total of 166 education and training courses were actually implemented, an implementation rate of 79%, slightly lower than the annual target of 80%. This is mainly because some external training courses were not held and courses were suspended in January and February due to the pandemic.

# CH 2 Sustainability Governance and Ethical Management

## 2.1 About DEPO

DEPO is headquartered in Lukang Township, Changhua County. The products mainly include automobile lights and miscellaneous automobile parts, with multiple locations in Taiwan, including the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department. In addition, DEPO also has overseas plants and shipping warehouses. The plants are mainly located in China, including the Danyang Plant, Hefei Plant, Ningbo Plant and Nanchang Plant, which are responsible for the production and R&D of automotive lights. The shipping warehouses are located in the United States, with four warehouses, mainly responsible for the business in North America and Canada.

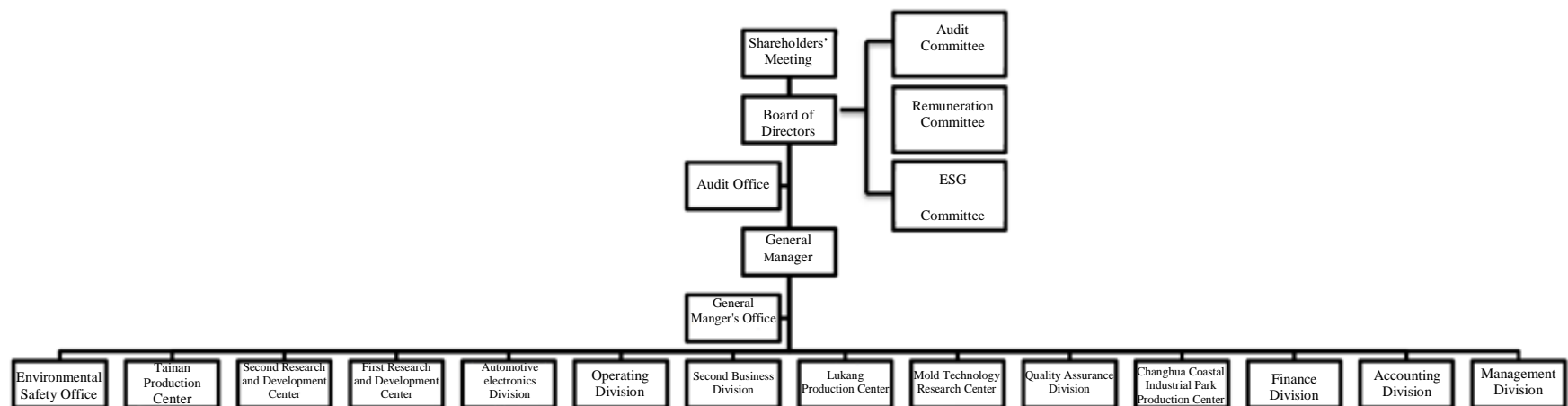
### Company Profile

2023 Company Profile	
Full Company Name	DEPO Auto Parts Industrial Co., Ltd.
Paid-in capital	NT\$1,658,163,970
Date of establishment	1980/04/25
Number of employees	3,022 employees (as of December 31, 2023)
Main Products and Technologies	The main product types are various automobile lights and automobile miscellaneous parts.
Chairperson	Hsieh Hsiu-Chi
General manager	Hsu Hsu-Ming
Headquarters	No. 20-3, Nanshi Ln., Lukang Township, Changhua County
Operating sites of the Parent Company	The Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department.

## Organizational Department

Department	Duties
<b>General Manger's Office</b>	General Manger's Office is responsible for business planning, business analysis and improvement, investment planning, information management and maintenance, and other company-wide business activities.
<b>Audit Office</b>	Audit Office is responsible for the planning, implementation and execution of internal audits on various management systems throughout the Company, and actively supervising the implementation of various systems to improve operational performance.
<b>Environmental Safety Office</b>	Environmental Safety Officer plans and supervises all departments to handle labor safety and health, plans and supervises the inspection and examination of safety and health facilities; moreover, it supervises the investigation and analysis of occupational hazards for employees and provides information and suggestions on labor safety and health management to superiors.
<b>Management Division</b>	Responsible for human resources planning, establishment and management of personnel systems, public relations, general affair projects, asset management, maintenance and management of assets and equipment, as well as energy and resource management, among other related operations.
<b>Accounting Division</b>	Accounting Division is responsible for the establishment of accounting system, accounting business processing, budget control, costing and analysis.
<b>Finance Division</b>	Finance Division is responsible for financial operations, financial management, capital utilization management and stock management.
<b>Quality Assurance Division</b>	Quality Assurance Division is responsible for the establishment and implementation of quality management system, maintenance and management of measuring instruments, quality counseling for collaborative factories, product quality assurance and customer complaint handling.
<b>Mold Technology Research Center</b>	Mold Technology Research Center is responsible for mold fabrication and modification, mold manufacturing technology, workflow improvement, mold repair and maintenance of related equipment.
<b>Automotive electronics Division</b>	Responsible for R&D and product development, automotive communication-related applications and integration, smart module technology R&D and planning, electromagnetic compatibility specification integration and quality consistency design, future leading technology R&D and planning, and other related businesses.
<b>Production Center</b>	Production Center is responsible for the production and manufacturing of products, establishment of operation standards, material planning and control, warehousing management, purchasing management, and production and sales planning and coordination.
<b>Operating Division</b>	The Sales Department is responsible for business dynamics management, business promotion, market development, product information collection, quotation acceptance, import and export affairs, payment collection and commission processing.
<b>Second Business Division</b>	Production Center is responsible for the production and manufacturing of OE products, establishment of operation standards, material planning and control, warehousing management, purchasing management, and production and sales planning and coordination.
<b>Research and Development Center</b>	Research and Development Center is responsible for product planning, product design, packaging design, product price estimation, mold development, sample manufacturing, product technology establishment, product data management, planning of lighting retrofit, and design and marketing channel establishment.

## Organization Chart of DEPO



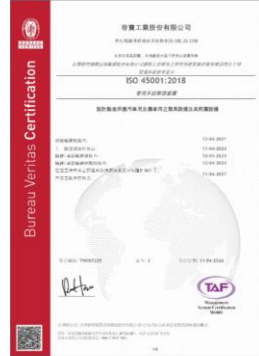
Management system



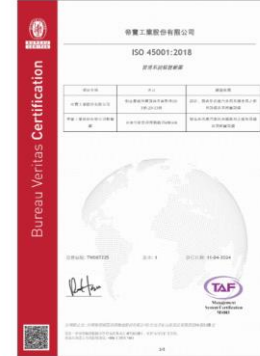
> ISO 9001

> IATF 16949

> IATF 16949



> ISO 45001:2018 (正面)



> ISO 45001:2018 (背面)



> CNS 45001



ISO 14001 : 2015

AEO Quality Enterprise



Enterprise certification

D-U-N-S® Registered™  
D&B Certification™



Product Certification	CAPA Certification	
	SAE, ECE Product Self-Certification (TUV Qualified Laboratory Statement)	
Associations	Taiwan Transportation Vehicle Manufacturers Association, Taiwan Mold & Die Industry Association, Taiwan Motor Vehicle R&D and Strategic Alliance, and TAPIA Taiwan Auto Parts Industry Association	

#### Development Milestones

2023	Special Contribution Award for the 300th Anniversary of Changhua County Establishment		In honor of the 300th anniversary of Changhua County, people with outstanding contributions in various fields in Changhua County were selected. Our CEO, Hsu, Shu-Ming and his father, Mr. Hsu, Chia-Chung were the only father-son candidates selected.
	The 32nd Taiwan Excellence Award		Every year, the Ministry of Economic Affairs adopts a strict selection mechanism to select products with "innovative value" based on the four major professional requirements, "R&D," "Design," "Quality," and "Marketing," with the consideration of "Made in Taiwan." Since 2020, DEPO has been recognized by the Taiwan Excellence Award for four consecutive years.
	Outstanding Vendors for Extra Recruitment of Disabled Persons - Excellence Award		The Company provides equal employment opportunities and supports people with physical and mental disabilities, leading to the Excellence Award for Outstanding Employment of Disabled in Changhua County for many years.

## 2.2 Operational Performance

DEPO's operational highlights in 2023:

- Introduced the machine networking system and developed the MES (Manufacturing Execution System) reporting system.
- Implemented the energy saving, and searched for energy reduction and alternative energy solutions, while reducing carbon emissions.
- Improved product quality, continued to promote quality improvement activities, reduced the amount and number of customer complaint cases, controlled the proportion of quality cost to turnover to within 1.415% and AM customer complaint percentage to within 0.257%.
- Promoted greenhouse gas inventory and verification.
- Cultivated management and technical talents, improved the quality of manpower, emphasized employee welfare, and reduced the turnover rate.

2023 parent company only financial performance (Unit: NT\$million)

Item	2021	2022	2023
Operating revenue	12,203	13,930	14,046
Gross profit	3,201	4,088	4,757
Operating expenses	(1,493)	(1,576)	(1,525)
Operating income	1,708	2,512	3,232
Non-operating income and expenses	(310)	(61)	(195)
Net profit (loss) before tax	1,398	2,451	3,037
Net profit (loss) after tax	1,136	1,800	2,369

Item	Amount (NT\$ million)			
	2021	2022	2023	
Direct economic value generated	Operating revenue	12,203	13,930	14,046
Economic value distributed	Operating costs	8,743	9,233	8,791
	Employee remunerations and benefits	2,000	2,218	2,208
	Payments to capital contributors	497	829	1,078
	Payments to the government by country	324	679	678
Retained economic value		639	971	1,291

## 2.3 Corporate Governance and Ethical Management

### 2.3.1 Corporate Governance

#### Board of Directors

The Board of Directors of DEPO consists of ten directors. Candidates for directors are nominated by the Board of Directors. After the Board of Directors reviews the qualifications of independent director candidates, the Board of Directors submits them to the shareholders' meeting for selection. Diversity, independence, and professionalism are used as the criteria for evaluation. In order to achieve the ideal goal of corporate governance, all directors arrange continuing education courses each year. In 2023, all directors reached the required continuing education hours. The functional committees are the Audit Committee, Remuneration Committee, and Sustainable Development Committee, which assist the Board of Directors in fulfilling their supervisory duties and the Company's sustainable development policy. Each committee is required to hold regular meetings and report to the Board of Directors on their activities and resolutions.

The Board of Directors is the highest governing body of DEPO. The Chairperson chairs and leads the Board of Directors in executing and supervising the Company's various businesses. The General Manager formulates various business plans based on the market conditions and industry situations. To avoid a conflict of interest, the Chairperson and the General Manager must be different persons; the Board of Directors does not vote on a proposal involving a conflict of interest that may affect the interests of the Company and shareholders. A total of five board meetings were held in 2023. Please refer to the Company's annual report for the relevant agenda<sup>2</sup>.

Starting from 2024, DEPO will issue a sustainability report annually in accordance with the Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies. The Execution Office under the Sustainable Development Committee collects and aggregates information relating to the aspects of environment, social, and corporate governance to be disclosed in the Sustainability Report. After the report is completed, it will be delivered to a third-party unit for assurance and submitted to the Board of Directors for publication after resolution adopted by the Board of Directors.

#### Board Members and Their Continuing Education

Title	Name	Whether they serve on other Boards of Directors	Term	Board of Directors attendance rate	2023 Continuing Education Courses
Chairperson	Hsieh Hsiu-Chi	V	2022/06/24 ~ 2025/06/23	100%	Securities and Futures Institute (SFI): Seminar of Sustainable Development Practice: 2023 Promotional Seminar for Legal Compliance of Insider Equity Trading Securities and Futures Institute (SFI): Seminar of Sustainable Development Practice
Director	Hsu Hsu-Ming	V	2022/06/24 ~ 2025/06/23	100%	Securities and Futures Institute (SFI): Seminar of Sustainable Development Practice Co-hosted by TWSE and TPEX: Promotional Seminar for Action Plan of Sustainable Development in TWSE/TPEX Listed Companies
	Wu Chen-Hua	V	2022/06/24 ~ 2025/06/23	100%	Taiwan Corporate Governance Association: Seminar of Sustainable Governance Empowered by the Board of Directors Accounting Research and Development Foundation: 2023 Seminar for Transformation Finance and Sustainability Disclosure
Corporate director: Wei Qing Co., Ltd.	Representative: Chiu Te-Cheng	V	2022/06/24 ~ 2025/06/23	100% including commission 80% excluding commission	Taiwan Corporate Governance Association (TCGA): Introduction of Corporate Governance 4.0 Taiwan Corporate Governance Association: Trade Secret Protection and Practice of Fraud Detection and Prevention
	Representative: Lai Jui-Hua	V	2022/06/24 ~ 2025/06/23	100%	TWSE and TPEX: Promotional Seminar for Action Plan of Sustainable Development in TWSE/TPEX Listed Companies Taiwan Academy of Banking and Finance: Lecture of Corporate Governance
	Representative: Lin Wan-Hsing	V	2022/06/24 ~ 2025/06/23	100%	Taiwan Corporate Governance Association: Trend of smart manufacturing and the application of digital technologies in business management Taiwan Corporate Governance Association: Generative AI trends and risk management
Independent director	Chung Lien-Tsai	V	2022/06/24 ~ 2025/06/23	100%	Securities and Futures Institute (SFI): Seminar of Sustainable Development Practice: 2023 Promotional Seminar for Prevention of Insider Trading Securities and Futures Institute (SFI): Seminar of Sustainable Development Practice
	Lin Ming-Shou	V	2022/06/24 ~ 2025/06/23	100%	TWSE: 2023 Cathay Sustainable Finance and Climate Change Summit
	Chung Teng-Ke	V	2022/06/24 ~ 2025/06/23	100%	Securities and Futures Institute (SFI): Seminar of Sustainable Development Practice Taiwan Academy of Banking and Finance: Lecture of Corporate Governance
	Chung Ching-Ju	V	2022/06/24 ~ 2025/06/23	100%	Taiwan Academy of Banking and Finance: Lecture of Corporate Governance Taiwan Institute of Directors: KPMG Taiwan 2023 Business Leader Academy Forum - Business Opportunities and Challenges in the Net Zero Boom

<sup>2</sup> Please refer to the Company's "2023 Annual Report" on page 18 for details of the board meeting agenda.

**Percentage of members in the organizational governance body**

2023		Gender			Percentage
		Female	Male	Subtotal	
Age	31-50 years old	1	0	1	10%
	51 years old and above	2	7	9	90%
	<b>Subtotal</b>	3	7	10	100%
<b>Percentage</b>		30%	70%	100%	

Functional Committee	Duties of the Remuneration Committee	Meeting Frequency
<b>Audit Committee</b>	Supervise the following matters: 1. Fair presentation of the Company's financial statements. 2. Appointment (dismissal), independence, and performance of attesting CPAs. 3. Effective implementation of the Company's internal control. 4. The Company's compliance with relevant laws and regulations. 5. Control of existing or potential risks to the Company.	Once per quarter
<b>Remuneration Committee</b>	The Remuneration Committee perform the following duties in accordance with its Charter: Formulation, review and performance appraisal of the remuneration policy for directors and managerial officers.	Once every six months
<b>Sustainable Development Committee</b>	1. Formulate the Company's sustainable development goals, strategies, policies and implementation plans. 2. Review, track and revise the effectiveness of the Company's sustainable development implementation, and report to the Board of Directors on a regular basis. 3. Monitor the issues of concern to various stakeholders, including shareholders, customers, suppliers, employees, the government, non-profit organizations, communities, and the media, and supervise the communication plan. 4. Prepared the sustainability report.	Once per quarter

**Diversity and independence of board of directors**

In the "Corporate Governance Best Practice Principles," DEPO has stipulated that the composition of the Board of Directors shall consider diversity, and there is no restrictions based on gender, race, and nationality. In addition to possessing the knowledge, skills, and accomplishments necessary for the performance of duties, the composition of the Board of Directors must also comply with independence standards. The Board of Directors has four independent directors. Except for Chairperson Hsieh, Hsiu-Chi and Director Hsu, Shu-Ming, who are spouses to each other, all other directors are not spouses or relatives within secondary kinship, so they are sufficiently independent.

**Diversity of board of directors**

Title	Name	Composition			Industry Experience and Professional Competence						
		Nationality	Gender	Age	Business management	Finance and Accounting	Crisis Management	Industry Major	Global market view	Leadership skills and	Law
<b>Chairperson</b>	Hsieh Hsiu-Chi	R.O.C	Female	61-70	V	V	V	V	V	V	
<b>Director</b>	Hsu Hsu-Ming	R.O.C	Male	61-70	V		V	V	V	V	
	Wu Chen-Hua	R.O.C	Female	71-80	V	V	V		V	V	
<b>Representative of institutional director</b>	Chiu Te-Cheng	R.O.C	Male	51-60	V		V	V	V	V	
	Lai Jui-Hua	R.O.C	Male	71-80	V		V	V	V	V	
	Lin Wan-Hsing	R.O.C	Male	61-70	V		V	V	V	V	
<b>Independent director</b>	Chung Lien-Tsai	R.O.C	Male	81-90	V		V	V	V	V	
	Lin Ming-Shou	R.O.C	Male	61-70	V	V	V		V	V	
	Chung Teng-Ke	R.O.C	Male	51-60	V		V		V	V	V
	Chung Ching-Ju	R.O.C	Female	41-50	V		V	V	V	V	



### Evaluation of the performance of the Board of Directors

DEPO has established the "Rules for Performance Evaluation of Board of Directors" to conduct a performance evaluation of the Board of Directors once a year. The evaluation scope includes the entire Board of Directors, individual Board members, and functional committees. The corresponding evaluations are adjusted for different evaluation scopes, and the internal self-evaluation is the primary method used for the evaluation. The 2023 performance evaluation of the Board of Directors and functional committees has been completed and submitted to the Board of Directors on March 14, 2024. The performance evaluation results are used as a reference for individual directors' remuneration and nomination for re-election.

### 2.3.2 Ethical Management

The Company has submitted the Regulations Handbook for Directors and Supervisors and the securities market regulatory matters that shall be noted to all Board members for signature and compliance. In addition, DEPO has its "Regulations Governing Procedure for Board of Directors Meetings" and "Code of Ethical Conduct" to clarify the policy of ethical management. The Company requires its board members and management to uphold a high degree of self-discipline and integrity and build a sound corporate governance and risk control mechanism, thereby creating a business environment for sustainable development. In order to establish a sound corporate governance and risk control mechanism, DEPO regularly reviews and prevents any business activities that have a risk of violating ethical management according to the "Internal Control System," and reports to the Board of Directors to ensure the effectiveness of the system.

To prevent violations of ethical corporate management, DEPO communicates with the directors, managerial officers, and employees in accordance with the "Code of Ethical Conduct" and arranges internal and external education and training on a regular basis, so that everyone understands the philosophy and regulations of ethical corporate management. In the event of any violation of ethical corporate management, anyone may report it through the dedicated email. To protect whistleblowers, DEPO has set up a confidentiality mechanism to ensure that they will not be mistreated or retaliated against for whistleblowing. Employees are penalized according to the investigation results and the "Code of Ethical Conduct." In 2023, DEPO communicated anti-corruption policies and procedures to all employees.

### 2.3.3 Legal Compliance

In 2023, there were no legal proceedings arising from anti-competitive behaviors, antitrust and monopolistic behaviors, and there were no violations of corporate governance and product-related laws and regulations. However, there were three violations of the Labor Standards Act, one violation of the Regulations for the Occupational Safety and Health Equipment and Measures, and one violation of the Safety Standard of Mechanical Equipment, detailed as follows:

Penalty	Prevention and improvement measures
Violation of Paragraph 1, Article 224 of the Regulations for the Occupational Safety and Health Equipment and Measures and Paragraph 1, Article 6 of the Occupational Safety and Health Act	The Plant Affair Section has been commissioned to complete the guardrail protection measures at the edges of the opening of the septic tank and the openings of the automatic storage pallets.
Violation of Paragraph 1, Article 104 of the Safety Standard of Mechanical Equipment and Paragraph 1, Article 6 of the Occupational Safety and Health Act	Added a tongue plate to the tabletop grinder, and improve the grinders of other departments at the same time.
Violation of Paragraph 1, Article 24 of the Labor Standards Act; fined NT\$100,000	Strengthen management through system check.
Violation of Paragraph 2, Article 32 of the Labor Standards Act; fined NT\$80,000	
Violation of Article 24, and Paragraph 1, Article 32 of the Labor Standards Act; fined NT\$100,000	

## 2.4 Risk Management

Risk management plays a crucial role in operations. Only by effectively responding to various risks, the sustainability of operations can be ensured. To realize our sustainable operating goals, each department of DEPO conducts risk evaluation for laws and regulations, technology, and environmental factors, and formulates response plans in advance based on the risk descriptions.

**Table of Risk Description**

Risk type		Description of risk	Management measures
Financial risk	Changes in interest rates	Interest rate risk arises from liabilities generated from operating activities. For DEPO, interest income and expenses are mainly affected by interest rate fluctuations in Taiwan and the United States.	In response to the risk of interest rate fluctuations, DEPO will continue to monitor future market interest rate trends and collect interest rate information from various banks, to assess the current lending interest rate in a timely manner, while continuously establishing good relationships with banks to obtain relatively favorable borrowing rates; appropriate long- and short-term bank loans are planned based on the actual capital needs, in order to minimize the interest rate risk.
	Exchange rate changes	More than half of DEPO's raw material procurement expenses are paid in NTD. In addition, revenue is mainly derived from US dollars. Therefore, any significant exchange rate fluctuations may have an adverse impact on our financial position.	<ul style="list-style-type: none"> <li>DEPO uses derivative financial instruments (such as swap transactions, foreign exchange forward contracts) or non-derivative financial instruments (such as short-term loans in functional currencies) to hedge the positions recognized or from highly expected transactions. Exchange rates are closely monitored through close liaison with banks and necessary actions taken. The Company has established the "Operating Procedures for Asset Acquisition and Disposal" to regulate the trading, risk management, supervision, and auditing of derivative financial instruments to reduce the transaction risks arising from the operation of exchange rate-related derivative financial instruments.</li> <li>A net exchange gain of NT\$75,945 thousand was generated in 2023. DEPO mainly uses USD assets and USD liabilities for natural hedging operations to reduce the exchange rate risk arising from assets and liabilities. Meanwhile, financial products and financial instruments are also used to hedge foreign exchange positions that have been recognized or are highly likely to be expected.</li> </ul>
	Inflation, deflation and overall market volatility	When the market's expectations of inflation and deflation change, it will have a huge impact on the global economy, reduce market efficiency, and interfere with investment decisions.	The types of products and services provided by DEPO do not change much because to inflation, deflation and market fluctuations.
	Financing risk	DEPO's ability to continue financing depends on many uncertainties, including: future financial position, operating performance and cash flows, market financing activities, market financing conditions for the auto parts industry, social and economic conditions in Taiwan and other regions, and other matters.	The company closely monitors market interest rates and the economy, establishes sound financial operating procedures, and evaluates the capital required to maintain operations.
	Derivatives trading	Gains or losses on derivative financial product contracts arising from fluctuations of interest rate, exchange rate, and market prices.	Exchange rates are closely monitored by DEPO with close liaison with banks to and immediate adjustments are made as needed. The company has established the "Operating Procedures for Asset Acquisition and Disposal" to regulate the trading, risk management, supervision, and auditing of derivative financial instruments to reduce the transaction risks arising from the operation of exchange rate-related derivative financial instruments.

Risk type		Description of risk	Management measures
<b>Legal risk</b>	<b>Important policy and legal changes at home and abroad</b>	Changes in policies and regulations may have an impact on operations, such as penalties for non-compliance, which will affect reputation and financial performance.	DEPO closely monitors any policies and laws that may affect the company's business and operations. The changes in key domestic and foreign policies and laws in the most recent year have not had any significant impact on operations. In the future, we will continue to monitor relevant information and develop response measures in a timely manner to comply with policies and laws.
<b>Operational risk</b>	<b>Possible risks of plant expansion</b>	Plant expansion will increase operating costs, including need to purchase additional machinery and equipment, personnel training or expansion. If DEPO is unable to meet the aforementioned increase in operating costs with a relative increase in revenue, it will have a negative impact on its financial performance.	<ul style="list-style-type: none"> <li>In view of future market demand, DEPO will continue to observe market changes and work closely with customers. If the market demand is not as expected, the company will adjust its production expansion plan immediately to reduce the negative impact on financial performance.</li> <li>In order to reduce production and transportation costs, DEPO is currently setting up a plant in Thailand to serve customers nearby and increase the production capacity of AM products.</li> </ul>
<b>Information security risk</b>	<b>Cyber attack and trade secret protection</b>	Cyber attacks and malicious hackers will try to implant computer viruses, destructive software or ransomware into the company's network system to gain control over the computer system for extorting blackmail, spying on confidential information or interfering with operations of DEPO.	DEPO is currently introducing TISAX to regulate the confidentiality obligations and network security of third-party service providers. We are also actively formulating information security policies/network security management and operational entity data control mechanisms to maintain manufacturing, operations, and accounting, among other key operational functions of an enterprise, while reviewing and evaluating its cybersecurity regulations and procedures every year to ensure their appropriateness and effectiveness.
<b>Supply chain and raw material risks</b>	<b>Raw material procurement risk</b>	External factors (such as natural disasters, war) cause supply disruptions, or destruction of suppliers due to disasters.	In response to supply disruptions, DEPO has formulated the following measures in response: <ul style="list-style-type: none"> <li>Establish safety inventory of parts and finished products</li> <li>Continue to promote the localization of raw materials</li> <li>Find alternative suppliers</li> </ul>
	<b>Equipment supply risk</b>	Production machinery is malfunctioning, there is a long lead time for maintenance parts, or equipment is unable to be repaired.	In response to malfunctioning production equipment, DEPO has formulated the following measures in response: <ul style="list-style-type: none"> <li>Establish key parts inventory</li> <li>Enter equipment maintenance contracts</li> <li>Regular inspection and replacement of equipment</li> </ul>
<b>Hazard risk</b>	<b>Losses from disasters</b>	Common disasters include fires, typhoons, floods, earthquakes, and infectious diseases. The occurrence of disasters may have an impact on the operations of DEPO.	<ul style="list-style-type: none"> <li>In response to the COVID-19 pandemic, DEPO has established a pandemic prevention organization in accordance with the guidance of the CDC and implemented various pandemic prevention measures, including routine disinfection, self-quarantine, improvement of hygiene habits, and diversion of staff. The business and operations of DEPO, therefore, have not been significantly impacted by the pandemic.</li> <li>In response to other disasters, such as fire, typhoon, and earthquake, DEPO requires relevant departments to establish response standards and procedures and conduct simulation drills every year. During the company's management review meeting, these are reported and reviewed; the production unit has established a cross-plant and vendor backup mechanism to ensure the normal supply of products to customers and minimize disaster risks.</li> </ul>

## 2.5 Innovation R&D

DEPO mainly targets the AM market, and also cooperates with domestic and foreign car manufacturers to develop OEM products. The main products include headlights, front and rear fog lights, front and rear direction lights, daytime running lights, reversing lights, mood lights, side lights, and other automotive lighting products. The quality test benchmarks are based on the requirements of ECE, SAE, and FMVSS 108 (Federal Motor Vehicle Safety Standard 108) to conduct relevant reliability tests to meet the requirements of automotive regulations for safe applications, for reducing traffic accidents caused by rear and side collisions, not only innovating but also enhancing safety. In 2023, DEPO applied for a total of four design patents.

In 2023, the "Automotive Electronics Department" and the "Optoelectronics Department" that were previously under the R&D Center were integrated to form the "Automotive Electronics Business Department." DEPO fulfills its social responsibility for the sustainable development of the earth, and makes good use of LEDs emitting light based on the semiconductor principle to make compact automotive lights with more design flexibility for designing low power consuming and easily integrated high-performance LED modules. The lead-free process requirements have been introduced for the module electronic components, and the electronic components must comply with the latest EU RoHS (Restriction of Hazardous Substances Directive) specifications before being used.

The application of LEDs in automotive lights is the development trend of global automotive light manufacturers. The service life of LEDs is about 20,000 hours, far better than the 1,500 hours of traditional light bulbs. The activation time of LED is about 0.3 seconds faster than that of traditional light bulbs, which can increase the reaction time of drivers, and significantly improve safety. In addition, LEDs consume 70% less energy from traditional light bulbs, fully complying with energy-saving and carbon-reducing green lighting.



### LED lighting design philosophy

- Appropriate functions to meet market needs
- Easy, comfortable, and safe to use, in line with the considerations of humanity and ergonomic engineering
- Superb engineering technology, excellent product performance
- Exquisite and elegant appearance, pleasing to the eye
- Designed with environmental protection in mind to comply with environmental regulations

## Sustainable Innovation

DEPO incorporates the concept of sustainable development into product R&D, which not only enhances product value but also reduces the negative impact on the environment. The practical applications are as follows:

1. Introduce professional optical software to optimize the optical design, improve the optical performance, reduce light source power, and meet customer and regulatory needs to reduce carbon.
2. Simplify the process to improve production efficiency; reduce manufacturing costs, and be environmental friendly.
3. The plastic parts used in the product are compatible with the materials themselves to reduce the glue binding and increase the recyclability of the product.
4. Plastics are made of IMDS (International Material Data System) materials that comply with international standards.
5. The components are recyclable and the materials are labeled on the parts to increase the recycling rate, reduce environmental impact and pollution, and reduce carbon emissions.
6. The production line automation reduces labor and energy consumption, such as automatic product clamping and automatic frame molding system.
7. Modularization of common objects such as parts/molds/jigs, with optimized design to increase utilization rate and reduce energy and material consumption for newly developed parts.
8. Reduce the use of cardboard boxes for exported parts and finished products; to be replaced with recyclable plastic baskets.



## Development cooperation

### Smart headlights

From 2019 to 2021, DEPO participated in the technology research and development project of the Ministry of Economic Affairs to develop the technology of "array LED light source design, long-distance vehicle detection at night, and automatic darkening lighting" to improve the safety of nighttime driving, and reduce traffic accidents caused by direct headlights. The project was jointly carried out by DEPO, Everlight Electronics, and Universal Global, and passed the SAE J3069 test requirements and verification DEPO hopes to achieve 100% self-produced and localized products in the future. After completing the development of ADB (Adaptive Driving Beam Headlamp), ADBs will be applied to mid-range cars in the OEM market, to introduce the concept and prototype of smart headlights to enhance the added value and competitiveness of domestic automotive products.



As one of the most important exhibitions in the automotive lighting industry, AMPA Taipei has attracted more than 50,000 visitors from 103 countries around the world. In 2024, DEPO exhibited the through-type taillights of Xpeng G9, and the through-type taillights and headlights of Dongfeng Liuzhou Motor M4 Yachting. Both are full LED lights. In particular, the through-type taillights are integrated into the welcome lighting mode. Instead of the everlasting lighting method of traditional car lights, colorful changes are added to give the car lights a vivid feeling.

## **Future Outlook**

In the future, DEPO will focus on "microstructure engineering design" and "optical film" in its R and D for automotive lights:

- Microstructural engineering design: Optics have always been an important part of automotive lamp design, and optical vision is the focus of automotive lighting. Microstructural engineering can make optical vision softer, more beautiful, and more detailed.
- Optical film: Use of optical space compression to reduce the number of LEDs, reduce the volume and weight of vehicle lights, and then reduce the use of materials to achieve the goal of carbon reduction.

DEPO will continue to improve and innovate its technical capabilities in the design and manufacturing of traditional automotive lights, and also focus on the design and development of LED automotive lights. The related laws and regulations and suppliers' application performance (light source/module manufacturers) are regularly updated, with the information exchange and feedback with third-party verification units. In the early stage of product development, sufficient customer interviews are conducted, to review the Company's technology development capacity through information exchange and customer feedback, and to adjust the directions of future development planning and implementation on a rolling basis, to ensure that the manufactured products meet customer requirements, and market demand to provide customers with better products and services.

## **2.6 Quality Management**

### **Quality Management Policy**

DEPO has established the quality management policy with the spirit of "perfect lights and safety" to improve product quality, meet customer expectations, and continue to reduce the rate of product shipment defects and the proportion of quality cost to revenue. The following commitments are also made:

- Meet the special requirements of customers (such as car manufacturers, CAPA, 3C, etc.).
- A management review meeting is held annually to review the ongoing applicability of the quality policy, quality goals, and strategies.
- Promote process management, strengthen education and training, and improve quality awareness.

### **Quality Management System**

By referring to the management principles of ISO 9001:2015 and IATF 16949:2016, DEPO establishes, implements, maintains and continuously improves the quality management system, to achieve the expected results and satisfy the quality performance of the organization. The relevant guidelines are as follows:

1. The required inputs and expected outputs of the process flow are clearly defined.
2. Establish the sequence and interrelationships of steps among the process flows.
3. Formulate acceptance principles and methods, including required measurements and relevant performance indicators.
4. Ensure the effective operation and control of processes.
5. Ensure the availability of required resources.
6. Appoint the head of the accountable department for the process.
7. Assess process risks and opportunities, implement contingency plans and appropriate measures to reduce risks.
8. Perform monitoring and measurement to control risks, and change the process if necessary to ensure that the expected results are achieved.

### **Enhancement of quality management functions**

To ensure that employees have sufficient knowledge and ability to perform their tasks, DEPO continues to conduct relevant education and training, submit the annual education and training plans and implement the plans. The plans include the participation of incumbent and new employees in internal and external training of development tool innovation and application, and continuous training to meet ISO 9001/IATF 16949 and external product certification requirements. In addition, DEPO also continues to optimize internal process management and provide corresponding training for the skills required by customers, aiming to shorten the time for customers to wait for new products or massively produced products, while improving customer complaint response time, which not only helps to strengthen the professional capabilities of colleagues, but also helps to improve the employees' expertise and increases the overall competitiveness of DEPO.

Each quarter, a competency inventory is conducted according to the duties of different employees to distinguish the positions they are suitable for, and the results are returned to the Management Division for centralized reference archive. The education and training on each quality system, environmental/occupational safety policies, onboard equipment operation, gauge adoption, amount other production line-related information with tests to ensure that personnel understand the current company policies.

- The orientation: the Management Division provides education and training courses on the basic knowledge and concepts that new employees must have before they are onboarded, and the departments will perform further education and training related to their duties.
- On-the-job education: provide internal or external job-related education and training for the employees
- Professional training: including equipment measurement and calibration, internal audit training, quality system-related provisions and regulations, etc.

In 2023, due to the lifting of the pandemic lockdown, education and training resumed in March, and the training plan was implemented accordingly. The training content was based on the development plan of the Company or relevant department. The annual education and training plan is formulated to arrange the employees' education and training. After the education and training, employees may be tested on what they've learned.

In order to ensure product quality and meet customer satisfaction requirements, it is necessary to retain complete traceability. Products that leave plants are all traceable with production batch numbers. Corresponding manufacturers and processors of each material also need to create a complete production form and record each quality in detail. In the event of defective incoming materials, incorrect component assembly, or customer complaints, the date of occurrence, product quantity, defect, cause, and follow-up countermeasures will be recorded in the quality record, and stored together with the operation instructions. Every day, before starting the operation, the shift leader will conduct onboard education and training for the operators based on the relevant information registered in the quality record to prevent similar defects from reoccurring.



## Onsite management

### Safety management

Identify and evaluate the hazards of the operating environment on a regular basis, and conduct educational promotion on various policies every year. When any industrial safety incident occurs, each unit must publicize the incident at the sunset meeting.

### Operation Management

Before production, operators must be educated and trained according to the SOPs, and the initial product confirmation form must be used to ensure that the equipment parameters and product appearance meet the requirements. The capability inventory is conducted regularly every quarter, to ensure that the operators have the relevant skills when operating; the improvement cases are proposed every month to improve the efficiency of production line operations, and included in the KPIs of the unit for control.

### Quality Management

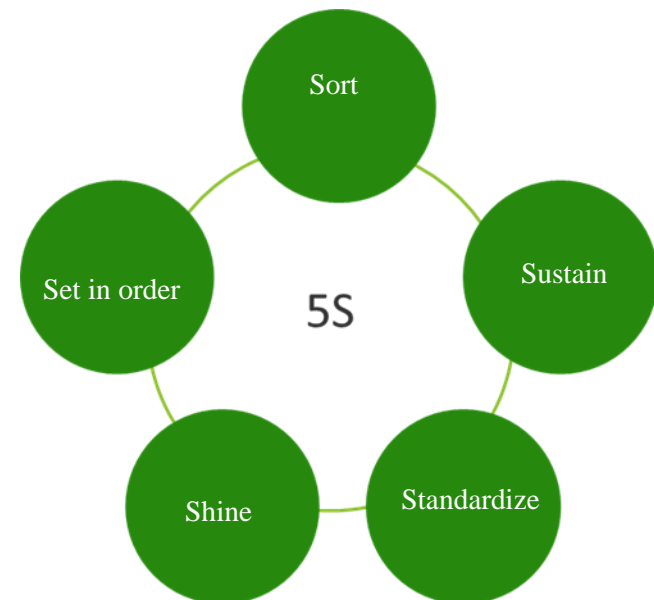
Operators must perform operations according to the SOP and sample specifications, with regular inspections by the officers and the quality assurance unit to ensure that the product quality meets customer needs. When defective products occur, each unit must determine whether to continue production and with improvement measures required. The review and explanations are presented at the daily sunset meeting to enhance quality management.

### Equipment Management

Perform production line equipment cleaning and inventory every day to ensure that the equipment can be used normally; the equipment maintenance plan is established every year, and overhauls are conducted according to the schedule to reduce the chance of equipment damage.

## 5S

Classify all objects into necessary and unnecessary objects, and dispose of unnecessary objects. The necessary objects shall be placed in designated positions that are easy to access; thoroughly clean every corner and conduct inventory to effectively understand the source of the problem; manage the results of sorting, setting in order, and shining, and thoroughly eliminate the sources of pollution and malfunctions.



## 2.7 Customer Relationship Management

### Customer Satisfaction

In every January, the Operating Division and Second Business Division conduct a satisfaction survey on the main customers and potential customers. The survey is conducted over 3 weeks. In 2023, the AM Business Unit surveyed a total of 40 main customers and 20 potential customers. The OEM business unit distributed questionnaires to a total of 4 customers. The survey results are as follows:

AM customers are mainly distributed in the Middle East and Africa, Europe, New Zealand, and Australia, Central and South Americas, and Asia. The satisfaction survey was conducted on a total of nine items, and the overall average satisfaction rate was 81%, the same as the previous period. Except for Europe, New Zealand, and Australia, which were slightly less satisfied, with the lowest satisfaction level 73% was in Europe, New Zealand and Australia, down 12% year-on-year, and the highest satisfaction was the Middle East and Africa 86%, an increase of 10.3% over the same period. The main reason for the decrease in satisfaction is that the delivery time and delivery rate failed to meet the customers' needs.

There were 5 items for the OEM customer satisfaction survey, and the overall average satisfaction was 87%. Which is similar to the overall average of last year, focusing on delivery rate, delivery accuracy, and the attitude of service personnel.

**Results of the AM Customer Satisfaction Survey**

Customer Distribution	Middle East and Africa	Europe, New Zealand, and Australia	Central and South America	Asia
Satisfaction (%)	86	73	84	80

Note: For the AM customer satisfaction survey, the items include "product quality," "packaging design," "speed of new product development," "speed of customer complaint handling," "degree of quality improvement after customer complaint," "business professionalism," "efficiency of business information feedback," "delivery time," and "delivery rate."

**Results of OEM Customer Satisfaction Survey**

Customers	A	B	C	D
Satisfaction (%)	100	80	72	96

Note: The items of the OEM customer satisfaction survey include "product quality," "problem-solving efficiency," "service personnel's attitude," "delivery rate," and "delivery accuracy rate."

### Customer Privacy

The customer data is mainly stored in the SAP system, and system permissions are assigned based on the authorities. Internal and external documents are password-protected, and password settings are adjusted by different regions/customers. The staff undergo the education and training for customer privacy within three months after joining the Company. In 2023, DEPO did not receive any complaints about infringement of customer privacy or confidentiality.

## 2.8 Sustainable Supply Chain Management

The upstream of the automotive light industry is mainly suppliers of related automotive electronic parts, circuit parts, and plastic raw materials, such as plastics, iron stamping and casting, light bulbs, LEDs, electronic components, wire sets, screws and packaging materials; the midstream is processing plants or central assembly plants; the downstream is made up of trading companies, repairers, or vehicle assembly plants. DEPO is an automotive light manufacturer/production plant providing products and services to midstream processing plants or assembly plants and downstream customers. We require suppliers to cooperate with relevant government policies and meet our own high standards for environmental protection, green energy, and social welfare. In 2023, DEPO had a local<sup>3</sup> procurement percentage of 95.1%.

When selecting a supplier, DEPO considers various factors, including cost, manufacturing quality, supply stability, and the willingness for long-term collaboration. If a supplier does not meet these criteria, we will refrain from purchasing from or providing OEM services to them, which minimizes the likelihood of poor supplier evaluations. Regular supplier assessments are conducted, during which we provide a list of areas for improvement. For suppliers identified as needing improvement, we will conduct follow-up audits and offer counseling. In addition, suppliers that rank at the bottom are required to hold a quality review meeting.

### Supplier evaluation

Due to the impacts from COVID-19 and the Russia-Ukraine war, the supply chains of international automobile manufacturers were disrupted, resulting in a shortage of new cars. To avoid the risk of supply chain disruptions, DEPO has strengthened the flexible management and rapid response of its suppliers; meanwhile, to reduce the carbon footprint generated by long-distance transportation, supplier selection is mainly based on local manufacturers; at the same time, in line with market trends and new policies and regulations, in addition to stable quality, reasonable cost, and accurate delivery time, the future criteria for supplier selection includes corporate social responsibility practices and enthusiasm for investing in carbon reduction. We hope to raise suppliers' awareness of sustainable development, jointly promote the transformation of supply chain management, and create a sustainable supply chain.

DEPO is positioned at the midstream of the industry, playing a key role as a link between the upstream and downstream. By following the "Subcontractor Evaluation and Management Procedures MYP-H002" with the five major appraisal criteria, namely "quantity management system," "management duties," "resources management," "product realization and measurement" and "analysis and improvement," the supplier evaluation is conducted, and they are classified into three grades: Grade A, B, and C.

In 2023, DEPO evaluated seven OEM suppliers for the Lukang Plant, and issued Subcontractor Corrective Action Notices for two suppliers found to be non-conforming, requesting the suppliers to make improvements and be re-evaluated. In addition, 25 suppliers were arranged for evaluation for the Xinying plant, 17 of which were defined as exempt from evaluation, and the remaining eight key parts suppliers were rated A.

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<sup>3</sup> Local is defined as the area where the operation base is located.

## **Supplier audit**

In order to improve the quality management system of OEM parts suppliers and pass ISO 9001 or the special regulations of OEM car maker customers, the counseling team uses the subcontractor appraisal form as the basis for audits every year, and arranges the annual audit based on the status of the suppliers' developments. The internal audit plan under the quality management system in the Subcontractor Evaluation and Management Procedures are as below:

- Manufacturers of main parts for OEM (including injection molding, processing, wire sets or LED modules), in addition to passing ISO 9001, still need to pass continuing evaluations and attain IATF 16949 certification.
- When the parts delivered by the OEM main parts manufacturer are late in delivery or are rejected, the procurement unit is required to fill in a "corrective action notice," and the quality assurance unit is required to issue a "abnormal quality report," to notify the supplier of countermeasures.
- If the score of the OEM main parts manufacturer from the second-party audit and evaluation is lower than 79 points, it must be subject to on-site quality monitoring of the manufacturer; for these receiving 80 points or above, the inspections or execution is taken for the incoming materials.
- The needs for OEM quality are subject to audit, and the cross-functional team composing of the quality assurance, R&D, and manufacturing processes schedules audits with suppliers.

# CH 3 Happy Workplace with Employee Partners

## 3.1 Employee Profile

The Company recruits talent regardless of race, gender, age, religion, nationality, or political party. As of 2023, the total number of employees of DEPO was 3,022, showing no significant change from 2021 and 2022. The total number of non-employee workers was six, and all of them were dispatched personnel. For many years, DEPO has been hiring mental and physical disabled individuals. The total number of mental and physical disabled employees was 59 in 2023, accounting for 1.95%, meeting the statutory standard, and the company has received the "Outstanding Supplier Award for Excessive Hiring by Changhua County." In 2023, a total of 797 foreign migrant workers were hired, accounting for 26.37%.

### Number of employees by age

		2021		2022		2023	
		Female	Male	Female	Male	Female	Male
Age	30 years old and under	139	484	113	431	115	545
	31-50 years old	859	1,260	853	1,262	820	1,192
	51 years old and above	181	93	203	111	235	115
	Subtotal	1,179	1,837	1,169	1,804	1,170	1,852
Percentage		39.09%	60.90%	39.32%	60.68%	38.72%	61.28%

Note: The number of people in this table is calculated as of December 31 of the current year.

### Number of employees by rank and gender

		2021		2022		2023	
		Officers	Non-Officers	Officers	Non-Officers	Officers	Non-Officers
Female	Number of people	8	1,171	6	1,163	6	1,164
	Percentage	0.27%	38.83%	0.20%	39.12%	0.20%	38.52%
Male	Number of people	33	1,804	34	1,770	34	1,818
	Percentage	1.09%	59.81%	1.14%	59.57%	1.13%	60.16%
Total	Number of people	41	2,975	40	2,933	40	2,982
	Percentage	1.36%	98.64%	1.35%	98.65%	1.32%	98.68%

Note: The number of people in this table is calculated as of December 31 of the current year.

**Number of employees by rank and age**

		2021		2022		2023	
		Officers	Non-Officers	Officers	Non-Officers	Officers	Non-Officers
<b>Ages of employees</b>	<b>30 years old and under</b>	0	623	0	544	0	660
	<b>Percentage</b>	0%	20.66%	0%	18.30%	0%	21.84%
	<b>31-50 years old</b>	15	2,104	10	2,105	11	2,001
	<b>Percentage</b>	0.50%	69.76%	0.34%	70.80%	0.36%	66.21%
	<b>51 years old and above</b>	26	248	30	284	29	321
	<b>Percentage</b>	0.86%	8.22%	1.01%	9.55%	0.96%	10.62%
<b>Total</b>	<b>Number of people</b>	41	2,975	40	2,933	40	2,982
	<b>Percentage</b>	1.36%	98.64%	1.35%	98.65%	1.32%	98.68%

Note: The number of people in this table is calculated as of December 31 of the current year.

**Number of disabled, foreign, and minority employees in Taiwan**

	2023
<b>Number of employees with mental and physical disabilities</b>	59
<b>Number of foreign (non-Taiwanese) employees</b>	797

Note 1: DEPO has not hired employees from minorities.

Note 2: The number of people in this table is calculated as of December 31 of the current year.

**Number of employees by employment contract and gender**

Year	2021			2022			2023		
	Female	Male	Subtotal	Female	Male	Subtotal	Female	Male	Subtotal
<b>General employees</b>	1,174	1,095	2,269	1,168	1,090	2,258	1,160	1,065	2,225
<b>Contracted employees</b>	0	0	0	0	0	0	0	0	0
<b>Foreign migrant workers</b>	5	742	747	1	714	715	10	787	797
<b>Total Number of Employees</b>	3,016			2,973			3,022		

Note 1: DEPO has not hired employees without guaranteed hours.

Note 2: The number of people in this table is calculated as of December 31 of the current year.

**Number of employees by type of employment and gender**

Year	2021			2022			2023		
	Female	Male	Subtotal	Female	Male	Subtotal	Female	Male	Subtotal
Full-time employees	1,179	1,837	3,016	1,169	1,804	2,973	1,170	1,851	3,021
Part-time employees	0			0			1		
<b>Total Number of Employees</b>	3,016			2,973			3,022		

Note: The number of people in this table is calculated as of December 31 of the current year.

**Number of non-employee workers**

Year	2021	2022	2023
<b>Types of non-employee workers</b>			
Dispatched personnel	0	5	6
<b>Total</b>	0	5	6

Note: The number of people in this table is calculated as of December 31 of the current year.

**Proportion of senior executives hired from the local community**

2023	Number of people
Number of senior executives	40
Number of senior executives who are local residents	40
<b>Percentage</b>	100%

Note 1: Senior executives are officers at the rank of manager/deputy manager and above.

Note 2: Local is defined as the area where the operation base is located.

Note 3: Key operating bases are the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department.

Note 4: The number of people in this table is calculated as of December 31 of the current year.

### New Recruitment Rate and Turnover Rate

The employee turnover rate of DEPO in 2023 was 14.66%, and the average monthly turnover rate was 1.22%. The main reason for this is changes in orders and production capacity jointly affecting the overall manpower deployment plan, resulting in the recruitment and turnover of direct employees in large numbers from time to time; in addition, the low retention rate of new recruits results in the changes in the overall turnover rate affected by direct employee retention.

Employees (including interns)		Number of new recruits			New recruitment rate		
		2021	2022	2023	2021	2022	2023
Gender	Female	119	116	101	3.95%	3.90%	3.34%
	Male	148	284	392	4.91%	9.55%	12.97%
Total		303	400	493	10.05%	13.45%	16.31%
Age	30 years old and under	163	218	319	5.40%	7.33%	10.56%
	31-50 years old	133	174	171	4.41%	5.85%	5.66%
	51 years old and above	7	8	3	0.23%	0.27%	0.09%
Total		303	400	493	10.05%	13.45%	16.31%

Note 1: The number of people in this table is calculated as of December 31 of the current year.

Note 2: New recruitment rate (%) = number of new recruits in the year / total number of employees at the end of the year.

Employees (including interns)		Number of employees resigned			Turnover rate		
		2021	2022	2023	2021	2022	2023
Gender	Female	156	126	101	5.17%	4.24%	3.34%
	Male	324	334	342	10.74%	11.23%	11.32%
Total		480	460	443	15.92%	15.47%	14.66%
Age	30 years old and under	202	226	141	6.70%	7.60%	4.67%
	31-50 years old	257	214	281	8.52%	7.20%	9.30%
	51 years old and above	21	20	21	0.70%	0.67%	0.69%
Total		480	460	443	15.92%	15.47%	14.66%

Note 1: The number of people in this table is calculated as of December 31 of the current year.

Note 2: Turnover rate (%) = Number of employees resigned in the year/total number of employees at the end of the year.



### 3.2 Talent Development and Cultivation

In 2023, the employees were recruited through diverse channels, mainly online platforms. DEPO also participates in job fairs organized by the county government. In addition, we maintain industry-academia collaboration with schools and participate in campus talent recruitment held by various schools. The company's colleagues also take the initiative to refer their relatives and friends.



#### Performance Appraisal

DEPO plans career development paths and training courses for its employees and establishes a talent cultivation system by combining incentives and promotion measures with performance and contribution appraisals every year and adjusts their salaries or gives out bonuses and rewards when deserved. DEPO expects every employee to unleash his/her strengths.

The performance appraisal of talent is mainly based on employees who have been onboard for at least three months. The unit supervisors conduct regular monthly evaluations on their work performance (work attitude, attendance rate, among other things) and work achievements, as the basis for promotion, salary increase, and distribution of bonuses. In 2023, 100% of employees completed the performance appraisals in DEPO.

#### Number of Employees Appraised in 2023

Number of people	Subject to performance appraisal			Actual performance appraised		
	Officers	Non-Officers	Subtotal	Officers	Non-Officers	Subtotal
Female	64	1,106	1,170	64	1,106	1,170
Male	185	1,667	1,852	185	1,667	1,852
Subtotal	249	2,773	3,022	249	2,773	3,022

## Education and training

DEPO encourages its employees to actively engage in various promotion policies, and attend training to improve their professional competencies or obtain professional licenses or even multiple licenses. These not only strengthen their personal occupational skills, but they are also the driving force for helping the Company's growth. We have always supported and encouraged employee training, and identified the functional gaps of each department through the annual competency inventory, and then arranged for colleagues to participate in internal and external training courses.

The education and training survey is issued in November every year, and the education and training plans are prepared based on the needs of each unit. Employees can apply for external training according to their work needs. If they participate in training during working hours, they will be granted full-paid leave. To encourage employees to pursue studies in their spare time, a scholarship system is also provided.

**Total hours of employee education and training in 2023 -  
Gender distribution of Job Duty**

Employee Gender/Job Duty	Officers	Non-Officers	Total Training Hours
Female	166	3,794	3,960
Male	804	6,954	7,758
<b>Total Training Hours</b>	970	10,748	11,718

**Average hours of training per year per employee in 2023**

Employee Gender/Job Duty	Officers	Non-Officers	Average Training Hours
Female	2.59	3.43	3.38
Male	4.34	4.17	4.19
<b>Average Training Hours</b>	3.89	3.87	3.87

### Employee education and training

- Orientation: including basic training and onboard guidance, to help new employees adapt to the Company's culture and the jobs as soon as possible.
- General knowledge training: including governmental regulations, company policy requirements, and company-wide or department specific training, such as environmental and safety training courses, quality training courses, fire safety training, and emergency response training courses.
- Professional/functional training: including the technical and professional training required by each functional unit. Personnel with specific duties must have relevant licenses, which must be updated regularly.
- Officer training: Including planning management development training activities based on the management skills and management responsibilities of executives at each level. The courses include junior officer core courses, intermediate officer core courses, and senior executive core courses.

### Succession Planning

- Identify internal key and management talents.
- Plan career development paths and cultivation courses, and establish the talent training system.
- Establish the mentor system.
- Provide challenging tasks with incentives.
- Transparent career path.
- Evaluate and update regularly.

**Total hours of employee education and training in 2023 - Gender distribution of Training Category**

Employee Gender/Training Category	Officer Training	Professional Training	Occupational Safety Training	General Knowledge Training	Total Training Hours
Female	166	823	827.5	2,143.5	3,960
Male	804	2,765	1,669.5	2,519.5	7,758
<b>Total Training Hours</b>	970	3,588	2,497	4,663	11,718

### 3.3 Occupational Health and Safety

In order to ensure that employees are not accidentally injured by production tools during the production process, and to prevent industrial accidents in a preemptive manner, DEPO makes the following commitments regarding the occupational safety and health management:

- Compliance with laws and regulations: compliance with laws and regulations and other requirements.
- Implement the risk management: provide appropriate protective measures, equipment or operational control to prevent the occurrence of occupational injuries and diseases.
- Continuous equipment improvement: strengthen equipment maintenance with continuous improvement to eliminate or reduce equipment hazards.
- Education, training and promotion: promote and communicate environment, safety and health information to employees, customers, contractors, and visitors, and improve independent capabilities of occupational safety and health management through the awareness of workplace hazards.
- Continuous improvement of performance: provide the necessary resources to maintain the effective operation of the occupational safety and health management system, and continue to improve occupational safety and health management and performance.
- Employee health enhancement: actively participate in health management activities to enhance health and prevent work-related injuries.

In accordance with ISO/CNS 45001 and the requirements of the "Occupational Safety and Health Act," the "Regulations of Occupational Safety and Health Management," and the "Regulations Governing the Labor Health Protection," DEPO has established an occupational safety and health management system and appointed two Class A sales officers, four Class A occupational safety and health managers, four Class B occupational safety and health administrators, and four plant nurses. The Lukang Plant and the Xinying Plant have obtained external assurance certificates, and the remaining operating locations follow the Occupational Safety and Health Management Procedures formulated by DEPO.

**Employees covered by the occupational safety and health management system**

2023	Number of people covered by the management system		Total number of employees in the organization		Percentage (%)	
	Employees	Non-Employees	Employees	Non-Employees	Employees	Non-Employees
<b>Not audited</b>	0	0	3,022	6	0%	0%
<b>Internally audited</b>	694	2	3,022	6	22.96%	33.33%
<b>Audited or verified by an external organization</b>	2,328	4	3,022	6	77.04%	66.67%

#### Occupational Safety and Health Committee

The Occupational Safety and Health Committee actively proposes safety and health policy recommendations. It holds meetings on a quarterly basis, including management plans, education and training, health management, among other things. All units shall regularly check and update environmental inspections according to the content of the plan, and strengthen the promotion of traffic safety. Meanwhile, DEPO pays extra attention to the problem of excessive noise, and requires employees to wear earplugs or earmuffs to protect their health. In addition, for the health of employees, health examinations and vaccinations are provided. The management shall pay attention to safety and health records, and consider corresponding penalties for failure to replace wear mandated protective equipment. Overall, the Occupational Safety and Health Committee is committed to maintaining workplace safety and employee health through comprehensive planning and execution. In 2023, a total of four meetings were held.

## Education and Training



Education and training of AED, CPR



Hold a fire drill every six months

## Health Management

DEPO encourages the employees to actively participate in health management activities to achieve health promotion and prevention of work-related injuries. In December 2023, DEPO provided general employee health examination service for a total of 1,259 employees, including 973 in Lukang Plant and 286 in Changbin Plant. We provide healthy meals on working days to safeguard the health of employees.



## Hazard Risk Assessment

We have established a risk assessment process for occupational safety and health-related hazards. In addition to referring to the existing process, we also grasp the updated information from relevant units, including the safety and health authorities, labor inspection agencies, safety and health service agencies, and other service agencies.



**Employee Occupational Accident Statistics**

Year	2021	2022	2023
<b>Total working hours</b>	5,917,638	5,558,352	5,598,260
<b>Number of people suffering serious occupational injuries</b>	1	0	0
<b>Number of recordable occupational injuries</b>	7	7	7
<b>Percentage of serious occupational injuries (excluding fatalities)</b>	0.17	0	0
<b>Recordable occupational injury ratio</b>	1.18	1.25	1.26

Note 1: From 2021 to 2023, no employees suffered from occupational diseases in DEPO.

Note 2: From 2021 to 2023, there were no deaths caused by occupational accidents in DEPO.

Note 3: From 2021 to 2023, no occupational injury or occupational disease occurred to the non-employees of DEPO.

Note 4: This table calculates the ratio based on 1,000,000 work hours.

## 3.4 Remuneration and Benefits

### Remuneration Policy

The Remuneration Committee holds meetings twice a year to improve the performance targets and remuneration structure for directors and managerial officers, assist the Board of Directors in evaluating and supervising the company's overall remuneration policy and the remuneration levels of directors and senior executives, while submitting recommendations to the Board of Directors. Currently, no advice from external remuneration consultants is referred to, and there is no signing bonus, recruitment bonus, or reclamation mechanism. In 2023, the median ratio of the highest paid employees to the total annual remuneration of general employees was 6.02; the change ratio of total annual remuneration in 2023 was -0.43.

#### Remuneration Policy for Directors, Supervisors and Managerial Officers

- The managerial officer's remuneration policy is based on the Company's business strategy, profitability, performance and contribution, and other factors with reference to the market salary level, and is implemented after the Remuneration Committee makes a recommendation and the Board of Directors approves it.
- The remuneration to directors and supervisors are paid according to the normal rate. If there is a surplus, the Company shall allocate remuneration in accordance with the Articles of Incorporation, and submit it to the shareholders' meeting after review by the Remuneration Committee and approval by the Board of Directors.

#### Remuneration Proportion of Employees by Rank and Gender

Remuneration Proportion	Officers	Non-Officers
Female	0.986	1.027
Male	1	1

Note: Key operating bases are the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department.

### Retirement Policy

DEPO is committed to providing comprehensive human resources support solutions to ensure that employees receive appropriate support at all stages of their careers. First, severance-related matters are handled in strict accordance with the Labor Standards Act to ensure that employees' rights and interests are protected; professional retirement consultation is provided for employees reaching the statutory retirement age; a comprehensive orientation counseling program is designed for new employees; a career development consultation is provided to the in-service employees; for employees in the process of resignation, their reasons for resignation are to be understood, and their intentions are considered, to provide appropriate counseling and support during the transition period.

Item	Amount (NT\$ million)		
	2021	2022	2023
Present value of defined benefit obligation	39.857	36.036	27.379
Fair value of plan assets	46.535	49.248	45.51
Net defined benefit assets	6.678	13.212	14.131

### Pension System

DEPO makes pension appropriation (under the old scheme) or contributions (under the new scheme) for each full-time employee, in compliance with the relevant local retirement laws and systems.

In the old pension system, the pension system implemented in accordance with the "Labor Standards Act" in was a government-managed defined benefit pension plan. The payment of employee pension is calculated based on the seniority of service and the average salary of the six months before the approved retirement date. When employees eligible for the old system retire, they are entitled to the benefits in accordance with the Act. The dedicated pension account with Bank of Taiwan managed by the Labor Retirement Fund Supervisory Committee has contributed 10% to October 2023 with full amount and approval currently; when maturing, the contribution will make up the difference. As of December 31, 2023, the balance of the dedicated account of pension with Bank of Taiwan was NT\$41,510 thousand. Under the new pension system, 6% of an employees' monthly salary is contributed to the employee's personal pension account, and employees can also voluntarily contribute 0-6% of the monthly salary more to the individual pension account if they wish.

## Benefits and Activities

To create a happy workplace, DEPO has established the Employee Welfare Committee to provide each employee with a good working environment and the following benefits:

- Rewards for achieving operating targets, bonuses, year-end bonuses, among other incentives
- Scholarships for employees and their dependents
- Free parking lot and friendly parking spaces
- Organization of annual domestic and international trips, new year parties, birthday parties, and diversified activities
- Subsidies for lunch expenses and free overtime dinner
- Subsidies for marriage, funeral, childbirth, and hospitalization
- Regular free health examinations
- Birthday cash gifts; cash gifts, or gifts for three major festivals
- Conduct competency inventory, and personalize competency training, to assist colleagues in career planning
- Ceremony to celebrate model colleagues and senior colleagues

Benefits	Description of benefits (NT\$ thousand)		
	2021	2022	2023
Club Subsidies	110,164	112,705	109,522

Note: Key operating bases are the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department.

## Birthday Speech

DEPO holds the birthday speech on the first Friday of each month. It was suspended in 2020 due to the COVID-19 pandemic and resumed in mid-2023 when the pandemic subsided. After the pandemic, speeches focused on health promotion to communicate the physical and mental health information with the employees.

Date	Topic
June 2	Medicare for chronic diseases
July 7	Be your own nutritionist
August 4	Romance, treasuring, and love
September 1	Stress detection and release
October 6	Tendon relaxation and prevention of fatigue with Chinese traditional medical care
November 3	Interpersonal interaction and communication
December 1	Responsibility and Accountability



### DEPO Residence

Seeing employees as family members, DEPO promotes the employee residences, "DEPO Residence." By purchasing lands near the operation sites to build comfortable and safe residences, employees with good work performance are provided with prices below the market price, improving work-life balance so that they can work at DEPO without worries.



### Parental Leave

In order to support employees to spend enough time with their families after giving birth, DEPO provides ample parental leave to ensure they have enough time to take care of their newborns and young children. During the parental leave period, employees can focus on taking care of their families. In 2023, a total of 31 people applied for parental leave without pay.

Item	2021			2022			2023		
	Female	Male	Total	Female	Male	Total	Female	Male	Total
Number of employees that qualified for parental leave without pay	102	113	215	97	112	209	82	104	186
Number of employees that applied for parental leave without pay	17	4	21	21	6	27	24	7	31
Number of employees to be reinstated after parental leave (A)	17	3	20	21	6	27	23	7	30
Number of employees actually reinstated after parental leave (B)	12	2	14	15	2	17	22	7	29
Number of employees reinstated after parental leave without pay in the previous year (C)	12	2	14	12	2	14	15	2	17
Number of employees reinstated from parental leave without pay and having served for at least one full year (D)	9	0	9	10	2	12	14	2	16
Reinstatement rate % = B/A	70.59%	66.67%	70.00%	71.43%	33.33%	62.96%	95.65%	100.00%	96.67%
Retention rate % = D/C	75.00%	0.00%	64.29%	83.33%	100.00%	85.71%	93.33%	100.00%	94.12%



### 3.5 Human Rights Protection

To protect the basic human rights of our employees and value chain partners, and to promote sustainable development practices, DEPO supports the United Nations Universal Declaration of Human Rights and the United Nations Global Compact, and observes the laws and regulations of the countries where our operations are located to ensure implementation of the human rights protection.

DEPO provides a friendly workplace, work assistance and care. Regarding gender equality, DEPO has formulated the "Guidelines for the Prevention and Handling of Complaints of Sexual Harassment and Gender Discrimination," and invited the gender equality commissioner from the county government to conduct gender education and promotion. No incident of discrimination occurred in 2023. Regarding the issue of child labor, DEPO has complied with laws and regulations and never employed child labor under the age of 16 or forced labor. There has also been no incident of infringement the human rights of indigenous people. All employees of the Company are treated fairly, regardless of their region, gender, religions, races nationality or political parties; there is no human trafficking or slavery in our business practices, and we strive for equality. In terms of overtime work, DEPO continues to recruit new employees and introduce foreign migrant workers to increase production capacity while reducing overtime.

Note 1: "United Nations Universal Declaration of Human Rights" <https://www.ohchr.org/en/universal-declaration-of-human-rights>

Note 2: "United Nations Global Compact" <https://unglobalcompact.org/>

#### **Labor-management meeting**

No labor union or collective bargaining agreement is in place at DEPO, but there are transparent communication channels. The quarterly labor-management meetings are held, including four in 2023, to discuss the company's calendar and working days in 2023, explain the benefit program implementations, and listen to employee feedback.

#### **Minimum notice period for operational changes**

All operating activities of DEPO comply with local laws and regulations. For the regulations on major work changes of employees, the Labor Standards Act is referred to, and based on the minimum notice period of employees' seniority: "For these working for three months but less than one year, the 10-day prior notice is given; for these working for more than one year to three years but less than three years, the 20-day prior notice is given; for these working for three years or more, the 30-day prior notice is given."

# CH 4 Environmental Sustainability and Earth Protection

## 4.1 Climate Strategy

In response to the risk and impact of extreme climate on DEPO, the Company has identified material climate risk issues related to the Company based on the materiality principle and the framework of Task Force on Climate-Related Financial Disclosures (TCFD); from which, the extent of impact and opportunities are analyzed, and by identifying physical risks and transformation risks, the climate strategies for material risks are formulated, as the contingency measures to strengthen DEPO's adaptation to extreme climate and risk mitigation. Through regular reviews mitigation measures, a standardized process is established to reduce the response time for future risk handling.

CATEGORY	Description	Financial Impact	Response Strategies
Physical Risks	Natural disasters cause supply chain disruptions	The decrease in product output resulted in a decrease in revenue.	<ul style="list-style-type: none"> <li>Development of alternative raw materials.</li> <li>Search for suppliers in other regions.</li> </ul>
	Unusual rainfall events lead to flooding	Suspensions of operating bases result in a decrease in revenue.	Regularly inspect the drainage facilities at the operation bases.
	Average temperature rise	Operating expenses increase due to the increase in power consumption.	Adopt green building method for factory reconstruction
Transitional Risk	Carbon fee collection	Paying carbon fees increases operating costs.	Continuously implement greenhouse gas reduction actions.
	Renewable energy regulations	Purchase of renewable energy certificates results in increased operating costs.	Improve the energy efficiency and voluntarily invest in renewable energy.
	Net zero emissions	Purchase carbon reduction equipment to increase operating costs.	Strengthen the green R&D and innovation, to reduce carbon emissions during the processes of R&D and use
Opportunities	R&D and innovation of low-carbon automotive lighting products	Increase the sales ratio of low-carbon products, thereby increasing revenue.	Continuously invest in the R&D of low-carbon products..
	Enhance energy efficiency	Lower electricity costs.	<ul style="list-style-type: none"> <li>Purchase energy-saving equipment.</li> <li>Regularly track energy consumption.</li> </ul>
	Enhance the reputation of DEPO	Increase the availability of financing and reduce the cost of capital.	<ul style="list-style-type: none"> <li>Strengthen corporate climate governance.</li> <li>Improve the sustainability rating and establish a good image.</li> </ul>

## 4.2 Environmental Management

DEPO is committed to improving the overall environmental quality with specific environmental management plans for the waste, waste gas and chemical substances and energy consumption generated in the process of various products, activities and services that may cause environmental impacts.

- Legal compliance: ensure that all activities, products and services comply with regulatory and other requirements.
- Commitment to waste reduction: reduce the formation of waste and promote zero waste and total recycling.
- Pollution prevention: reduce the use of hazardous substances, set up biological filter beds and scrubbing to reduce VOCs emissions, and implement pollution control and management.
- Treasuring resources: adopt appropriate production or pollution prevention and control technologies to make effective use of resources.
- Total participation: communicate our environmental policies to employees and business partners, and incorporate environmental protection concepts into employee training.
- Continuous improvement: promote various environmental protection activities and implement them in daily business operations.
- Good communication: strengthen communication with internal and external stakeholders.

Through the introduction of ISO 14001, ISO 45001, and ISO 14064-1, we DEPO is able to formulate relevant management policies for environmental health, occupational safety, and carbon management issues, establish relevant management policies, such as management procedures, legal compliance, continuous improvement of employee skills, maintenance of environmental order and safety, inventory of GHG emissions at each unit, planning of reduction—all to reduce the environmental impact from organizational activities, provide safe products and services, and ensure the health and safety of employees.

In order to prevent workers from physical harm due to exposure to hazardous substances in the workplace, according to Article 10 of the Regulations Governing Workplace the Environmental Monitoring, "Before conducting the operational environment monitoring, the employer shall plan the sampling strategy based on the hazardous characteristics of the workplace and the related guidance announced by the central competent authority. The implementation shall fully follow the defined operational environment monitoring plan every six months. Reviews and updates are based on the actual needs after the inspection." The operational environment monitoring policy includes hazard identification and data collection, sampling operation planning and implementation, and data analysis and evaluation. The regular special health examinations for colleagues exposed to potential risks in the workplace are planned to protect the rights and interests of colleagues.

DEPO aims to "reduce water consumption by 1%" and "reduce power consumption by 1%" year by year. The achievements in 2023 are as follows:

Consumed Volume of Energies and Resources	Unit	2022	2023	Change from the previous year
Power	Kwh	53,558,764	51,854,883	-3%
Water	Liter	58,938	42,718	-28%

## 4.3 Energy and Greenhouse Gas Management

### 4.3.1 Energy Management

With a firm belief in environmental protection, DEPO actively cooperates with the renewable energy policy, and is committed to reducing the consumption of natural resources and improving production efficiency at the same time. To this end, each plant cooperates with the manufacturer to set up solar power generation equipment on the roof, which can generate 3,160 kW of power per year. In addition to solar power installations, each plant has also implemented a series of energy-saving measures:

- Re-plan the air-conditioning space, optimize the design, improve the efficiency of air-conditioning, and reduce energy waste
- Replace lighting equipment with LEDs characterized with low energy consumption and long life, to reduce lighting energy consumption
- Adjust the chiller temperature to reduce the load on the chiller, effectively saving energy consumption
- Perform air compressor leak detection and maintenance to improve the efficiency of the air compressor system and reduce energy waste

Through the implementation of these measures, we have successfully reduced energy consumption, reduced the impact on the environment, and improved production efficiency to achieve the goal of green production. We will continue to strive to explore more environmental protection measures and contribute to the construction of a beautiful ecological environment.

#### Energy consumption within the organization

Energy Category	Unit	2023	
		Consumption	Calorific value (1000 TJ)
Purchased power	kwh	51,854,883	186,677.58
Gasoline	Liters (L)	14,466.13	472.11
Diesel	Liters (L)	190,988.95	6,712.42
<b>Total</b>			193,862.11

Note 1: In 2023, the Company did not use renewable energy and non-renewable energy other than electricity.

Note 2: The calorific value coefficient is taken from the unit calorific value table of the Energy Administration, Ministry of Economic Affairs. The unit calorific value of purchased power is 860 kcal/kWh, the unit calorific value of gasoline is 7,800 kcal/liter, and the unit calorific value of diesel is 8,400 kcal/liter.

Note 3: 1 gigajoules = 10<sup>9</sup> joules; 1 kcal is approximately equal to 4186.8 joules.

#### Energy Intensity

Year	2023
Unit of measurement (NT\$ thousand)	14,046,337
Energy intensity (1000 TJ/NT\$ thousand)	0.0138

Note: Energy intensity only covers the internal energy consumption of the organization. Quantity

### 2023 Energy Saving Performance

Products and Services	Base year (2020)	2023	
	Energy Consumption (GJ)	Energy Consumption (GJ)	Energy Reduction (GJ)
Reduced the presser of 100HP*4 pressure for air compressors at Lukang Plant	5,225.472	4,478.976	746.496
Shut down of 50RT air conditioners at Xinying Plant	1,100.563	193.363	906.937
<b>Total</b>			<b>1,653.433</b>

Note: Since the energy declaration was made for the first time in 2021, the energy consumption in 2020 is used as the base year for energy saving.

### 4.3.2 Greenhouse Gas Management

According to the greenhouse gas inventory plan, the greenhouse gas inventory results in 2023 were delivered to external assurance, and ISO 14064 certification has been obtained. Now that the data creation has been completed, internal audits will follow and the results will be submitted to the external assurance unit. Upon the completion, 2023 is defined as the carbon reduction base year. For the carbon footprint inventory of products is planned to be introduced in the second half of 2024. One model of headlights or taillight will be selected each for carbon footprint calculation. Meanwhile, DEPO has established a carbon management platform to better understand GHG emissions and product carbon footprint.

### 2023 Greenhouse Gas Emissions Status and Intensity

Scope of GHG	Greenhouse gas emissions (Metric tons CO <sub>2</sub> e)	Total (Metric tons CO <sub>2</sub> e)	Revenue (NT\$ million)	Emission intensity (Tons of CO <sub>2</sub> e/NT\$ million)
Scope 1	1,325.1112	27,745.5238	14,046.337	1.9753
Scope 2	26,420.4126			

Note 1: The types of gases included in the calculation are carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, and nitrogen trifluoride.

Note 2: The source of the global warming potential (GWP) (AR6, IPCC 2021) ratio is adopted. Scope 1 and 2 statistics are indirect measurements.

Note 3: The volume of greenhouse gases is consolidated for operational control.

Note 4: The market coefficient method is adopted for Scope 2.

Note 5: The emission coefficient method (Greenhouse Gas Emission Coefficient Management Table Version 6.0.4) is adopted and converted from the recorded values by using the Iscom intelligent carbon reduction prediction and integration platform.

Note 6: GHG emission intensity includes direct (Scope 1) and energy indirect (Scope 2).

## 4.4 Waste Management

In accordance with the ISO 14001 standard, DEPO has set up a dedicated unit to effectively track the source and output of waste, complied with the principles of maximizing the use of resources and minimizing the output of waste, while promoting waste management measures. We reduce the generation of waste in the R&D, design, manufacturing, production, and sales stages, increase the life cycle of each raw material, enhance the circulation of sustainable resources and the reuse of waste, to achieve the goal of waste reduction; the qualified waste disposal units that can effectively treat waste are screened, and the operation process of the waste disposal units is verified via the onsite or form audit to the waste disposal units, to ensure that the generated waste will not cause significant impact on the surrounding environment.

DEPO is committed to promoting reuse solutions for waste, including recycling packaging materials and plastics. For the use of packaging materials, lamp housing and packaging are required to adopt the same specifications as the whole lamp, to increase the reuse rate and reduce packaging material waste. The generated waste is incinerated or reused by a qualified waste disposal company commissioned. DEPO insists on the concept of responsible production, and regularly audits waste disposal contractors to ensure that waste is properly disposed of. In the future, DEPO will continue to pay attention to and improve waste issues.

**Contents of waste and disposal method composition (unit: metric tons)**

<b>Waste composition</b>	<b>Generation of Waste</b>	<b>Disposal and Transfer of Waste</b>	<b>Direct Disposal of Waste</b>
<b>Waste glass</b>	352.78	352.78	0
<b>Waste wood mixture</b>	10.50	3.00	7.50
<b>Waste activated carbon</b>	3.09	3.09	0
<b>Waste lubricants</b>	13.52	13.52	0
<b>Waste plastic mixture</b>	140.94	101.34	39.60
<b>Waste paint and paint scraps</b>	17.71	17.71	0
<b>General waste</b>	262.56	0	262.56
<b>Organic sludge</b>	27.82	27.82	0
<b>Waste paper</b>	62.26	62.26	0
<b>Waste graphite</b>	14.96	14.96	0
<b>Scrapped metal</b>	56.51	56.51	0
<b>Total Volume of Waste</b>	962.65	652.99	309.66

Note 1: The scope of waste statistics includes the Lukang Plant, the Changbin Plant, and the Xinying Plant.

Note 2: The waste purchased by some resource recyclers and the packaging materials and plastics recycled and reused in the plants are not included in the table above due to the difficulty in obtaining data.

Note 3: The data statistics are mainly based on the industrial waste declaration and management information system or the weighting records.

**Statistics on waste disposal methods (unit: metric tons)**

Waste Disposal Methods		Onsite	Offsite	Total Volume	
Non-hazardous waste	Transferred for disposal	Preparation for reuse	0	0	0
		Recycling for reuse	0	652.99	652.99
		Other reclaiming operations	0	0	0
		<b>Total Volume</b>	0	652.99	652.99
	Direct disposal	Incineration (including energy recovery)	0	0	0
		Incineration (excluding energy recovery)	0	65.54	65.54
		Burial	0	244.12	244.12
		Other disposal operations	0	0	0
		<b>Total Volume</b>	0	309.66	309.66

Note 1: No hazardous waste is generated during the manufacturing process at DEPO

Note 2: The scope of waste statistics includes the Lukang Main Plant, the Changbin Plant, and the Xinying Plant.

Note 3: The waste purchased by some resource recyclers and the packaging materials and plastics recycled and reused in the plants are not included in the table above due to the difficulty in obtaining data.

Note 4: The data statistics are mainly based on the industrial waste declaration and management information system or the weighting records.

# Ch 5 Corporate Responsibility for Social Common Good

DEPO is actively engaged in social welfare activities. In addition to providing assistance to the disadvantaged, and community care, emergency care, and medical subsidies, the Company applied to the Changhua County Government in 2001 to establish the "Ming Yang Education Foundation", which was later renamed in 2002 as the "DEPO Education Foundation," aiming to organize education projects of the public welfare nature. It is engaged in the distribution of scholarships for the next generations, subsidizing elementary and junior high school teachers' education and training, subsidizing the teaching equipment and education promotion of elementary and junior high schools, and assisting in the promotion of social education, and participation in education events of the public welfare nature.

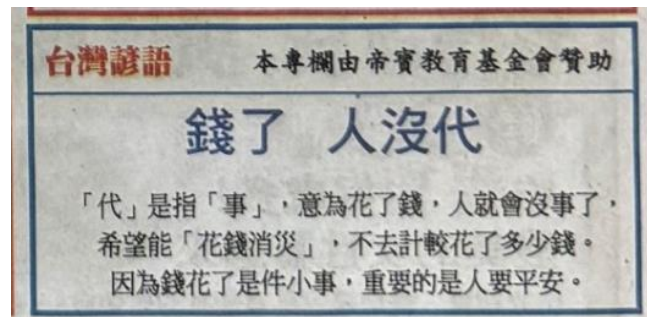
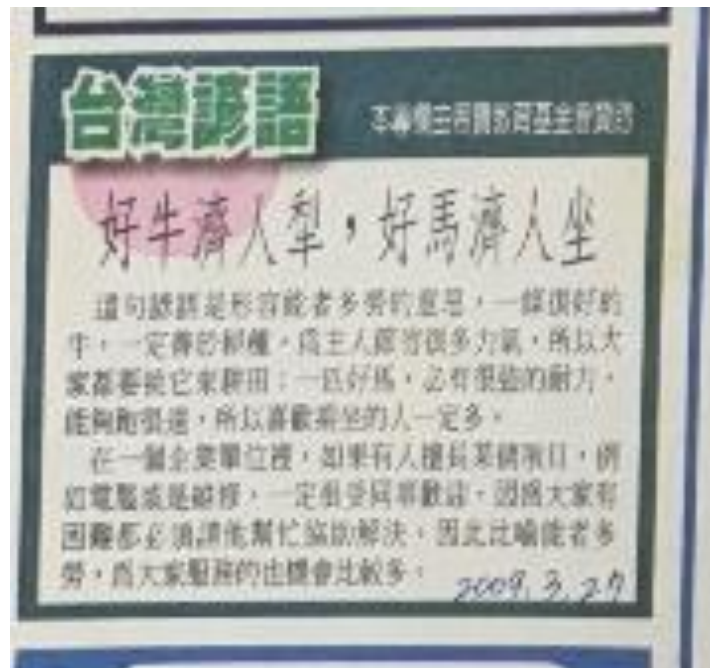
- Since its establishment, for 22 years, the Foundation has provided scholarships to employees and their children, outstanding students from local elementary and junior high schools in Lukang, and children of Nanshi community members. The total amount of scholarships provided has reached NT\$102,314,000, and the number of beneficiaries has reached 23,767.
- In 2023, the Company signed a contract to donate two fire engines in Lukang and Xinying, respectively, and the delivery is expected to be completed in 2024.

## Local education

Since its establishment in 2001, the DEPO Education Foundation has organized local education seminars on a regular basis. The range of the seminars is wide; in addition to the topics related to local, recreation, self-development, history, architecture, languages, and other topics are included, too. Moreover, the Foundation also subsidized the Lukang Times to publish a Taiwanese proverb to help the promotion of local education.



The DEPO Education Foundation organizes local education seminars and workshops every year to continuously promote local education.



The DEPO Education Foundation has sponsored the Lukang Times to publish Taiwanese proverbs to promote local literature



### Hometown Melody Concert

DEPO has invested in improving the teaching equipment and facilities of local elementary and junior high schools in Lukang, as well as assisting them in developing their school characteristics, as well as performing related music achievements. In 2023, the DEPO Education Foundation worked with the Lukang Township Office for the traditional Chinese music concert, "Hometown Melody," to invite the elementary and junior high schools in Lukang Township to perform Chinese music, drumming, and dance at the square in front of the Art Museum. A total of NT\$300,419 was invested in the concert.



2023 Hometown Melody Concert

### Memorial Village Museum of Hsu, Mu

The "Memorial Village Museum of Hsu, Mu" was established in memory of the deceased parents of the Chairperson of the DEPO Education Foundation, Hsu Chia-Chung. "Hsu, Mu" is the name of the Chairperson's father. The site of the Memorial Museum was selected to be next to the Lukang Plant of DEPO. After hiring a famous designer, the Memorial Museum was determined to be designed in the style of a double three section compound house. The construction of the Memorial Museum began in 2005, lasting for nearly two years, and was completed in mid-2007. During the construction process, the Museum also actively collected traditional rural cultural relics. After more than half a year of preparations, the Memorial Village Museum of Hsu, Mu was officially opened at the end of 2008. DEPO maintains the Memorial Village Museum of Hsu, Mu on a regular basis every year. A total of NT\$57,376 was invested in 2023. The space has been availed for renting to the public and is free to visit. The number of visitors in 2023 was about 1,318.



Yilan County and New Taipei City Government visited the Memorial Village Museum of Hsu, Mu for urban exchange

### Educational empowerment

Li Zhi High School, located in Tianzhong, Changhua, is the largest reformatory education school in Taiwan. In 2023, DEPO donated NT\$5,000,000 to Li Zhi High School, to help build the "Inspirational Dream Academy," which is the first PPP internship field for correctional schools to provide the students subject to the reformatory education to learn skills in baking, hair-dressing and beautician, and catering, so that they can learn a skill and prepare for the integration into the society.



### Arts and cultural activities

The DEPO Education Foundation actively promotes calligraphy and fine arts, and other arts and cultural activities, such as sponsoring the project of Lukang Calligraphy Boulevard and holding DEPO Art Exhibition.



Calligraphy Boulevard



DEPO Art Exhibition

# Appendix

## APPENDIX 1: GRI Index

<b>Statement of Use</b>	DEPO Auto Parts Ind. Co., Ltd. reported the content for the period from January 1 to December 31, 2023 in accordance with the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Industry Standards</b>	There is no applicable GRI industry standard

Standard	Indicators	Disclosure item	Corresponding Chapter	Page	Remarks
<b>GRI 2 General Disclosures</b>	2-1	Organizational details	Scope and Boundaries	1	
	2-2	Entities included in the organization's sustainability reporting	Scope and Boundaries	1	
	2-3	Reporting period, frequency, and contact point	Issuance information Contact Information	1	
	2-4	Restatements of information			Since this year is the first time that the Sustainability Report has been issued by DEPO, there is no restatement of information.
	2-5	External assurance	Review and assurance Appendix 4: Third-party Assurance Report	1 66	
	2-6	Activities, value chain and other business relationships	2.1 About DEPO 2.8 Sustainable Supply Chain Management	15 34-35	
	2-7	Employees	3.1 Employee Profile	36-38	
	2-8	Workers who are not employees	3.1 Employee Profile	38	
	2-9	Governance structure and composition	2.3.1 Corporate Governance	20-22	
	2-10	Nomination and selection of the highest governance body	2.3.1 Corporate Governance	20	
	2-11	Chair of the highest governance body	2.3.1 Corporate Governance	20	
	2-12	Role of the highest governance body in overseeing the management of impacts	2.3.1 Corporate Governance	20	
	2-13	Delegation of responsibility for managing impacts	2.4 Risk Management	24	
	2-14	Role of the highest governance body in sustainability reporting	2.3.1 Corporate Governance	20	
	2-15	Conflicts of interest	2.3.1 Corporate Governance	20	
	2-16	Communication of critical concerns	2.3.1 Corporate Governance	20	
	2-17	Collective knowledge of the highest governance body	2.3.1 Corporate Governance	20-21	
	2-18	Evaluation of the performance of the highest governance body	2.3.1 Corporate Governance	23	
	2-19	Remuneration policies	3.4 Remuneration and Benefits	45	
	2-20	Process to determining remuneration	3.4 Remuneration and Benefits	45	
	2-21	Annual total remuneration ratio	3.4 Remuneration and Benefits	45	
	2-22	Statement of sustainable development strategy	Message from the operator	2	

Standard	Indicators	Disclosure item	Corresponding Chapter	Page	Remarks
	2-23	Policy commitments	3.5 Human Rights Protection	48	
	2-24	Embedding policy commitments	3.5 Human Rights Protection	48	
	2-25	Procedures to remediate negative impacts	1.2.2 Management of Material Issues	8-14	
	2-26	Mechanisms for seeking advice and raising concerns	1.2.2 Management of Material Issues	8-14	
	2-27	Compliance with laws and regulations	2.3.3 Legal compliance	23	
	2-28	Membership associations	2.1 About DEPO	18	
	2-29	Approach to stakeholder engagement	1.1 Stakeholder Engagement	3-4	
	2-30	Collective bargaining agreements	3.5 Human Rights Protection	48	
<b>GRI 3 Material Topics</b>	3-1	Process to determine material topics	1.2.1 Identification Procedure for Material Issues	4-6	
	3-2	List of material topics	1.2.2 Management of Material Issues	7	
	3-3	Management of material topics	1.2.2 Management of Material Issues	8-14	
<b>GRI 201 Economic Performance</b>	201-1	Direct economic value generated and distributed	2.2 Operational Performance	19	
	201-2	Financial implications and other risks and opportunities due to climate change	4.1 Climate Strategy	49	
	201-3	Defined benefit plan obligations and other retirement plans	3.4 Remuneration and Benefits	45	
	201-4	Financial assistance received from government			<p>Incentives and subsidies: In 2023, DEPO received the employment incentives and subsidies for totaling NT\$134 thousand from the Ministry of Labor.</p> <p>Tax deductions and credits: In 2023, DEPO filed a profit-seeking enterprise income tax return for 2022. In accordance with Article 10-1 of the Statute for Industrial Innovation, smart machines, and Article 23-3 of the same for the deduction from the undistributed earnings invested substantially for NT\$20,291 thousand.</p> <p>Investment subsidies, R&amp;D subsidies, and other related types of subsidies: As of the end of 2023, the Company obtained a government loan of NT\$18,000 thousand with a preferential interest rate under the "Project of Welcoming Taiwanese Businessmen Returning to Taiwan to Invest" for the purchase of</p>

Standard	Indicators	Disclosure item	Corresponding Chapter	Page	Remarks
					equipment and working capital. The loan will be repaid in installments over two to four years. Please refer to page 67 of the 2023 Parent Company Only Financial Statements for related information.
<b>GRI 204 Procurement Practices</b>	204-1	Proportion of spending on local suppliers	2.8 Sustainable Supply Chain Management	34	
<b>GRI 206 Anti-competitive Behavior</b>	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	2.3.3 Legal compliance	23	
<b>GRI 302 Energy</b>	302-1	Energy consumption within the organization	4.3.1 Water resource management	51	
	302-2	Energy consumption outside the organization			DEPO has not yet conducted statistics on energy consumption outside the organization.
	302-3	Energy intensity	4.3.1 Water resource management	51	
	302-4	Reduction of energy consumption	4.3.1 Water resource management	52	
	302-5	Reductions in energy requirements of products and services	2.5 Innovation R&D	27	
<b>GRI 305 Emissions</b>	305-1	Direct (Scope 1) GHG emissions	4.3.2 Energy and greenhouse gas management	52	
	305-2	Energy Indirect (Scope 2) GHG emissions	4.3.2 Energy and greenhouse gas management	52	
	305-3	Other indirect (Scope 3) GHG emissions			DEPO has not conducted Scope 3 GHG emission inventory, so there is no relevant data.
	305-4	GHG emissions intensity	4.3.2 Energy and greenhouse gas management	52	
	305-5	Reduction of GHG emissions			DEPO has set 2023 as the carbon reduction baseline year, and there is no carbon reduction data yet.
	305-6	Emissions of ozone-depleting substances (ODS)			The production process of DEPO does not emit any greenhouse gas that would destroy the ozone layer.
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant gas emissions			DEPO has not set up air quality monitoring, so there is no relevant data.
<b>GRI 306 Waste</b>	306-2	Management of significant waste-related impacts	4.4 Waste Management	53	
	306-3	Waste generated	4.4 Waste Management	53	
	306-4	Waste diverted from disposal	4.4 Waste Management	53-54	
	306-5	Waste directed to disposal	4.4 Waste Management	53-54	
<b>GRI 401 Employment Relations</b>	401-1	New employee hire and employee turnover	3.1 Employee Profile	39	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part time employees	3.4 Remuneration and Benefits	45-47	
	401-3	Parental Leave	3.4 Remuneration and Benefits	47	

Standard	Indicators	Disclosure item	Corresponding Chapter	Page	Remarks
<b>GRI 402 Labor/Management Relations</b>	402-1	Minimum notice periods regarding operational changes	3.5 Human Rights Protection	48	
<b>GRI 403 Occupational Health and Safety</b>	403-1	Occupational health and safety management system	3.3 Occupational Health and Safety	42	
	403-2	Hazard identification, risk assessment, and accident investigation	3.3 Occupational Health and Safety	44	
	403-3	Occupational health services	3.3 Occupational Health and Safety	43	
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.3 Occupational Health and Safety	42	
	403-5	Worker training on occupational health and safety	3.3 Occupational Health and Safety	43	
	403-6	Promotion of worker health	3.3 Occupational Health and Safety	43	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	3.3 Occupational Health and Safety	42	
	403-8	Workers covered by an occupational health and safety management system	3.3 Occupational Health and Safety	42	
	403-9	Occupational injury	3.3 Occupational Health and Safety	44	
	403-10	Occupational disease	3.3 Occupational Health and Safety	44	
<b>GRI 404 Training and Education</b>	404-1	Average hours of training per year per employee	3.2 Talent Development and Cultivation	41	
	404-2	Programs for upgrading employee skills and transition assistance programs	3.2 Talent Development and Cultivation 3.4 Remuneration and Benefits	41 45	
	404-3	Percentage of employees receiving regular performance and career development reviews	3.2 Talent Development and Cultivation	40	
<b>GRI 405 Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees	2.3.1 Corporate Governance 3.1 Employee Profile	21 36-37	
	405-2	Ratio of basic salary and remuneration of women to men	3.4 Remuneration and Benefits	45	
<b>GRI 406 Non-discrimination</b>	406-1	Incidents of discrimination and corrective actions taken	3.5 Human Rights Protection	48	
<b>GRI 418 Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	2.7 Customer Relationship Management	33	

## APPENDIX 2: SASB Reference Table

Topic	Indicators	Value	Corresponding Chapter	Type	Code	Remarks
<b>Energy Management</b>	Total energy consumed	186,677 GJ	4.3.1 Water resource management	Quantification	TR-AP-130a.1	
	Percentage grid electricity	100%				
	Percentage renewable					In 2023, DEPO did not use renewable energy.
<b>Waste Management</b>	Total amount of waste from manufacturing	962.65 t	4.4 Waste Management	Quantification	TR-AP-150a.1	
	Percentage hazardous					No hazardous waste is generated during the production process of DEPO.

Topic	Indicators	Value	Corresponding Chapter	Type	Code	Remarks
	Percentage recycled	67.83%				
<b>Product Safety</b>	Number of vehicles recalled		-	Quantification	TR-AP-250a.1	In 2023, there was no product recall incident at DEPO in Taiwan.
	Total volume of products actually recalled					
<b>Design for Fuel Efficiency</b>	Revenue from products designed to increase fuel efficiency or reduce emissions		-	Quantification	TR-AP-410a.1	The main product of DEPO is automotive lights, so this indicator is not applicable.
<b>Materials Sourcing</b>	Description of the management of risks associated with the use of critical materials			Qualitative	TR-AP-440a.1	The key materials of DEPO are electronic parts and plastic raw materials. When facing with the risk of long delivery time and unstable supply, DEPO has adopted multiple countermeasures, including establishing supply relationships with multiple manufacturers, setting up a contract procurement mechanism, and building a parts inventory.
<b>Material Efficiency</b>	Percentage of products sold that are recyclable		-	Quantification	TR-AP-440b.1	DEPO has not established a recall mechanism for the products sold.
	Percentage of input materials from recycled or remanufactured content		-	Quantification	TR-AP-440b.2	DEPO has embarked on the research and development of recyclable or recyclable raw materials, which are currently in the testing stage, and there is no statistics on the relevant ratio.
<b>Competitive Behaviors</b>	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behaviour regulations		2.3.3 Legal compliance	Quantification	TR-AP-520a.1	In 2023, there was no legal proceeding arising from anti-competitive behavior.
<b>Number of parts produced</b>	Number of parts produced	25,593 thousand pcs		Quantification	TR-AP-000.A	
<b>Weight of parts produced</b>	Weight of parts produced			Quantification	TR-AP-000.B	Due to the complex types of parts produced by DEPO, the weight of the parts produced is not calculated.
<b>Area of manufacturing plants</b>	Area of manufacturing plants	314,260.69 (m <sup>2</sup> )		Quantification	TR-AP-000.C	

# Appendix 3: Climate-Related Information of Twse/Tpex Listed Companies

## 1. Implementation of climate-related information

<p>1. <b>Describe the supervision and governance of the Board of Directors and the management on climate-related risks and opportunities.</b>          To supervise climate-related risks and opportunities, the Board of Directors of DEPO has established the "Sustainable Development Committee," which holds regular meetings every year to formulate relevant decisions. Under the framework of the Task Force on Climate-related Financial Disclosures Recommendation (TCFD), the impacts of climate-related risks and opportunities in business, strategy, and financial planning are listed, and solutions to reduce the operational and financial impacts of climate change are actively developed, seeking to mitigate the impacts from the climate change and enhance organizational climate resilience.</p>																																																					
<p>2. <b>Describe how the identified climate risks and opportunities affect the company's business, strategy and finance (short-term, medium-term, long-term)</b></p> <p><b>Climate Risks and Opportunities</b></p> <table border="1"> <thead> <tr> <th>Type</th> <th>Short-term (1 - 3 years)</th> <th>Medium-term (3 - 5 years)</th> <th>Long-term (over 5 years)</th> </tr> </thead> <tbody> <tr> <td><b>Physical Risk</b></td> <td>Natural disasters cause supply chain disruptions</td> <td>Unusual rainfall events</td> <td>Average temperature rise</td> </tr> <tr> <td><b>Transition Risk</b></td> <td>Carbon fee collection</td> <td>Renewable energy regulations</td> <td>Net zero emissions</td> </tr> <tr> <td><b>Opportunities</b></td> <td>R&amp;D and innovation of low-carbon automotive lighting products</td> <td>Enhance products energy efficiency</td> <td>Enhance the reputation of DEPO</td> </tr> </tbody> </table> <p><b>Financial Impacts of Climate Risks and Opportunities</b></p> <table border="1"> <thead> <tr> <th>Type</th> <th>Description</th> <th>Financial Impact</th> <th>Response Strategies</th> </tr> </thead> <tbody> <tr> <td rowspan="3"><b>Physical Risk</b></td> <td>Natural disasters cause supply chain disruptions</td> <td>The decrease in product output resulted in a decrease in revenue.</td> <td> <ul style="list-style-type: none"> <li>Development of alternative raw materials.</li> <li>Search for suppliers in other regions.</li> </ul> </td> </tr> <tr> <td>Unusual rainfall events lead to flooding</td> <td>Suspensions of operating bases result in a decrease in revenue.</td> <td>Regularly inspect the drainage facilities at the operation bases.</td> </tr> <tr> <td>Average temperature rise</td> <td>Operating expenses increase due to the increase in power consumption.</td> <td>Adopt green building method for factory reconstruction</td> </tr> <tr> <td rowspan="3"><b>Transition Risk</b></td> <td>Carbon fee collection</td> <td>Paying carbon fees increases operating costs.</td> <td>Continuously implement greenhouse gas reduction actions.</td> </tr> <tr> <td>Renewable energy regulations</td> <td>Purchase of renewable energy certificates results in increased operating costs.</td> <td>Improve the energy efficiency and voluntarily invest in renewable energy.</td> </tr> <tr> <td>Net zero emissions</td> <td>Purchase carbon reduction equipment to increase operating costs.</td> <td>Strengthen the green R&amp;D and innovation, to reduce carbon emissions during the processes of R&amp;D and use.</td> </tr> <tr> <td rowspan="3"><b>Opportunities</b></td> <td>R&amp;D and innovation of low-carbon automotive lighting products</td> <td>Increase the sales ratio of low-carbon products, thereby increasing revenue.</td> <td>Continuously invest in the R&amp;D of low-carbon products.</td> </tr> <tr> <td>Enhance energy efficiency</td> <td>Lower electricity costs.</td> <td> <ul style="list-style-type: none"> <li>Purchase energy-saving equipment.</li> <li>Regularly track energy consumption.</li> </ul> </td> </tr> <tr> <td>Enhance the reputation of DEPO</td> <td>Increase the availability of financing and reduce the cost of capital.</td> <td> <ul style="list-style-type: none"> <li>Strengthen corporate climate governance.</li> <li>Improve the sustainability rating and establish a good image.</li> </ul> </td> </tr> </tbody> </table>				Type	Short-term (1 - 3 years)	Medium-term (3 - 5 years)	Long-term (over 5 years)	<b>Physical Risk</b>	Natural disasters cause supply chain disruptions	Unusual rainfall events	Average temperature rise	<b>Transition Risk</b>	Carbon fee collection	Renewable energy regulations	Net zero emissions	<b>Opportunities</b>	R&D and innovation of low-carbon automotive lighting products	Enhance products energy efficiency	Enhance the reputation of DEPO	Type	Description	Financial Impact	Response Strategies	<b>Physical Risk</b>	Natural disasters cause supply chain disruptions	The decrease in product output resulted in a decrease in revenue.	<ul style="list-style-type: none"> <li>Development of alternative raw materials.</li> <li>Search for suppliers in other regions.</li> </ul>	Unusual rainfall events lead to flooding	Suspensions of operating bases result in a decrease in revenue.	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<p>3. <b>Describe the financial impact of extreme climate events and transformational actions</b></p> <p><b>Financial Impacts of Extreme Climate Events</b>          Climate change has led to the frequent occurrence of extreme weather events, which in turn has a financial impact. In the short term, natural disasters may disrupt the supply chain, which in turn may affect product output and ultimately reduce corporate revenues. In the medium term, abnormal rainfall events may cause the risk of flooding, leading to the suspension of operations at operating bases, further affecting the company's revenue. In the long term, the rise in average temperature may lead to an increase in electricity demand, leading to an increase in the company's operating expenses.</p> <p><b>Financial impact of transformation actions</b>          To cope with the impact of climate change, many corresponding laws and regulations have been released. Therefore, enterprises must make transformation urgently. A transformation may be accompanied by financial impacts. In the short term, carbon fees will increase operating costs. In the medium term, renewable energy laws and regulations require enterprises to use renewable energy and purchase renewable energy power certificates, which in turn</p>																																																					



<p>increases operating costs. In the long term, in the face of the net zero emissions goal, enterprises need to purchase carbon reduction equipment, which will further increase operating costs.</p>
<p><b>4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system</b>  DEPO follows the existing risk management policy framework to identify and manage climate-related risks. After risks are identified, the risk content is delivered to the relevant responsible departments to formulate risk management strategies.</p>
<p><b>5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.</b>  DEPO has not yet used scenario analysis to assess the resilience to climate change risks.</p>
<p><b>6. If there is a transformation plan for managing climate-related risks, describe the content of the plan, and the indicators and targets used to identify and manage physical and transformation risks.</b>  In order to achieve net zero emissions, DEPO has formulated energy conservation and carbon reduction plans to reduce direct emissions (Scope 1) and indirect emissions (Scope 2) from energy consumptions in operating activities. The implementation includes:</p> <ol style="list-style-type: none"> <li>1. Continuously and proactively reduce carbon emissions: Improve energy efficiency and reduce carbon emissions during R&amp;D, manufacturing, and product use.</li> <li>2. Adoption of renewable energy: Increase the proportion of renewable energy used to support the transformation to low-carbon energy with practical actions.</li> </ol>
<p><b>7. If internal carbon pricing is used as a planning tool, the basis for pricing shall be stated.</b>  DEPO does not use internal carbon pricing as a planning tool.</p>
<p><b>8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planned timetable, and the progress of each year shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the goals, the source and quantity of carbon reduction credits or the quantity of Renewable Energy Certificates (RECs) shall be explained.</b>  Please refer to Point 9 1-2 below for the planning timetable and the annual progress of GHG emission reduction of DEPO.  DEPO has not yet used carbon offsets or renewable energy certificates.</p>
<p><b>9. The status of greenhouse gas inventory and assurance, as well as the reduction goals, strategies, and specific action plans are separately stated in (1-1 and 1-2)</b></p>

**1-1 Greenhouse gas inventory and assurance in the recent two years**

**1-1-1 Greenhouse gas inventory information**

State the greenhouse gas emissions (metric tons CO2e), intensity (metric tons CO2e/NT\$ million), and data coverage for the most recent two years.			
Greenhouse gas emissions (t/CO2e)	2022	2023	
		Emissions (metric tons CO2e)	Intensity (tCO2e/NT\$ million)
Scope 1: Direct emissions	NA	1,191.0092	0.0848
Scope 2: Indirect emissions	NA	26,047.4113	1.8544
Total	NA	27,238.4205	1.9392

Data scope covered: all plants in Taiwan (including the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department)  
 No inventory was conducted for the greenhouse gas emissions in 2022.  
 The 2023 emissions data will be inventoried and externally verified based on the ISO14064-1:2018 version. After the verification, the data may be revised. The complete assurance information will be disclosed in the 2023 Sustainability Report.

**1-1-2 Greenhouse gas assurance information**

Describe the status of assurance for the most recent two years up to the publication date of the annual report, including the scope of assurance, assurance agency, criteria for assurance and opinions of assurance.
<p>No inventory was conducted for the greenhouse gas emissions in 2022.</p> <p>The emission data in 2023 will be inventoried and externally verified based on the ISO 14064-1:2018 version. Data may be revised after the verification.</p> <p>Assurance Scope: all plants in Taiwan (including the Lukang Plant, the Changbin Plant, the Xinying Plant, the Yongkang Plant, and the Taipei Sales Department)</p> <p>Assurance agency: The external verification is carried out by Afnor Asia.</p> <p>The verification is expected to be completed in June 2024, and the complete assurance information will be disclosed in the 2023 Sustainability Report.</p>

**1-2 GHG reduction goals, strategies, and specific action plans**

Describe the GHG reduction base year and data, reduction targets, strategies, and specific action plans, as well as the status of the reduction targets achievement.
<p>In order to move towards the possibility of sustainable development of the enterprise, the company will continue to reduce or prevent direct greenhouse gas emissions or increase the amount of greenhouse gas removal, taking into account technical feasibility, finance, reduction methods and target setting adopted by the company. The following is a description of the Company's energy saving and carbon reduction approaches to facilitate the sustainable development of the Company.</p> <ol style="list-style-type: none"> <li>(1) Set the current meter to inventory the power consumption of the machines.</li> <li>(2) Improve the motor performance of the machine.</li> <li>(3) Add energy-saving equipment.</li> <li>(4) Review the manufacturing process and streamline the operation process.</li> <li>(5) Consider the carbon emissions of raw materials as the basis for procurement.</li> </ol>

# APPENDIX 4: Third-Party Assurance Report

**Deloitte.**

**勤業眾信**

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## 會計師有限確信報告

帝寶工業股份有限公司 公鑒：

帝寶工業股份有限公司民國 112 年度永續報告書，業經本會計師針對帝寶工業股份有限公司所選定之績效指標執行確信程序竣事，並出具有限確信報告。

### 確信標的資訊與適用基準

帝寶工業股份有限公司所選定之績效指標（以下簡稱標的資訊）與適用基準，請詳附件一「確信項目彙總表」。

### 管理階層之責任

管理階層之責任係依照臺灣證券交易所「上市公司編製與申報永續報告書作業辦法」、全球永續性報告協會（Global Reporting Initiative, GRI）發布之通用準則、行業準則及主題準則編製標的資訊，且維持與標的資訊編製有關之必要內部控制，以確保標的資訊未存有導因於舞弊或錯誤之重大不實表達。

### 會計師之責任

本會計師之責任係依照確信準則 3000 號「非屬歷史性財務資訊查核或核閱之確信案件」規劃及執行有限確信案件，基於所執行之程序與所獲取之證據，對標的資訊（詳附件一）是否未存有重大不實表達取得有限確信，並出具有限確信報告。相較於合理確信案件，有限確信案件所執行程序之性質及時間不同，其範圍亦較小，故於有限確信案件所取得之確信程度亦明顯低於合理確信案件中取得者。

本會計師係基於專業判斷規劃及執行確信程序，以獲取相關標的資訊之有限確信證據，且任何內部控制均受有先天限制，因此未必能查出所有業已存在之重大不實表達。本會計師執行確信程序包括：

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- 對參與編製標的資訊之管理階層及相關人員進行查詢，以瞭解編製標的資訊之政策、流程、內部控制及資訊系統，以辨認可能存有重大不實表達之領域；
- 對標的資訊選取樣本進行檢查、驗算及觀察等程序，以取得有限確信之證據。

### 先天限制

由於諸多確信項目係屬非財務資訊，相較於財務資訊之確信受有更多先天限制，故該等資訊之相關性、重大性與正確性之解釋可能涉及更多管理階層之重大判斷、假設與解釋，不同利害關係人對該等資訊亦可能有不同之解讀。

### 獨立性及品質管理規範

本會計師及所隸屬會計師事務所已遵循會計師職業道德規範中有關獨立性及其他道德規範之規定，該規範之基本原則為正直、公正客觀、專業能力及專業上應有之注意、保密與專業行為。

本會計師所隸屬會計師事務所適用品質管理準則 1 號「會計師事務所之品質管理」，該品質管理準則規定會計師事務所設計、付諸實行及執行品質管理制度，包含與遵循職業道德規範、專業準則及所適用法令有關之政策或程序。

### 確信結論

依據所執行之程序與所獲取之證據，本會計師並未發現標的資訊在所有重大方面未依照適用基準編製而須作修正之情事。

### 其他事項

本確信報告出具後，帝寶工業股份有限公司對任何確信標的資訊或適用基準之變更，本會計師將不負就該等資訊重新執行確信工作之責任。

勤業眾信聯合會計師事務所

會計師 蘇 定 堅

蘇定堅



中 華 民 國 113 年 8 月 26 日

- 2 -

確信項目彙總表

編號	標的資訊	範疇	對應章節	通用基準																										
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