

2021 ESG Report 永續報告書



統一實業股份有限公司
TON YI INDUSTRIAL CORP.



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Messages from the Management

In 2021, business operations were under severe challenges caused by the ups and downs of COVID-19, supply chain unpredictability, and the escalating cost of marine transportation and raw materials. Thanks to the persistent effort of all employees, the mutual trust and assistance of partners, and the trust and support of all shareholders and the Board, the management team maintained steady progress through adapting to the market and macroenvironmental changes, timely adjusting the production-sales structure, and controlling various operational risks. As a result, a big progress was seen in the 2021 operational performance.



Safety Protection	Quality Assurance	Building Trust	Sustainable Operations
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Adhering to the management philosophy of “Integrity, Diligence, Innovation, and Progress to the Future”, we are committed to becoming the professional supplier of packaging materials including SPCC, PET bottle, and NBC (new bottle can) and the leader of beverages packaged them. Over the years, besides establishing various international certification systems including ISO14001 for environmental management, ISO9001 for quality management, ISO45001/TOSHMS occupational health and safety management, and ISO22000/HACCP for food safety and hygiene management, we have also established TAF-accredited laboratories to impose strict quality and safety controls for suppliers, ingredients and materials, manufacturing processes, and products.

Besides faithfully providing employees with a safe and health work environment and practicing various policies for energy conservation and consumption reduction and occupational safety and health, and constantly implementing green and safe operations, we spare no efforts in maintaining trust of customers, partners, and society in our food safety, environmental and safety, and industrial safety for them feel confident to use Tonyi’s products and become Tonyi’s partners, in order to build a robust foundation for sustainable operations.

In 2021, we won the bronze award in the traditional manufacturing category at the Corporate Sustainability Report Award from TCAS and the special award for traditional industry investment at the National Occupational

Safety and Health Award. Besides recognizing our efforts, these awards encourage us to keep going!

Management

Structure

Risk Mitigation

Steady Growth

Optimization

Adjustment

Facing the vigorously changing macro environment and competitive environment, we seek progress through steady operations. Externally, we develop long-term partnership featuring mutual assistance, mutual trust, mutual existence, and mutual prosperity. Internally, we optimize management efficiency and timely adjust the protection-sale structure in quick response to external changes. Through persistent risk management, we maintain steady operations and growth.

Operation perspectives

Looking ahead to 2022, besides persistently adapting to the co-existence with such uncertainties due to the pandemic, supply chain, global climate change, and others, we will quickly adjust the operational strategy, face risks while seeking opportunities at the same time, and maintain resilience and flexibility for sustainable operations.

Chairman Chih-Hsien Lo

Chapter One Sustainable development management

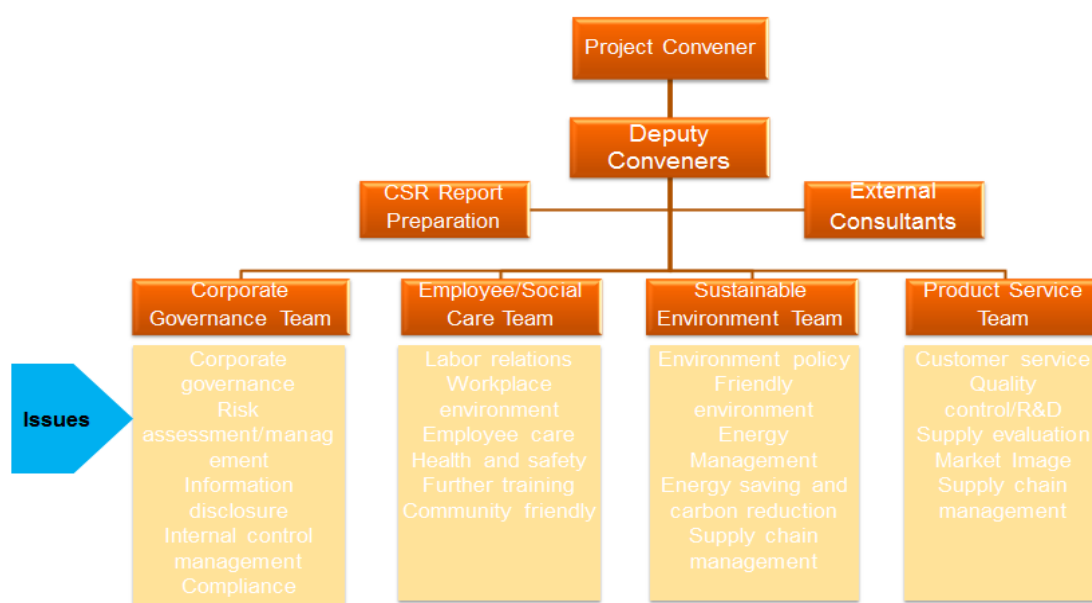
ESG Task Force

In 2022, we revised the Corporate Social Responsibility (CSR) Best Practice Principles into Environmental, Social, and Governance (ESG) Best Practice Principles and renamed the CSR Promotion Team the ESG Promotion Team to plan issues and strategies relating to sustainable development. The president of the management team is the project convener and forms four cross-department project teams: corporate governance team, employee/social team, sustainable environment team, and product and service team to constantly engage in the internal and external communication and management of various issues, report planning and implementation results to the president through the supervisor coordination meeting and project meeting, and periodically report the status of implementation to the board of directors (Board). The team reported the implementation plans and effectiveness to the Board in March and August 2021.

Policy

- (1) Enforce corporate governance and culture of integrity;
- (2) Enforce shareholders' interest and transparency of business information;
- (3) Provide safe products for customer needs;
- (4) Reduce energy and waste to facilitate green business;
- (5) Respect health, safety and friendliness of the environment;
- (6) Participate in charity and fulfill corporate responsibilities.

Promotion group

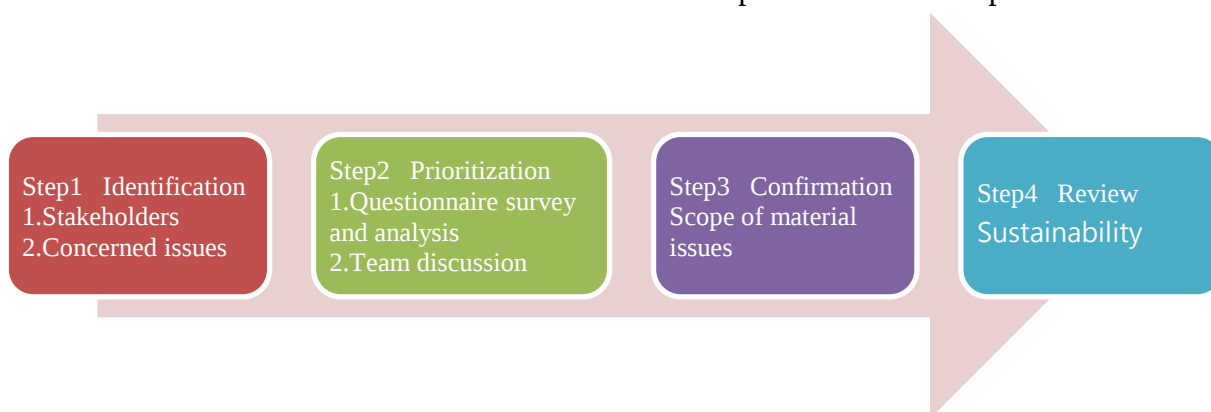


1.1 Material Issues

For filtering out the material issues and understanding the needs and expectations of stakeholders, we complete the identification of stakeholders and material issues through the following four steps (Identification, Prioritization, Confirmation, Review). After accessing the industry and sustainable trends, in 2021, some major themes will be adjusted and risk management will be added to strengthen the risk of COVID-19. We look forward to understanding the concerns of our stakeholders and responding to them by presenting concrete results and promoting improvement plans in this year's report.

Step 1 Identification

1. Stakeholder identification: Based on the experience of our departments



and peers and by following the principles of dependency, responsibility, tension, influence and diverse perspective of AA1000SES Stakeholder Engagement Standards, we have identified seven categories of stakeholders, which are: fund provider, employees, customers, collaborator, banks, communities and government agencies.

2. Identification of concerned issues: Based on an overall assessment of stakeholder expectations, future prospects, sustainable strategies, impacts on the supply chain, GRI guidelines and common issues of concern among local and foreign peers, we identified 19 issues that are relevant for reporting.

Step 2 Prioritization

1. Questionnaire survey and analysis: We arranged a questionnaire survey for stakeholders to analyze how concerned stakeholders stand with respect to each issue. A total of 88 valid responses were recovered from the survey. These questionnaires were analyzed by the Company's senior managers to determine the level of economic, social and environmental impacts.
2. Project team discussion: Based on levels of stakeholders' concerns and extent of economic, social and environmental impact, we have identified 12 material issues.

Step 3 Confirmation

After conducting materiality analysis for the relevant issues, various task forces are to evaluate the completeness, scope and boundary of

information disclosure, and gather key information and performance data for the reporting period that are relevant to stakeholders' concern. Each department has contributed to the preparation of this report by following principles of completeness, responsiveness and inclusivity, thereby ensuring that information pertaining to material issues is duly disclosed in the report.

Step 4 Review

The annual CSR Report is continuously reviewed after it is prepared. Doing so would ensure that the disclosed information and performance is free from inappropriate and incorrect statement, while allowing improvements to be made in subsequent reports.

Stakeholders

Fund provider(Banks, shareholders, Professional investors) :

- We create the best profits for the Company and shareholders through a complete and transparent corporate governance.

Employees:

- Employees are the Company's most important asset and the foundation of the Company's sustainability. Focus on employee training and inheritance that shall grow and flourish together.

Customers:

- We provide good quality, good credit, good service, fair prices that will become your trusted business partner.

Collaborator(Suppliers, Contractors, Verification units):

- Treat business partners in a justified, open and fair manner. in order to achieve the goal of sharing profits and sustainable growth.

Government:

- To comply with regulations is a basic requirement. Always pay close attention to international trends and follow regulations.

Social(Inhabitant 、 School 、 Industry Association):

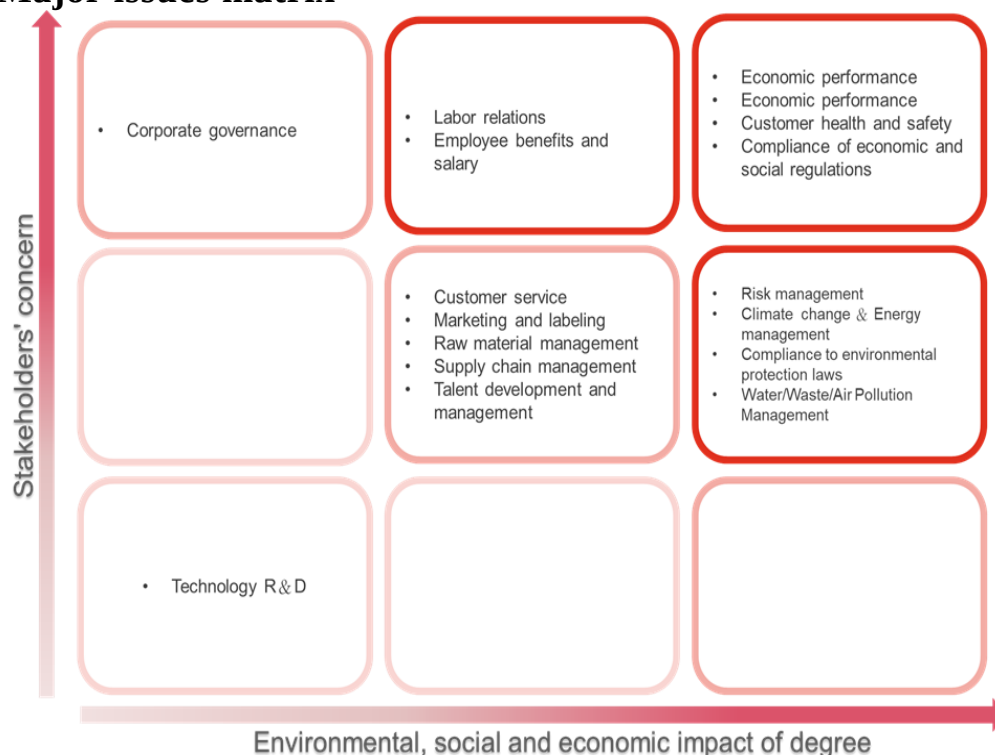
- Participate in charities and engage in neighboring activities are the basic corporate responsibilities.

Topics of material concern as follow:

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According to the internal selection of the 19 topics as follows, major themes are identified:

Economic performance ; Governance: Corporate governance 、 Risk management ; Environmental: Compliance to environmental protection laws 、 environmental policies 、 Climate change & management system 、 Energy and carbon reduction 、 Operating environment management 、 Raw material management ; Social: Customer health and safety 、 Marketing and labeling 、 Compliance of economic and social regulations 、 Labor relations 、 Employee benefits and salary 、 Talent development and management 、 Occupational health and safety ; Product services 、 Technology R&D 、 Supply chain management 、 Customer service.

Major issues matrix

Topics of material concern			
Economic and Governance	Economic performance	Social	Customer health and safety
	Risk management		
Environmental	Compliance to environmental protection laws		Compliance of economic and social regulations
	climate change and energy management		Occupational health and safety
	Air pollution management		Employee benefits and wages
	Water management		Labor management relations
	Waste management		

Material Issues Impact Boundary

Aspects	Material issue	Significance	Corresponding chapter	Impact boundary						
				organization						
				Ton Yi	Employees	Fund provider	Customers	Suppliers	Social	Government
Economics and Governance	Economic Performance	Consistent and sustained profits are the foundations of a sustainable business. It is also the management's goal to improve operating performance.	Corporate governance	●	●	●	●	●	●	●
				Direct impact on internal operations		Direct impact on operations of borrowers or investees.				
	Risk Management	Carry out risk management in all aspects for the purpose of sustainable management and development of the Company	Corporate governance	●	●	●	●	●	●	●
				Impact on operating activities and corporate image		Affect the company's reputation, revenue, operational stability and impact on the local environment				
Environmental	Compliance (environmental protection, social economy)	Comply with laws and reduce operating risks.	Corporate governance	●		●	●		●	●
				Impact on operating activities and corporate image		Affect the company's reputation, revenue, operational stability and impact on the local environment				
	Climate change and energy management	Improve and control environmental risks and hazards through the management of each system.	Sustainable environment	●	●	●	●			
				Impact on operating activities		Affect the company's sustainable operation				
	Air pollution management	Strive for a sustainable environment and reduce environmental damage.	Sustainable environment	●	●	●	●			●
				Impact on operating activities and corporate image		Affect the company's sustainable operation				
	Water management	Prevent excessive effluent discharge while massively using water.	Sustainable environment	●	●	●	●			●
				Impact on operating activities		Affect the company's sustainable operation				
	Waste management	To implement the management system, to respond to the rapid changes in the environment	Sustainable environment	●	●	●	●			●
				Impact on operating activities		Affect the company's sustainable operation				
Social	Customer health and safety	Construct a perfect control mechanism and do a good job of gate-keeping with a strict attitude.	Product service	●	●		●	●		
				Impact on operating activities and corporate image		Direct impact on external customers and suppliers' activities.				
	Occupational health and safety	Eliminate work hazards so that employees can work in a safe and secure environment and their families can rest assured.	Product service	●	●	●			●	
				Impact on corporate image		Impact on the Company's reputation.				
	Labor management relations/ Employee benefits and wages	Employees are valuable assets. Having the right people for the right tasks can help improve the employer-employee relationship and create a win-win situation.	Mutual prosperity	●	●	●	●		●	
				Impact on corporate image		Impact on the Company's reputation.				
	Compliance	Comply with laws and reduce operating risks.	Corporate governance	●		●	●		●	●
				Impact on operating activities and corporate image		Affect the company's reputation, revenue, operational stability and impact on the local environment				

Stakeholders' Engagement

Stakeholders	Concerned issues	Communication and Frequency
Fund provider (Banks, shareholders, Professional investors)	Economic Performance, Risk Management, Regulatory Compliance, Climate Change and Energy Management, Air Pollution/Water/Waste Management, Occupational Safety and Health, Labor management relations, Employee Benefits and wages	Annual shareholder meetings, annual Business Reports, annual ESG reports, monthly announcements-financial statements, regular investor conferences, company website, in-person visits or phone calls
Customers	Economic performance, risk management, regulatory compliance, climate change and energy management, air pollution/water/waste management, customer health and safety, Labor management relations, employee benefits and wages	Technical quality consultation services, customer satisfaction survey, client visits, Company website,
Employees	Economic performance, risk management, climate change and energy management, air pollution/water/waste management, customer health and safety, Labor management relations, employee benefits and wages	Company announcements, union platform, seasonal labor and employment meetings, pension supervision committee meetings and employee welfare committee meetings, internal website information, functional training courses, etc.
Collaborator (Suppliers, Contractors, Verification units)	Economic performance, risk management, customer health and safety	Annual suppliers' evaluation, on-site audit, safety promotion, regulation audit, safety and health committee meetings and others, management system certification, etc.
Government agencies	Economic performance, risk management, air pollution/water/waste management, regulatory compliance	Participation in conferences, regular compliance inspection, training courses, seminars, education and training sessions, Company website
Social (Inhabitant、School、Industry Association)	Economic Performance, Risk Management, Regulatory Compliance, Occupational Safety and Health, Labor management relations, Employee Benefits and wages	Visiting itinerary, group activities, community activities, ESG reports, Company website

1.2 Sustainable Development Goals

We are concerned about the United Nations sustainable development goals (sustainable development goals, SDGs), the mission of thinking and challenges to sustainable development of enterprises. We constantly take into consideration the sustainability of our future, and the following table summarizes Ton Yi Industrial's responses to UN SDGs.



SDG		Promote situation
SDG 03	GOOD HEALTH AND WELL-BEING	1. Safety culture promotion, participation in Tainan City Labor Bureau safety and health family. 2. Continuous operation of the occupational safety and health management system. 3. Employee food safety and health checkups achievement: 94%..
SDG 06	CLEAN WATER AND SANITATION	1. The process water is recycled and reused with 96% efficiency. 2. Automatic monitoring facilities are set up to ensure that the treated and discharged water quality meets the discharge standards and is regularly sent to testing institutions for inspection.
SDG 08	DECENT WORK AND ECONOMIC GROWTH	1. Local purchase proportion: 80%; MIT equipment: 25 pieces.
SDG 12	RESPONSIBLE CONSUMPTION AND PRODUCTION	1. To promote industrial sustainability, the response rate of suppliers' "Social Responsibility Pledge" reached 99.4% and "Environmental Pledge" reached 100%. 2. Promote the safety of the working environment and propose improvements for 97 pieces. 3. Promote new aluminum bottles and cans with dry molding technology, no need to clean and drain during the production process. 4. To ensure the safety of the product, the cost of sending the product for inspection was NT\$2,224,000.
SDG 13	CLIMATE ACTION	1. Achieved 0.83% average electricity savings in 2020 and Carbon reduction 887,590 kg CO₂e. 2. Invest NT\$4,196,000 in energy-saving equipment. 3. Establish an interdepartmental environmental management and energy management committee to be responsible for and manage the management of energy efficiency and greenhouse gas emissions of each plant. 4. To enhance the resilience in response to the risk of climate change, the production and logistic units rehearse various disaster management measures and training from time to time, and establish operational standard procedures.

1.3 Performances

Aspects	Topics	Item	Unit	2019	2020	2021	The same period
Economic	Economic Performance	Stand-alone (consolidated) revenue	NT\$ Million	16,845 (32,528)	14,307 (29,935)	22,872 (41,889)	↑
		Stand-alone (consolidated) gross margin	NT\$ Million	1,202 (3,017)	1,053 (3,424)	2,964 (5,452)	↑
		Stand-alone (consolidated) net profit	NT\$ thousands	536 (441)	921 (889)	1,852 (1798)	↑
		Net profit per share	NT\$	0.34	0.58	1.17	↑
		Cash dividend per share	NT\$	0	0.53	1	↑
	Board operation	Attendance	%	95	95	100	↑
	Corporate governance evaluation indicators	Ranking	%	Top 20%	Top 35%	前 20%	↑
Environmental	Energy	Power intensity	GJ/ton	0.714	0.722	0.729	↑
	Water	Water intensity	Unit/ton	1.27	1.20	1.33	↑
		Process water recovery rate	%	96.1%	96.1%	96.0%	↓
	Emission of green house gases	Emission intensity	%	14.9	14.5	15.0	↑
	Sewage and waste	General waste recycling rate	%	85.8	87.3	88.1	↑
	Power saving	1%<power saving	%	1.93	1.49	0.83	↓
	Environmental expenditure	The amount of environmental expenses	NT\$ thousands	61,149	60,566	66,452	↑
	Environmental investment	Environmental protection investment	NT\$ thousands	8,490	4,243	6,894	↑
Social	Customer satisfaction survey	Satisfaction in percentage	%	87.4	90.1	90.1	-
	Domestic purchase amount	Percentage of purchase	%	75	73	80	↑
	Supplier check	Numbers	Count	11	3	5	↑
	Disabling injury frequency rate	Numbers of disabling injury/million hours	Hour	3.92	1.71	3.14	↑
	Disabling injury severity rate	Loss days of work/million hours	Hour	26	14	29	↑
	Occupational safety violation ticket	case	case	1	0	1	↑
	Labor relations	Employee count	Male	1,073	1,058	1,014	↓
			Female	119	116	112	↓
	Educational training	hour/employees	Hour	32.1	25.8	24.7	↓

1.4 Honors and achievements

➤ TCAS award

In 2021, we won the bronze award in the traditional manufacturing category at the Corporate Sustainability Report



➤ Award from and the special award for traditional industry investment at the National Occupational Safety and Health Award



1.5 Report Profile

This report discloses the perspectives and actions of Ton Yi Industrial Corporation (referred to as Ton Yi Industrial below) with regards to material issues over the course of sustainability development. The report is also intended to respond to stakeholders' concerns on numerous sustainability issues

Report Period: Information presented in this report is dated between January 1 and December 31, 2021, and has been clearly addressed in the content.

Data gathering process and measurement: Data in this report was gathered from daily management, training, discussion, and interviews with relevant departments. The above data was compiled using GRI guidelines and requirements to present Ton Yi Industrial's performance in economic, social and environmental aspects.

Data required by GRI indicators was gathered, measured and calculated in manners that comply with local regulations. Where local regulations do not specify, appliline international standards (such as ISO) were used; and where no international standard was appliline, the industry stand or industry custom was adopted instead.

Preparation guidelines: This report is based on GRI Standards published by Global Reporting Initiative, GRI, and is prepared according to its "core" disclosure level for sustainability performance disclosure.

Publication: ESG reports are published annually, and have been made available on the Company website.

Current issue: published July 25, 2022 (precious issue: published July 23, 2021)

Contact method: Feel free to contact us through the following if you have any questions or suggestions concerning this report:

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E-mail : csr@tonyi.com.tw	Company website : www.tonyi.com.tw

Reporting boundary: Performance information, material aspects and boundaries of this report were disclosed within the scope of Ton Yi Industrial. There had been no significant change in the size, structure or ownership of Ton Yi Industrial during the reporting period, and neither had there been any significant occurrence that would affect the content of this report. For future reports, Ton Yi Industrial aims to progressively include overseas operations for a more comprehensive presentation of ESG management.

External assurance: The Company has engaged PricewaterhouseCoopers Taiwan (PwC Taiwan) to provide limited assurance to the content of this report using Statement of Assurance Principles No.1 – "Audit and Review of Non-financial Information" published by the Accounting Research and Development Foundation. A copy of this limited assurance report has been included in p.98~p.99of this report.

Chapter Two Corporate Governance

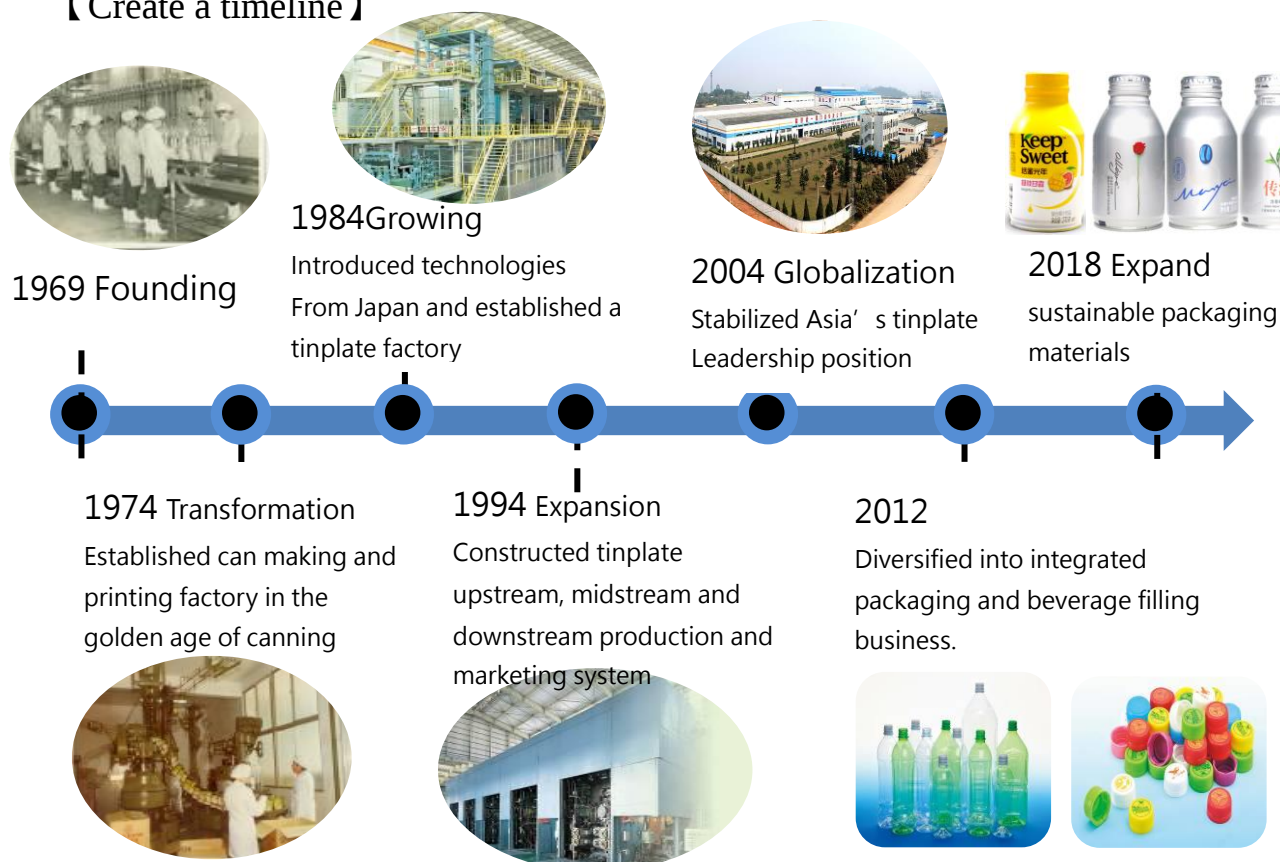
2.1 About Ton Yi Industrial

2.1.1 Company Profile

Ton Yi Industrial Corp. is a member of Taiwan's largest food enterprise group – Uni-President Corp. Ton Yi Industrial Corp., established in 1969, is one of the few successful enterprises that integrate tinplate manufacturing, plating, color printing, canning, middle and downstream metal packaging materials in the world. The Company demonstrates the vitality of sustainable development of the enterprise, makes strategic deployment with the Group, and enters into the field of beverage production and various beverage packaging manufacturing to provide more diversified services to customers. We also have a beverage filling plant that uses the most advanced aseptic filling technology and can provide a full range of services from packaging materials to finished cans, providing strong production and sales support for our brand customers and optimizing the efficiency of resources.

We continue to develop high-end beverage packaging materials, which are environmentally friendly, safe, recyclable, and reusable with screw caps, in line with modern drinking habits. We have invested in the new aluminum bottle can (NBC) business with a Japanese manufacturer to create more choices for our customers

【Create a timeline】



Company name	Ton Yi Industrial Corp.
Date of establishment	April 14, 1969
Company address	No. 837, Zhongzheng N. Rd., Yongkang Dist., Tainan City
Industry category	Fabricated metal product industry
Employee count	1,126
Net sales	NT\$22,872 million
Total assets	NT\$32,245 million
Total equity	NT\$19,763 million
Share capital	NT\$15,791 million
Overseas offices	Mainland China (16), Vietnam (1)

Note: Reference period until 2021/12/31

Composition of Shareholders	Number	Quantity of shareholding	Proportion of shareholding
Natural persons	61,055	492,451,398	31.185%
Foreign institutions and foreign nationals	184	262,278,092	16.610%
Financial institutions	1	6,885	-
Other institutions	87	824,408,967	52.205%
total	61,327	1,579,145,342	100%

Note: Reference period until 2021/12/31

2.1.2 Product description

- Tin Mill Black Plates (TMBP), Cold Rolled Steel (SPCC).
- Tin Plates, Tin Free Steel (TFS).
- Printed Tinplates, Tin cans (round or rectangular) for packing food, beverages, oil and chemical.
- New Bottle Can (Variety of beverage type including coffee, tea, juice, carbonated drinks, drinks including milk, sports drinks, functional drinks, alcoholic drinks).
- Various PET Bottle Lids, and Beverage Filling (PET Bottle, Tetra Pak and New Bottle Can). With advanced aseptic filling technique, we can provide products in integrated from packaging containers to catering of drinks.

Main iron related products



Cold Rolled Steel

Cold Rolled Steel Products :

The hot rolled steel coils are rolled to 0.13~0.80mm without heating, then electrolytic cleaned, annealed and tempered by calendaring.

Cold rolled steel products are easy to be stamped into various products because of their thin thickness, precise dimensions, roughness grading, easy to paint and plating, and good mechanical and processing properties.

Application :

Electronic parts, household appliances, steel furniture, containers, building materials.



Tin

Tinplate (tin-plated steel)Products :

Tinplate has been used by humans as a packaging container for preserving food for more than 100 years.

Advantages: rust resistance, corrosion resistance, non-toxic, good processability, easy to process into a variety of aesthetic cans.

Application :

Beverage and food containers, chemical containers (motor oil, resin, paint), stationery (pencil cases, toys), battery cases, small hardware, electronic parts.



Tin can product

Tin can product :

The sealing and opaqueness characteristics can maintain the quality of the contents and enable consumers to enjoy safe and hygienic food. The tin cans can be easily recycled after use, and can be oxidized and decomposed in nature to return to the original state of iron oxide and return to nature without causing environmental pollution.

It can meet the three major demands of environmental protection, such as "low pollution", "recyclable", and "resource-saving", and tin cans can meet the increasingly stringent requirements of environmental conditions.

NBC



Soft (PET bottles) and hard (metal cans) capabilities
Innovative packaging containers

The new packaging material using laminated aluminum, with a number of leading technology and patents, recyclable, more in line with the current strict environmental requirements, the most in line with food safety (laminated aluminum, explosion-proof points, the whole box to check ...) It is suitable for filling coffee, tea, carbonated drinks, fruit juices, sports drinks, functional drinks, alcoholic beverages, etc. It meets the needs of customers and future development.

1. Benefits of metal cans

- The metallic luster creates a stylish image.
- Opaque, airtight, keeps freshness and preservation.
- recyclable and environmentally friendly.
- Good heat transfer, can be sold with heating.

2. Convenience and safety compliance

- It has the same advantages of easy opening and resealing as the PET bottle.
- Can lid with anti-theft ring function, safe and secure.

3. Variety + added value

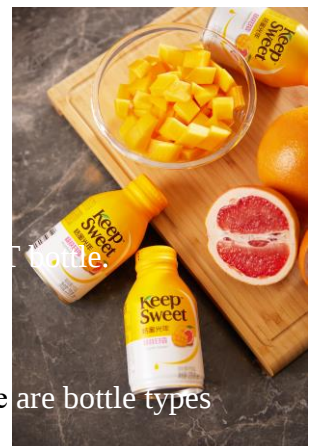
- The bottle mouth can be chosen from $\phi 28\text{mm}$ or $\phi 38\text{mm}$, and there are bottle types with 290~500ml capacity for selection.
- High-pressure sterilization ensures hygiene and safety. (Eg: dairy products)
- We can meet the customer's printing requirements for high-detail designs, with the option of no printing, matching labels or labeling.

4. Made of laminated aluminum

- Compared to regular Bottle Can, it reduces the risk of coating leaks and meets higher food safety requirements. It is applicable to warm the product before drinking.

5. Eco-friendly

- We use dry molding technology, so there is no need to clean and drain during the production process, therefore more water is saved.



2.1.3 Business area (Entities included in consolidated financial statements)

Area	Company	Production project	Customer category
Taiwan	Ton Yi Industrial Corp.	Tin plates Tin mill black plates (TMBP) Coated Steel Tin cans, etc.	Electronic parts, hardware supplies, canning factory, ultra-thin cold-rolled steel, electrical steel and other advanced manufacturers
Mainland China	Fujian Ton Yi Industrial Co., Ltd., Jiangsu Ton Yi Tinplate Co., Ltd.	Manufacturing and sales of Tin plates	Electronic parts, hardware supplies, canning factory
	Chengdu Ton Yi Industrial Packing Co., Ltd., Wuxi Ton Yi Industrial Packing Co., Ltd., Changsha Ton Yi Industrial Co., Ltd.	Manufacturing and Sales of Tin cans	Beverage brands
	Ton Yi (China) Investment Co., Ltd. Zhangzhou Ton Yi Industrial Co., Ltd., Taizhou Ton Yi Industrial Co., Ltd., Chengdu Ton Yi Industrial Co., Ltd., Huizhou Ton Yi Industrial Co., Ltd., Kunshan Ton Yi Industrial Co., Ltd., Beijing Ton Yi Industrial Co., Ltd., Sichuan Ton Yi Industrial Co., Ltd., Zhanjiang Ton Yi Industrial Co., Ltd.,	Manufacturing and sales of PET packages	Beverage brands
	Wuxi Tonyi Daiwa Industrial Co., Ltd., Tianjin Ton Yi Industrial Co., Ltd.	Manufacturing and sales of New Bottle Cans	Beverage brands
Vietnam	Tovecan Corporation Ltd.	Manufacturing and sales of Tin plates	Beverage brands

NT\$ million

Product \ Year	Consolidated revenue in 2021		Distribution by marketing region	
	Amount	Percentage	Mainland China	Outside Mainland China
Tinplate packaging products	26,608	63.5%	34%	66%
Plastic packaged beverage products	15,282	36.5%	100%	0%
Total	41,890	100%	58%	42%

2.2 Economic Performance

2.2.1 Business strategy

Ton Yi Industrial Corporation started out producing staple necessities and gradually becoming a professional manufacturer in packaging materials and beverage packaging which are common consumer products. Using the management strategy of “One Core + Four Advantages,” that is “product management” as the strategic core and “enterprise advantage,” “competitive advantage,” “capital advantage” and “industry advantage” as the four advantages, the Company actively develops and grows, acquiring ISO 9001 on quality management system, ISO 14001 on environmental management system, ISO 22000 and HACCP on food safety, ISO 45001 and TOSHMS on management systems of occupational health and safety and the JIS G3303 Japanese industry standard and CNS national standard on tinplate products, as well as establishing a TAF laboratory to uphold the quality of the suppliers, raw materials, fabrication processes and products to a higher standard. We shall continue to invest more resources and strengthen control mechanisms to secure the trust that the society bestows upon Ton Yi Industrial Corporation.

Business Development Plan in the Long and Short Run

1. Short-term business development plans:

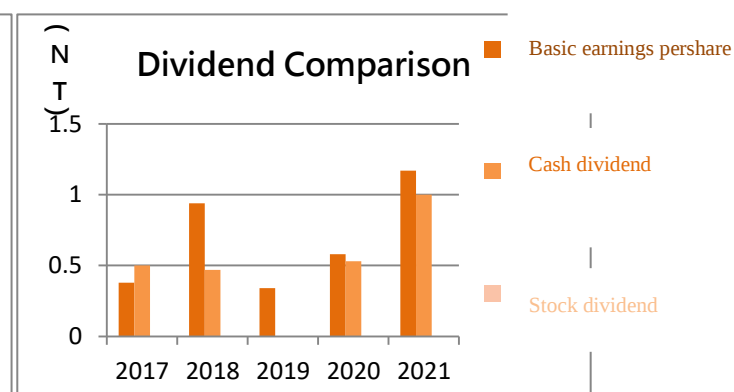
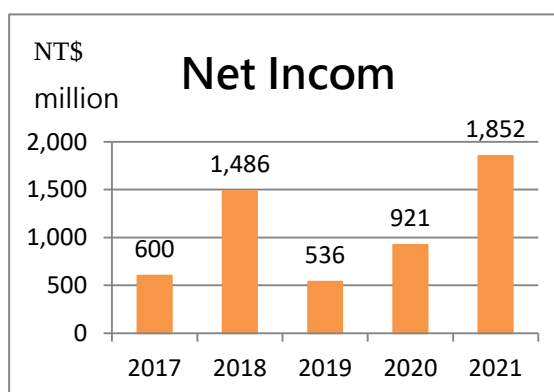
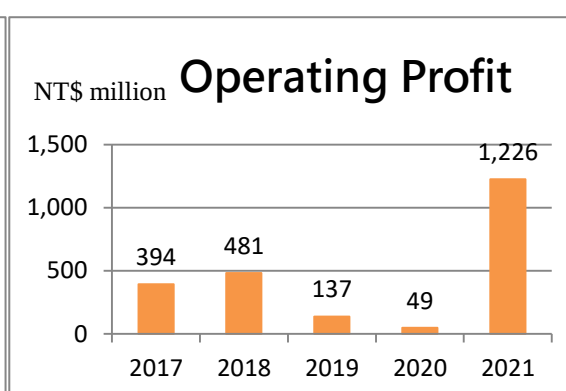
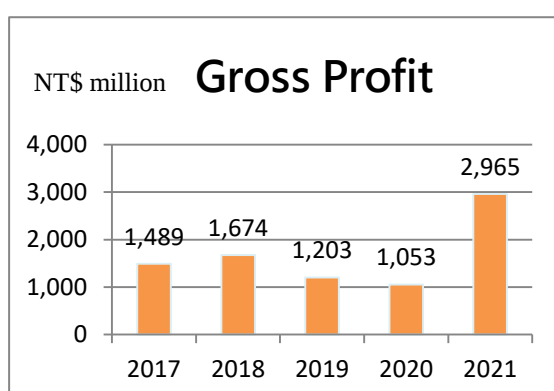
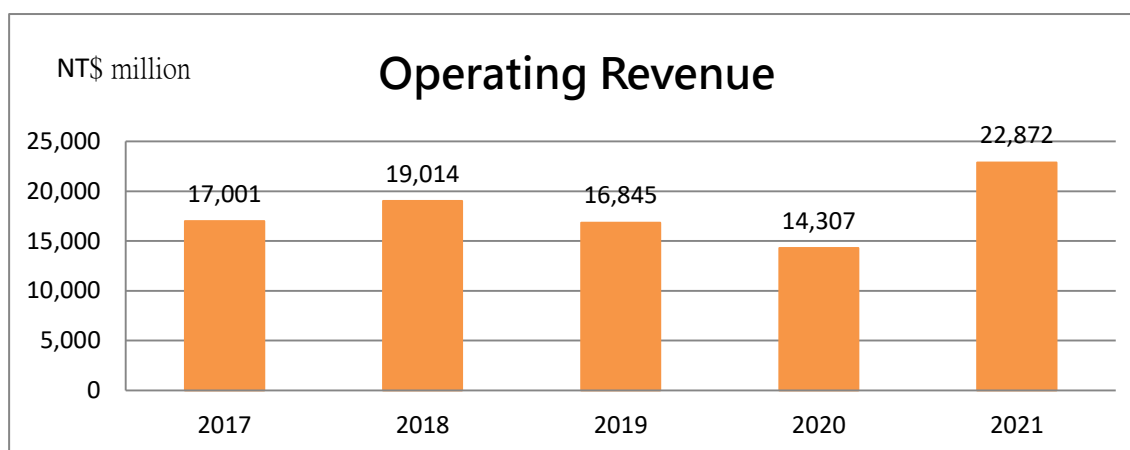
Integration of the production bases in Taiwan, Mainland China and Vietnam to perform the best in division of labor in production and sales.

2. Long-term business development plans:

In response to various global and regional economic and trade agreements and economic integration and the increasingly frequent international trade barriers in the future., the Company diversifies risks for maximum benefits by having production bases in Taiwan, Mainland China and Vietnam and cooperates with upstream and downstream raw material suppliers and product customers for a tight supply chain system.



2.2.2 Financial Performance (stand-alone)



Direct Economic Value Generated and Distributed by the Organization*2

201-1 · 4

Unit: NT\$ thousands

Year		2019	2020	2021
Item				
Direct economic value generated		17,496,535	15,344,658	23,866,607
Operating revenues	Net sales	16,845,390	14,306,713	22,872,434
	Realized (unrealized) gain on sales to affiliated companies	81,444	(13,763)	(17,154)
	Interest income	755	163	68
	Dividend income	4,176	0	3,607
	Rental income	5,359	5,398	5,336
	Other income	21,765	15,973	24,153*1
	Other gains and losses	18,482	(41,812)	(7,252)
	Investment gains	519,164	1,071,986	985,415
Direct economic value distributed		16,960,151	15,260,345	23,593,604
Operating cost	Operating activities costs incurred	15,797,241	13,317,390	20,447,905
Employee salary and benefits	Employee welfare expenses	981,889	1,013,667	1,170,718
Payment to providers of capital	Cash dividend	0	836,947	1,579,145
	Interest expense	156,444	109,652	105,117
Transactions with government	Business income tax + duties (expenses)	24,567	(17,321)	290,686
Community investments	Donation	10	10	33
Economic value retained		536,384	84,313	273,003

*1 : Other income – government subsidies: includes a subsidy of NT\$180,000. The Youth Employment Program grant is NT\$670,000..

*2 : Detailed financial figures can be found in the website of Ton Yi Industrial Corp. (<http://mops.twse.com.tw>) or MOPS (<http://mops.twse.com.tw>)

2.3 Corporate governance

In order to establish a good corporate governance system and respond to the government's corporate governance blueprint plan, the Company has established a code of corporate governance practices with reference to the "Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies" jointly formulated by the Stock Exchange and the Over-the-Counter (OTC), and has set up an effective corporate governance structure, which is disclosed on the Market Observation Post System. In addition, the Company has established a functional committee and a head of corporate governance, published CSR reports on a regular basis, improved the disclosure and timeliness of English information, nominated candidates for directors, strengthened compliance with laws and regulations, and implemented the Board of Directors' performance evaluation method, etc. In terms of actual performance, the "Corporate Governance Evaluation" has been awarded to the top 6%-20% of companies in last year. In 2021, we were awarded the Bronze Award at the 14th Taiwan Corporate Sustainability Award (TCSA), showing our achievements in various governance indicators.

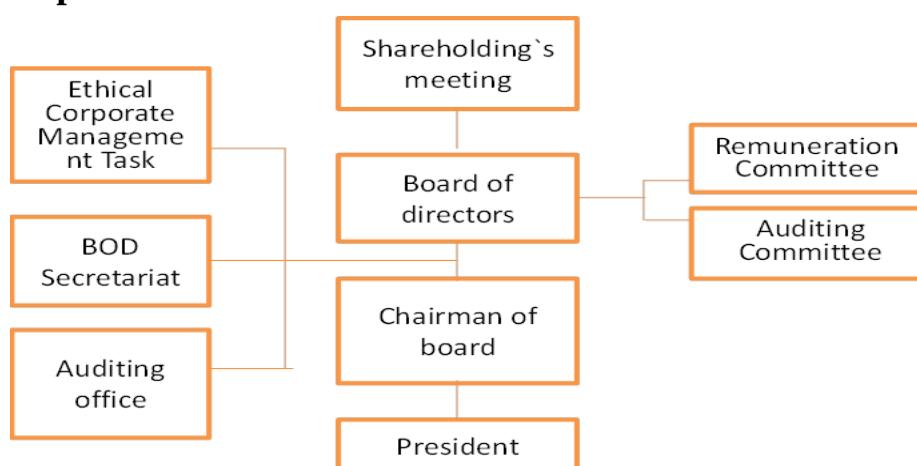


The Company has established the following policies to establish and improve its corporate governance system and implementation.

Code of Conduct	Summary of content
Ethical Code of Conduct	We refer to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies to establish these measures in order to foster a corporate culture of ethical management and sound risk management system and refine sustainable operations and development. (Amended on May 6, 2015).
Integrity Procedures and Behavioral Guidelines	The company engages in commercial activities following the principles of fairness, honesty, faithfulness, and transparency, and in order to fully implement a policy of ethical management and actively prevent unethical conduct, these procedures and guidelines for conduct are adopted pursuant to the provisions of the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, with a view to providing all personnel of the company with clear directions for the performance of their duties. (March 7, 2022)
Corporate Governance Best Practice Principles	To establish a sound corporate governance system, we follow the provisions of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies co-established by Taiwan Stock Exchange Corporation (TWSE) and Taipei Exchange (TPEX) to develop our own Corporate Governance Best Practice Principles to establish an effective corporate governance framework and disclose the Principles on the Market Observation Post System (MOPS) (Amended on March 7, 2022)
Sustainable Development Best Practice Principles	These guidelines have been developed in accordance with the provisions of the Sustainable Development Best Practice Principles for TWSE/GTSM Listed Companies in order to put Sustainable Development into practice and promote progress in economic, environmental and social causes. (Amended on March 7, 2022)

Note: For more details, please refer to the Corporate Governance section of the Ton Yi Corporation website (www.tonyi.com.tw).

2.3.1 Corporate Governance Framework



2.3.2 Board of directors

For overall Board Composition, we consider the diversity of members, 10 directors, with a service term of 3 years, are needed in accordance with the Articles of Incorporation. The board member nomination approach is adopted to elect 7 directors and 3 independent directors, including 1 female director. Details regarding board members' diversity, academic background, career experience, professional knowledge and remuneration can be found in the annual report (available from MOPS or Investor Relations Section of the Company website). The board held 6 meetings in 2021; directors' attendance rate averaged 100%. For improvement of governance capability, directors were subjected to 51 hours of training. The courses covered a number of subjects including: Obligations and Duties of Directors and Supervisors Under the Securities and Exchange Act, Corporate Governance 3.0: Mapping Out Future Sustainable Development, New Policies for Corporate Sustainable Development and Anti-Corruption: A Case Study, Positive ESG Influence on Enterprises, How to Maximize D&O Protection for Directors and Supervisors, ESG Disclosure Requirements in Corporate Governance 3.0: A Quick Interpretation and Preparation, Economic Outlook and Industrial Trends in 2021, Enhancing Corporate Strategy Power with ESG, Corporate Governance Evaluation: CSR and ESG Paradigm and Practice Analysis, Blockchain Technology Development and Business Model, Corporate Sustainability Accelerator: CSR, ESG, and SDGs, Corporate Governance 3.0 and Obligations and Duties of Directors Through COVID-19, Operations and M&A Strategies of Taiwanese Businesses Through Global Political and Economic Conditions, Directors Toward Corporate Governance Evaluation: Responses and Utilization.

2.3.3 Remuneration Committee

The Company has empowered its "Remuneration Committee" to "set and review performance evaluation and compensation policies, systems, standards and structures applicable to directors and managers" and "regularly assess and determine directors' and managers' compensation." Proposals made by the Remuneration Committee are submitted for discussion and resolution by the board of directors. The committee held 2 meetings in 2021 with an attendance rate of 100%, which conformed to the requirements. Directors, managers and the head of human resources were invited to participate in the meeting and provide information where necessary. Committee members have maintained good communication with management; any documented objections, qualified opinions or written statements made by committee members are announced publicly according to law, but no such situation had arisen in 2021.

Remuneration Committee(since 2011.09.30)

The 4th Committee(2019.06.28~2022.06.19)All members are independent directors

Member name: Ming-Long Wang(Convener) 、Chin-Cheng Chien 、Bin-Eng Wu

2.3.4 Auditing Committee

The Auditing Committee assists the board of directors in various duties by monitoring: the fairness of financial statement presentation, CPA's independence (at least once a year), effectiveness of internal control system, compliance practice, and potential risks within the Company. The committee held 6 meetings in 2021 and with an attendance rate of 100%. Directors, managers, the chief auditor and external CPA were invited to participate in the meetings and provide information where necessary. Committee members have maintained good communication with the management; any documented objections, qualified opinions or written statements made by committee members are announced publicly according to the law, but no such situation had arisen in 2021.

Auditing Committee (since 2011.09.30)

The 3th Committee(2019.06.20~2022.06.19)All members are independent directors.

Member`s name: Chin-Cheng Chien (Convener) 、Ming-Long Wang 、Bin-Eng Wu

2.3.5 Auditing Office

By offering independent and objective confirmation and consultation, ensuring that the internal control policy is implemented effectively for the purpose of maximizing profitability while preventing fraud. In doing so, they help improve the Company's performance, minimize risks, enhance crisis management, and assist the board of directors and the management in accomplishing the prescribed goals.

By adopting risk-based audit, the Auditing Office helps the Company's departments and subsidiaries identify medium and high-risk elements that they may affect their ability to accomplish goals. These departments and subsidiaries were further guided to review the adequacy and effectiveness of their internal control systems with respect to the risk elements they had identified, and were aided towards redesigning policies and procedures in ways that enhance risk management and contribute values to the organization. In 2021, the Auditing Office found no significant weakness with regards to internal control.

2.3.6 Ethical Corporate Management Task Force

The Ethical Corporate Management Task Force is responsible for the execution of integrity-related practices. The task force regularly reports to the board of directors and has implemented defined rules such as "Ethical Code of Conduct", "Integrity Procedures and Behavioral Guidelines" for employees to follow as well as organizing internal awareness promotion and training programs from time to time. In 2021, a training of ethical corporate management business was held internally and externally with an attendance of 15,521 people that totaled 15,034 hours. The task force ensures that all deals with external parties are contracted with integrity clauses (Sunshine Clause) in place. Communication and misconduct reporting channels have been implemented, while all informants are protected against retaliation. No report of misconduct of any kind was received in 2021.

違反誠信經營行為檢舉管道

信箱：本公司安全室

電話：886-6-2425635

郵箱：chi5333@tonyi.com.tw

2.4 Risk Management

2.4.1 Risk management

The Board of Directors formulated the "Risk Management Policy" on March 23, 2021, and the President will hold regular meetings with the supervisors (2 times a month), and a total of 23 meetings were held in 2021, including how to respond to various risks and discuss countermeasures, so as to grasp the risks faced by the company at this stage. The foci of discussion included: regulatory risk outreach (insider trading, ethical corporate management, information security, personal information security, trade secrets and workplace bullying regulations) and epidemic control measures for COVID-19.

Policies and Procedures:

The Company regularly evaluates risks each year and formulates a risk management policy for each risk, which covers mechanisms such as management objectives, organizational structure, attribution of authority and responsibility, and risk management procedures. Through the implementation of the risk policy, the Company effectively identifies, measures and controls each of the Company's risks to keep the risks arising within an acceptable range.

Management:

The Company's risk management policy covers all potential strategic, operational, financial and hazard risks that may affect operations and profitability, including but not limited to: operational risk, market risk, financial risk, legal risk, climate risk, information security risk and other risks that may cause the Company to incur significant losses.

2.4.2 Risk Descriptions and Countermeasures

The risk management of Ton Yi Industrial Corp. covers governance, environmental and social aspects, and we identify, analyze and measure the potential risks of each relevant unit. We respond through appropriate management methods, monitor and improve risk management plans, and centralize and implement them according to the characteristics and levels of impact of risks, so that they can be effectively controlled at all times.

Risk category	Risk Description	Risk Control Procedures	Response Chapter
Market Operational Risk	Global epidemics, politics, extreme weather and other linked effects, rapid economic and trade changes, resulting in the impact on business performance.	In addition to the strategies formulated and implemented by each business unit and functional unit in accordance with their business authority and responsibilities, the Company also takes various countermeasures based on the analysis and evaluation of laws, policies and market changes, and the president convenes a crisis management committee for each business group to control and deal with possible market risks and crises.	Chapter two Corporate Governance
Environmental Risks (Environmental Safety)	1. The tightening of environmental regulations has led to the transformation risks faced by enterprises, such as carbon reduction and energy-saving measures, which may affect their operations and financial planning.	Business Environment Management 1. We adopt a coordinated management approach and use various ISO environment-related management systems as the basis for management. 2. Periodic workflow audits are conducted by a third-party verification unit to ensure the effective operation of the environmental management system. Climate Change and Energy Management 1. Establish an interdepartmental environmental	Chapter four Sustainable Environment

	2. The increase in extreme weather events may cause disruptions to business operations or loss of resources.	management and energy management committee to be responsible for and manage the management of energy efficiency and greenhouse gas emissions of each plant. 2. In conjunction with the ISO management system, we manage risk control, current situation inventory, and energy saving and carbon reduction projects to enhance our ability to adapt to the possible risks of climate change. Water Resources Management 1. The Energy Management Committee will promote water resource related issues and develop relevant control procedures and water saving performance. 2. The concept of water conservation is integrated into the company's daily operations through announcements, education and training.	
Occupational Safety (Work Safety)	Improper operation of machinery and equipment or work environment safety measures are not properly implemented, resulting in occupational hazards.	1. There is a safety and health committee that meets quarterly to review safety and health management issues. 2. We have introduced the occupational safety and health management system ISO 45001 and TOSHMS to actively implement employee safety and health management and care, and continue to promote various types of occupational safety education and training, and case studies to strengthen employees' occupational safety concepts. 3. Regular construction safety inspections are conducted to prevent occupational hazards by means of counseling and auditing.	Chapter five Mutual Prosperity-Health and Safety
Food Safety (Food Safety)	1. Failure to take good care of container sealing and harmful substance management, resulting in deterioration or abnormality of the contents. 2. Failure to update the information on the regulations related to the packaging of food utensils and containers, resulting in labeling that does not comply with legal regulations.	1. There is a Food Safety Committee that meets regularly to review and resolve issues related to food safety and quality management. 2. Implementation of source and classification management of direct-contact materials, supplier evaluation system. 3. The impact of changes in relevant laws and regulations and the preparation of countermeasures to ensure that all of the company's products comply with the laws and regulations.	Chapter three Product and Service
Financial Risk (Financial Safety)	Market risk, credit risk and liquidity risk may adversely affect the Company's financial condition and financial performance.	1. The Board has written principles for overall risk management and also provides written policies for specific areas and issues. 2. The Finance Department follows the policies approved by the Board of Directors and works closely with the Company's internal operating units to assess and manage financial risks.	Please read 4-2-1 Financial Risk Management below.

Information Security (Information Safety)	1. Improper use of computers leads to leakage of company information. 2. Hacking to obtain personal information.	1. Establish an information security risk management framework, formulate information security policies, and establish an information security management team and division of authority and responsibility to enhance the safe and stable operation of information operations. 2. Establish information security notification procedure and perform regular information security audits to ensure that information security incidents and management procedures can be effectively implemented.	Please read 4-2-2 Information Security below.
Epidemic risk	Besides affecting stable operations, COVID-19 can also harm employee health.	We formed the COVID-19 Crisis Response Team, established the relevant points for notice, captured the latest government policies at all times, and implement various epidemic control measures.	Chapter five Mutual Prosperity-Health and Safety

2.4.3 Financial Risk Management

1. The Company's daily operations are subject to a number of financial risks, including market risk (including exchange rate price risk, price risk and interest rate risk), credit risk and liquidity risk. In order to reduce the adverse impact on the Company's financial performance due to uncertainty, the Company enters into forward exchange contracts to hedge the exchange rate risk.
2. Risk management operations are performed by the Company's Finance Department in accordance with the policies approved by the Board of Directors. The Company's Finance Department is responsible for identifying, evaluating and hedging financial risks by working closely with the Company's operating units. The Board of Directors has written principles for overall risk management and also provides written policies for specific areas and issues, such as: exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment in residual liquid assets.
For more information on financial risk, please refer to the Unity Enterprises Annual Report.

2.4.4 Information Security Management

Management strategy

1. Strengthen information security management, enhance protection capabilities, and establish a safe and reliable information operating environment.
2. Ensure the confidentiality of relevant information and to protect confidential information from leakage.
3. Ensure the availability and completeness of relevant information to improve operational efficiency and quality.
4. Ensure the continuous operation and uninterrupted access to relevant information.

Organization structure and functions

The president is the chief information security officer (CISO) and promotes and supervises information security management matters. The information department shall be the information security chief and information security personnel and establish the relevant information security policies and plans. The audit unit reviews these policies and plans half-yearly to ensure the compliance of operations.

Establish an Information Security Framework :

Measures	Protection Functions
Spam Prevention System	Spam and threatening emails detection, filtering and defense to reduce the risk of various email attacks.
Network Segmentation	Each factory network segment is independent, and the host network segment is independent, so that the user and the host system traffic are separated from each other and the network security is improved.
Build firewalls	Separate internal and external networks, network traffic control, intrusion prevention, virus protection, web content filtering, data leakage protection and application control, confidential host virus protection, external user access to the internal network via SSL VPN encryption protocol.
Set up network management and control system	Use Pontus monitoring software to monitor network system resources in real time, record usage logs, and send email alerts in case of abnormalities
Build endpoint protection system	Protect terminal devices with OfficeScan, virus protection, malware detection, real-time monitoring and regular scheduled scanning.
Regular information security vulnerability detection	Once a quarter, the company performs vulnerability detection on all IP devices that can be scanned in the company's network environment, including: scanning for uncorrected vulnerabilities in the operating system, scanning for vulnerabilities in common applications, scanning for network service programs, scanning for Trojans/backdoors, testing for account password cracking, detecting insecurity and misconfiguration of the system, scanning for network communication ports, and implementing remedial measures based on the scan results.
Visitor Usage Network Management	When a visitor needs to use the company's network, the visitor can use the company's network to connect to the external website after the visitor submits a request form and the network administrator provides the password for the day. The password is automatically changed once a day.

2.5 Compliance 307-1 · 419-1

2.5.1 Compliance situation

Ton Yi Industrial adopts the principle of complying strictly with all local and foreign regulations. It has specialized units in place to constantly monitor any changes in law, and takes steps toward ensuring compliance of its rights and obligations.

Aspect	Prevention measure
Environmental protection	The Company has employees assigned specifically to gather legal information from the Environmental Protection Administration (EPA). Any new laws gathered are evaluated to determine their relevance, and are raised for discussion during quarterly review meetings with conclusions published onto the intranet.
Corporate governance	The Company participates in regulatory seminars organized by Taiwan Stock Exchange Corporation and government agencies. Proposals are raised in board of director meetings from time to time to discuss establishment or amendment of existing policies from compliance reasons.
Health and safety of products and services	The government has recently required certain food producers to develop traceability for food items, following the outbreak of major food safety incidents. Since the Company's tinplate cans are used as a form of food package, it is also required to participate in the food safety disclosure by uploading supplier information onto the common platform maintained by Food and Drug Administration.
Workers' human rights	The Company complies with the Labor Standards Act and has introduced human rights protection principles into its "Employee Manual," "Work Rules" and "Sexual Harassment Prevention Policy." No official complaint was raised against the Company for hiring of child labor, discrimination, violation against freedom of association, or forced labor.

In 2021, although we received disciplinary action for non-compliance with environmental laws and regulations, no significant fine or non-monetary sanction was reported. In 2021, we were fined for non-compliance with the Waste Disposal Act in 2020: waste in the disposal truck contained excessive VOCs. According to the adjudication, such waste was not suitable for disposal by contractors. Currently, we have enhanced the awareness education on separating industrial waste, such as the used cloths containing volatile solvents like solvents, petroleum, diesel, and others for cleaning and washing machines in the manufacturing process and maintenance, from domestic waste. Besides restating the previous color and sorting management requirements, implementing awareness education again, and requesting for compliance and implementation, we voluntarily verified VOCs in each bag of domestic waste produced in-house from the date of occurrence with portable VOC detectors and immediately traced the output unit of the nonconforming ones.

2.6 Participation in External Organizations and Initiatives

2.6.1 The situation of Participation in External Organizations and Initiatives

Through the integration and leadership of the platform, we will continue to promote the development of the industry and advance common interests through mutual assistance and cooperation.

Name of organization	Organization purpose	Location	Position held
Taiwan Steel and Iron Industries Association	For the unity and development of the steel industry, the goal of the company is to help the government build the economy and earn foreign reserves, coordinate relations between industry peers and explore mutual benefits. Review the website: https://www.tsiia.org.tw/	Taiwan	Member
Taiwan Metal Industry Association	1. Investigation, statistics, research, improvement and development of the metal industry at home and abroad. 2. Investigation of the source of raw materials from industry peers and assistance in the deployment of raw materials. 3. Manufacturing, investigation of shipping and marketing, statistics and promotion for members. Review the website: https://www.trmsa.org.tw/Default.aspx	Taiwan	Member
Tainan County Importers Exporters Chamber of Commerce	1. Investigation, statistics, research and development of commerce at home and abroad. 2. Coordination, introduction and promotion of international trade. 3. Assistance in promotion and research for the government's economic policies and business laws. Review the website: http://www.tiea.com.tw/index.html	Taiwan	Member
Tainan County Industrial Association	1. Coordinate relations between industry peers, explore mutual benefits. 2. Seek improvement and promote economic development. Review the website: https://www.tncia.org.tw/	Taiwan	Member

Chapter Three Product and Services

The most significant value we offer in beverage packaging is to provide food and beverage plants with safe, hygienic and visually appealing products made from tinplate and a broad variety of beverage packaging materials. Trust our products and have peace of mind. We lead by example and rigorously collaborate with our upstream and downstream partners to continue refining our manufacturing technology and equipment and reducing the environmental and cost impact. We create added value to products through our after-sales and technical services to achieve sustainable operations.

3.1 Customers' Health and Safety

3.1.1 Management policy

Purpose: To manage product quality and food safety risks effectively and to meet national standards and customers' needs as the Company's goals.

Responsibility: The technical deputy president is responsible for the quality of the Manufacturing Department that plans quality management. It also reports the implementation situation of quality management to the Board of directors on a regular basis.

Resource: Establish relevant task forces and invest relevant software, hardware facilities and optimize the environment.

Grievance: It applies the same as customer complaint management method. Customers may make a complaint to the business department using meetings, phone, or E-mails.

※In 2020, the company did not have violations of health and safety regulations or information and labeling with respect to products and services, and there were no records of penalty or fine.

Quality Policy: Improve quality, satisfied customers

Quality Commitment:

1. Achieve the right quality in the first attempt.
2. Quality process makes quality products.
3. Respect the next production stage like customers.
4. Always aim to improve quality standards.
5. Small problems tend to deteriorate into crisis.
6. Prevention over treatment.
7. Quality definition must "conform to customers' requirements".
8. Process determines quality.
9. Quality is everyone's responsibility.
10. Quality education is fundamental to every organization.

Food safety: Food safety and quality as the top priority

Food Safety Commitment:

1. Bring food safety awareness and spirits into the work details of all employees.
2. Respect, learn and satisfy customers' needs, and satisfy mutually agreed food safety requirements.
3. Enforce stringent control over food safety, and continually develop and innovate new technologies.
4. Develop systematic management, set goals, and regular review performance for the improvement of food safety.
5. Develop and implement food safety information; maintain all records of communication.
6. Out of commitment to sustainable business, the Company shall operate and ensure food safety in compliance with regulations.

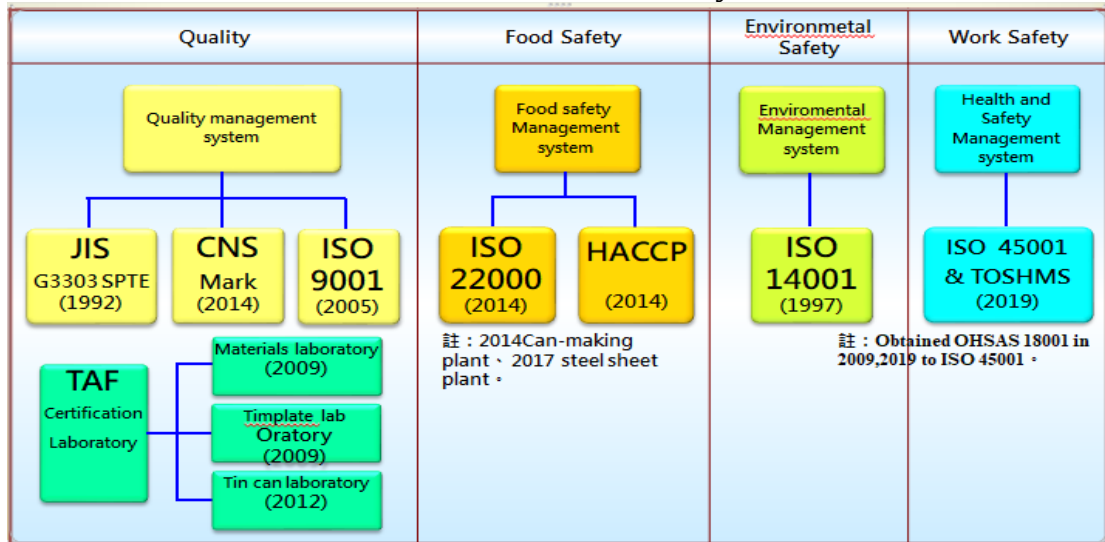
Approved by: President 2017.08.07

Approved by: President 2020.02.13

3.1.2 Production Management System and Lab

Management system

Quality, food safety, environmental safety and work safety have always been our core values. The following certifications / verifications have been obtained successively since 1992.



Percentage of product having passed management system and product testing – by category

Item	Quality			Food safety		Environmental safety	Work safety	
	ISO 9001	JIS G3303 SPTE JQTW08007	CNS	SGS	SGS	ISO 14001	ISO 45001	TOSHMS
鍍錫用底片 Tin Mill Black Plate	100%	—	99.6%註	—	—	100%	100%	100%
一般冷軋鋼板 Cold-Rolled Steel Sheet	100%	—	—	—	—	100%	100%	100%
鍍錫鋼片 Tinplate	100%	56.0%註	58.1%註	100%	100%	100%	100%	100%
電解鍍錫無錫鋼片 Chromium coated tin free steel	100%	—	79.3%註	100%	100%	100%	100%	100%
馬口鐵圓罐 Tin Can (ROUND)	100%	—	—	100%	100%	100%	100%	100%
馬口鐵角罐 Tin Can (RECTANGULAR)	100%	—	—	100%	100%	100%	100%	100%

Note: The labeling ratio less than 100% mainly due to customer's requirements and the US and Malaysia specifications are not displayed.

Introduction to Management Systems

JIS G 3303



Ton Yi Industrial first earned its JIS (Japanese Industrial Standards) certification in the tinplate category in December 1992, which made it the first company outside Japan to be certified for JIS in the tinplate category. This certification not only signifies excellence in the products made by Ton Yi Industrial, but also implies that the Company is capable of producing tinplates in quality comparable to the best in the world.

To apply for JIS, a company must undergo layers of stringent reviews. Obtaining the initial certification is already a challenging task, but what makes things more difficult is the requirement to be re-examined every 3 years thereafter. For this reason, the Company must constantly ensure compliance with JIS and develop effective quality management practices and standardized procedures, or the JIS certification can be voided at any time.

ISO 9001



ISO stands for International Organization for Standardization. 9001 is the standard number, and the 9000 series such as 9001m 9004 are the standard provisions relating to the quality management.

Having been certified for ISO 9001 Quality Management System indicates that the company is at least on par with international standards in terms of product, engineering or service quality. This certification is a testament to the Company's ability to deliver products or services to customers' expectations. At Ton Yi Industrial, we place quality and customer satisfaction at the top of our focus. We manage performance in ways that improve the Company's adaptability and competitiveness to future challenges, thereby achieving sustainability.

In order to respond to customers' demand for quality, Ton Yi Industrial cares a great deal about the quality control of the Company's internal processes. All is based on the principle of meeting customers' demands, and expect to provide products that satisfy customers.

Lab Certification



TAF (Taiwan Accreditation Foundation) evaluates laboratories using international standards (ISO 17025). TAF-certified laboratories are able to print the TAF label on the report they produce as a proof of credibility.

The Company Quality Assurance, Research and Development Department use advanced laboratory and precision equipment to perform quality tests. It constantly engages in new research projects to refine production process, and hence assure product quality. Each product item is tested and passed at the laboratory before shipment.

ISO22000 & HACCP



ISO 22000 is applicable to any organization within the food production chain that has a need to develop its own food safety system, regardless of size, business category or the products they offer. This standard covers an entire supply chain from raw materials, food service, processing, transportation, storage, retail to packaging, and thereby ensures food safety from the beginning of the supply chain up to the point of consumers' purchase.



HACCP(Hazard Analysis and Critical Control Points)

For the food industry, HACCP is used for identifying, assessing, controlling, and preventing food hazards. It has now been recognized worldwide as a food safety standard.

ISO 22000 and HACPP certifications provide customers with extra confidence in the food supply chain. Both of them are common elements in the world's food safety standard, and have been adhered strictly in exchange for the trust of world's consumers. Together, they represent the Company's ability to control food safety risks.

Type	Tin <u>maill</u> black plate	Tin-coated steel/ Chromium coated tin-free steel plate	Tin can(container)										
Responsible for testing laboratories	<u>Material</u> als laboratory	Tin plate laboratory	Tin can laboratory										
TAF Number	2091	2092	2625										
Item	Mechanical properties analysis(hardness and stretch test)	Tinplate coating layer analysis(tin content and chromium content test)	Tin can leak-proofing test(seam overlap ratio)										
<u>Expenses incurred</u>	(million) 支出費用 <table><tr><th>Year</th><th>Expenses (million)</th></tr><tr><td>2019年</td><td>56.0</td></tr><tr><td>2020年</td><td>56.3</td></tr><tr><td>2021年</td><td>56.9</td></tr><tr><td>2022年(預算)</td><td>58.4</td></tr></table>			Year	Expenses (million)	2019年	56.0	2020年	56.3	2021年	56.9	2022年(預算)	58.4
Year	Expenses (million)												
2019年	56.0												
2020年	56.3												
2021年	56.9												
2022年(預算)	58.4												

3.1.3 Hazardous substance management

Hazardous substance management

Hot rolled materials

- Hot rolled materials are mainly purchased from world-renowned steel refineries such as CSC, JFE (Japan), Nippon Steel & Sumitomo Metal Corporation (Japan), and POSCO (Korea). All of which have stringent controls over hazardous substances, and have complied with EU (RoHS) ^{Note1} and REACH (SVHC) ^{note 2}. These suppliers are able to provide test reports as proof.

TMBP, tinplate, cold rolled tinplate

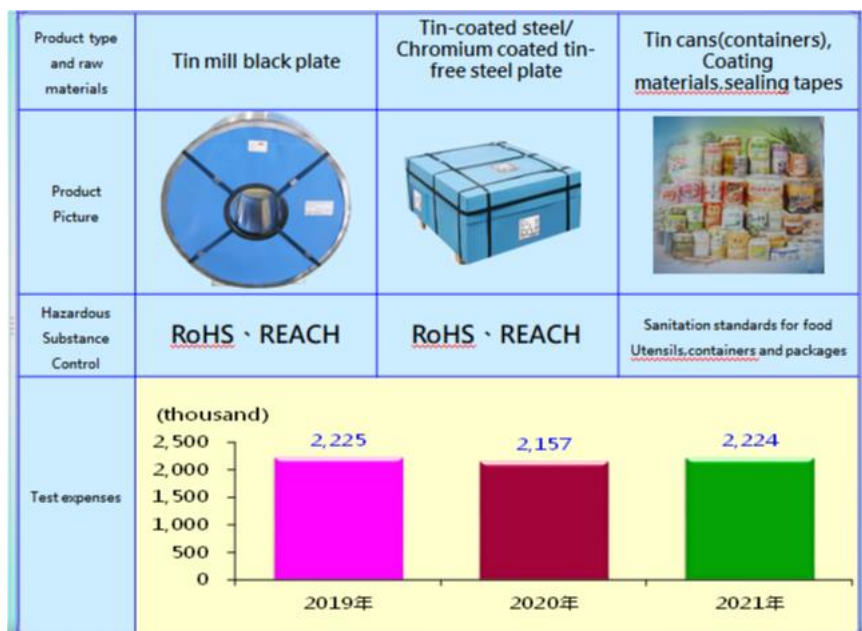
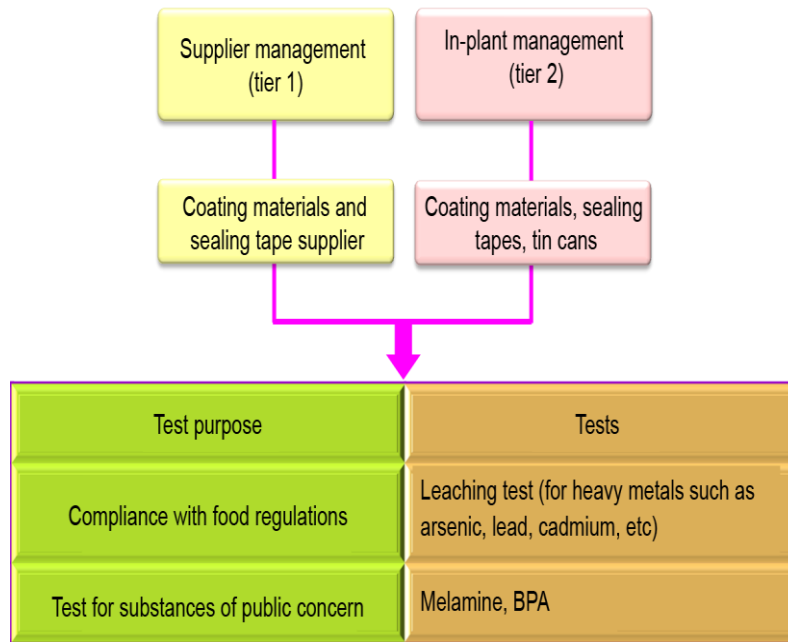
- TMBP, tinplate, cold rolled tinplate do not have any hazardous substances added to them during production. These products are submitted for SGS testing on a yearly basis, and the test results all conformed with EU RoHS, REACH (SVHC) and customers' requirements.

Tin can (container)

- Tin cans (containers) and any substances that come into direct contact with the content (e.g. coating material, sealant, etc) are graded and controlled at the source. In addition to grading its suppliers, the Company also requires raw materials suppliers to produce test reports that prove their compliance with food regulations on an annual basis. The Company's products are submitted for testing in accordance with "Sanitation Standard for Food Utensils, Containers and Packages" each year. All test results have complied with regulations.

Note 1: RoHS (Restriction of Hazardous Substances Directive) imposes maximum limits on the use of hazardous substance in electrical appliances and electronic equipment.

Note 2: REACH (Registration, Evaluation and Authorization of Chemical Substances) is an EU regulation concerning the registration, evaluation, authorization and restriction of chemicals. SVHC (Substances of Very High Concern) is a category of chemicals under REACH that are currently of high toxicity and high risk to the environment or human body.



※The management of food safety risks of cans (barrels) is managed from the source, the inspection of suppliers is carried out annually and raw materials suppliers are required to provide various testing reports that comply with food laws. Gel permeation chromatography is used to monitor the quality of the coating to avoid quality variation to make sure the food is safe to consume.

3.2 Supply Chain Management 102-9

3.2.1 Supply Chain Management

Ton Yi Industrial actively develops supply chain relations with major steels manufacturers in Asia to secure supply of raw materials. The Company tries to purchase as many raw materials in needs from local producers as possible, provided that they meet the required tests and qualities, and thereby create employment opportunities while helping local companies improve competitiveness. The Company has been enhancing management of its raw materials suppliers, enforcing tests for hazardous substances, and prohibiting purchase of conflict metals.

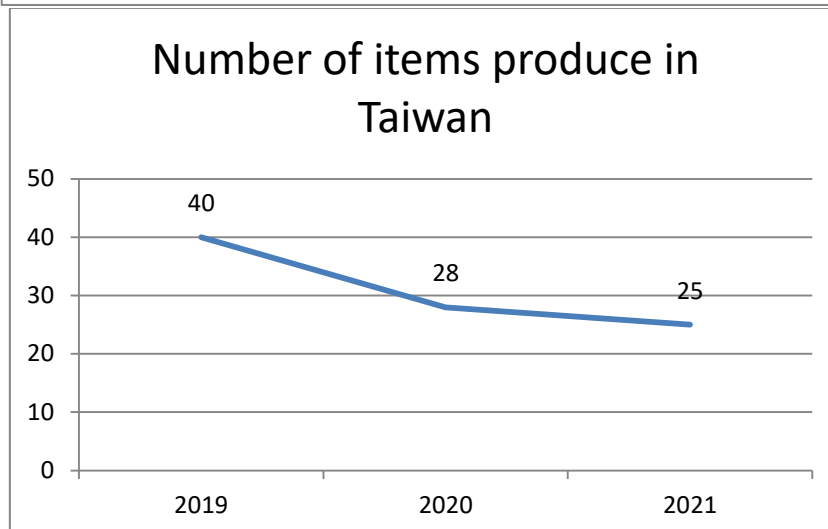
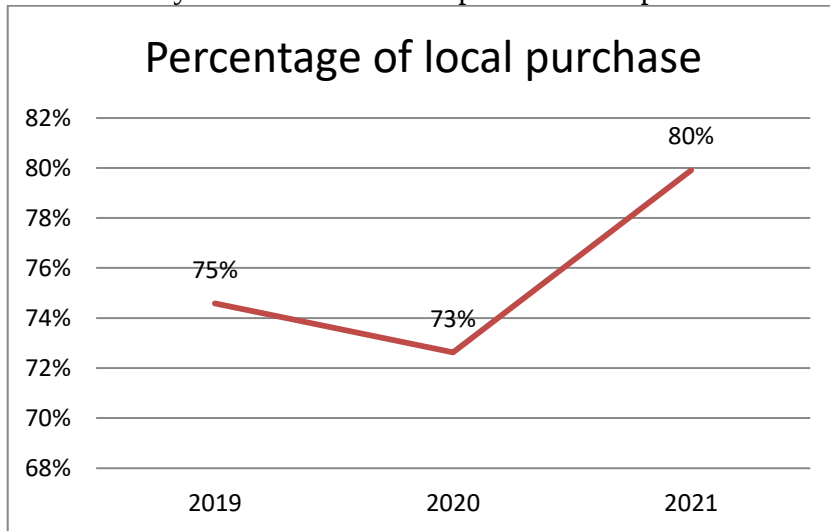
While we commit ourselves to strict standards, we also expect our suppliers to value sustainable development and implement their own policies as well as promote waste reduction and localized production.

Supply Category

Supply category	Communication method	Location	Industry characteristics
Metal plate supplier – China Steel	Regular quality consultation meeting, e-commerce system	Taiwan	Heavy industry
Original plate supplier – Japan	Unscheduled visits, regular technical meetings, direct contact or through agent/business partners	Overseas	Capital, technology, labor-intensive industry
Original plate supplier – Korea	Unscheduled visits, regular technical meetings, direct contact or through agent/business partners	Overseas	Capital, technology, labor-intensive industry
Chemical supplier	Regular E-mail or phone to enquiry about market supply, market overview and technical research and discussions	Taiwan	Able to provide products of multi-product and supply requirements
Chemical supplier	Regular E-mail or phone to enquiry about market supply	Overseas	Unique technology, market oligopoly
Motor supplier	Phone, E-mail, unscheduled meetings	Overseas/ Taiwan	Capital intensive
Machinery supplier	Discussions of drawings and specifications technology in person/phone/Email, FAX/Email order	Overseas/ Taiwan	Technology/labor intensive
Packaging supplier	Phone, E-mail, unscheduled meetings, discussions in person	Taiwan	labor intensive

Percentage of Localized Purchases 204-1

The Company increases purchase of raw materials from local suppliers where possible, which creates employment opportunities and helps improve the competitiveness of local business. Under the condition that the production operation and quality will not be affected, some equipment or parts will be supplied locally to create a win-win situation for both parties. Influenced by the pandemic, the steel and iron prices soared in 2021 to indirectly raise the domestic procurement price.



Supplier Inspections 308-2

The Company conducts annual on-site inspections according to its supplier management procedures to ensure that suppliers are working towards the common goal. New suppliers of metal plates, tin ingots and important chemical materials are subject to on-site evaluation, but oligopolistic suppliers, top-100 companies and foreign companies need not undergo on-site evaluation.

As an enhanced control over the supply chain, any qualified supplier that exhibits major abnormal conduct will be subjected to on-site evaluation within one week as well as strengthen product risk management related to food safety and control from the source. In addition, at least 3 suppliers are selected each

year to undergo evaluation using the “Supplier Evaluation Sheet.” Those that fail the evaluation will have their supplier eligibility revoked with immediate effect. In 2021, we conducted on-site inspections at 5 suppliers and found them all to have passed the required standards.

Supplier Commitment

308-1~2

414-1~2

Choosing quality suppliers and purchasing safe materials are key to ensuring product safety. In order to fulfill our corporate social responsibility commitments, we require all suppliers to sign a “Supplier Social Responsibility Commitment Letter.” 99.4% of suppliers have signed this commitment.

In an attempt to enhance control over food safety, the Company has been promoting awareness on “ISO 14001 – Environmental Management” to all suppliers of chemicals that come into direct contact with tin can surface since 2014, of which 100% had replied.

Supplier category	Count	Supplier Social Responsibility Commitment Letter		Reply rate
		No. of copies issued	No. of copies issued	
Manufacturer	166	166	166	100%
Contractor	20	20	20	
Distributor	157	157	157	
Total	343	343	343	

Note1: The Supplier Social Responsibility Commitment Letter establish relevant specifications including employee rights, health and safety, environmental policies (emphasis on environmental protection, green management), and conflict metal procurement policies.

Note2: New suppliers in 2021: 21 manufacturer, 1 Contractor and 4 distributors (both not chemical) have signed Social Responsibility Commitment. There were 16 new chemicals suppliers.

Not sourced from conflict mines

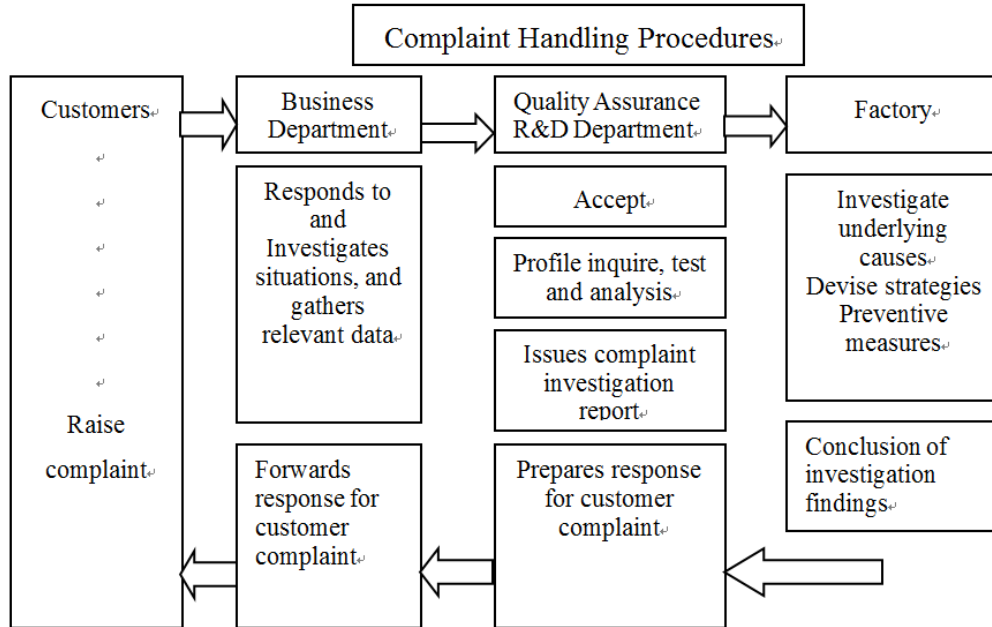
None of the Company’s tin ingot suppliers (serial number: #16 MSC #34 IMLI, #49 BANKA, #56 THAISARCO and #59 YT) had sourced their materials from conflict mines or sweat factories

Form B Social, 0-EDG-4735

MICCI Certificate of Origin

3.3 Customer Service Management Grievance Mechanism

Supplier contract sheet, inspection report, E-mail, phone, on-site visit and meeting are used as means of expressing grievance.



Performance Management

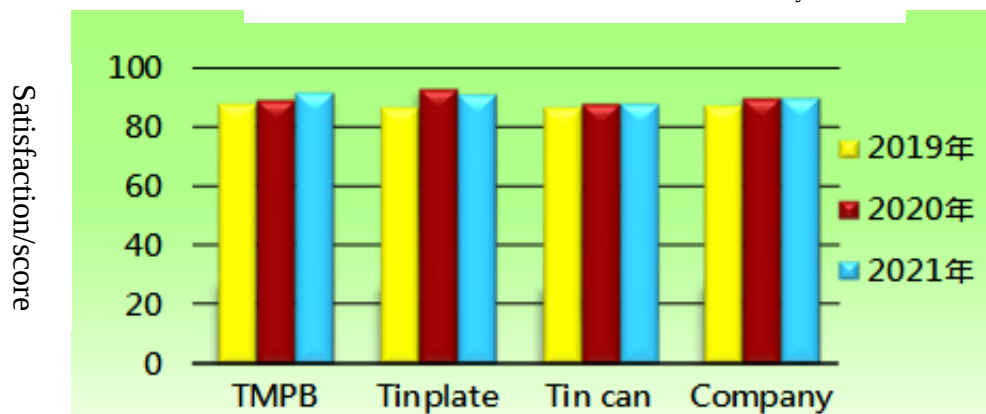
Each year, we conduct a satisfaction survey on selected customers (based on sales volume, time of relationship, etc.) to analyze customers' needs. Results of the customer satisfaction survey are reported during the ISO review meetings and followed up for improvements.

Goals: To achieve at least a "Satisfied" rating. Performance: according to customer satisfaction surveys, all business divisions were able to maintain an average satisfaction rating above 80.

Survey contents:



Overall outcome of customer satisfaction survey

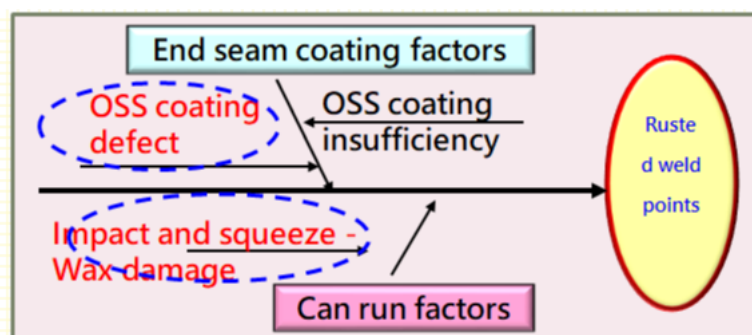


3.4 Technology research and development and improvement

➤ Development of end seam coatings for round cans:

Description:

1. The 3-piece round cans are formed by welding. Originally, no coating was used to protect the weld run, and coatings for the weld run at the end seam are required to ensure empty can quality. The weld run protective coatings shall ensure the coating thickness and abrasion resistance to ensure quality.
2. In recent years, due to the rapid development of canned nutritional beverages, some manufacturers use the new-typed autoclave (water spray-rotatory retort). As the production condition is harsher, end seam coatings damage easily for steam to get inside due to thermal expansion in the sterilization process. As a result, rust developed to affect can appearance.
3. Cause investigation



After improvement:

Through collaboration with coating manufacturers, we developed new end seam coatings with high rigidity and abrasion resistance for the filling workshop to improve the quality of empty cans. Improvement measures include:

1. Increase the coating volume of high-rigidity coating to enhance protection.
2. Add lubricants to increase abrasion resistance.

Benefits:

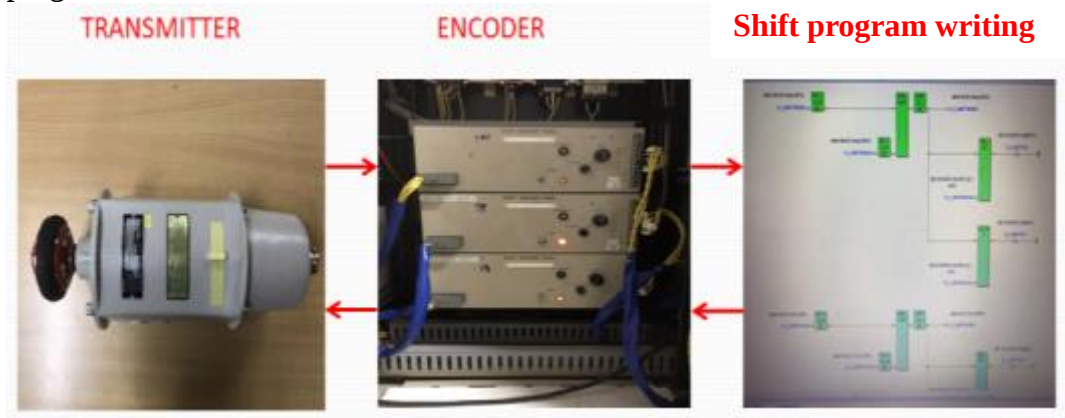
After passing repeated testing on different lots, about 20 million food cans for nutrition products were produced in 2021.



➤ **In-house writing of the PLC program for the TCM #1 STP SHIFT**

Description:

1. TRANSMITTER transmits the motion data of the onsite shift mechanism.
2. ENCDER converts the motion data of the onsite SHIFT mechanism into PLC program data.



Benefits:

Instead of outsourcing programming, writing the program in-house to reset the SHIFT function saved about NT\$2.5 million.

Benefit:

1. The steel sheet plant I will complete the noise reduction project between the cutting machine and the electromagnetic wheel in January 2020.
2. In 2020, the operating environment inspection station personnel noise detection noise value 85.6 ~ 86.5dB (decibels). Much better than the regulatory requirements ≤ 90 dB (decibels)
3. This noise reduction project not only meets the regulatory requirements, but also protects the hearing health of workers and enhances the working environment of employees.

Chapter Four Sustainable Environment

The importance of the issue

The following environmental policy is established as the highest principle of our environmental protection work in order to systematize the environmental protection system so that the possible impact on the environment can be clearly considered in the decision making and operation process of research and design, product manufacturing, raw material use, maintenance, transportation and waste disposal, etc.

Environmental Policy: ECO – Friendly & Green Biz

Environmental Commitments:

In order to implement environmental policies effectively, we declare the following environmental commitments to all colleagues, customers, third parties, and the general public:

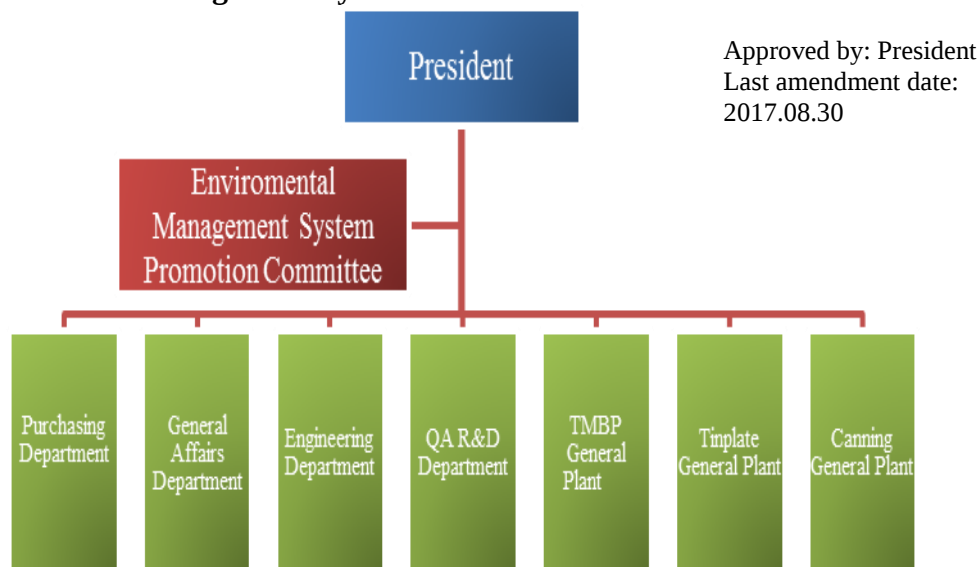
1. The organization shall aim to minimize environmental impacts of its business development, operations and commercial activities through “energy conservation and waste reduction”.
2. Improve production processes through scientific and technological advancements; thereby avoiding commercial activities that have adverse impacts on the environment.
3. Comply with regulations and commit to ongoing improvements.
4. Establish communication with company insiders as well as those out with the organization to monitor and review environmental goals on a regular basis.
5. Educate, train and inspire employees to work responsibly with respect to the environment.

4.1 Environmental management organization

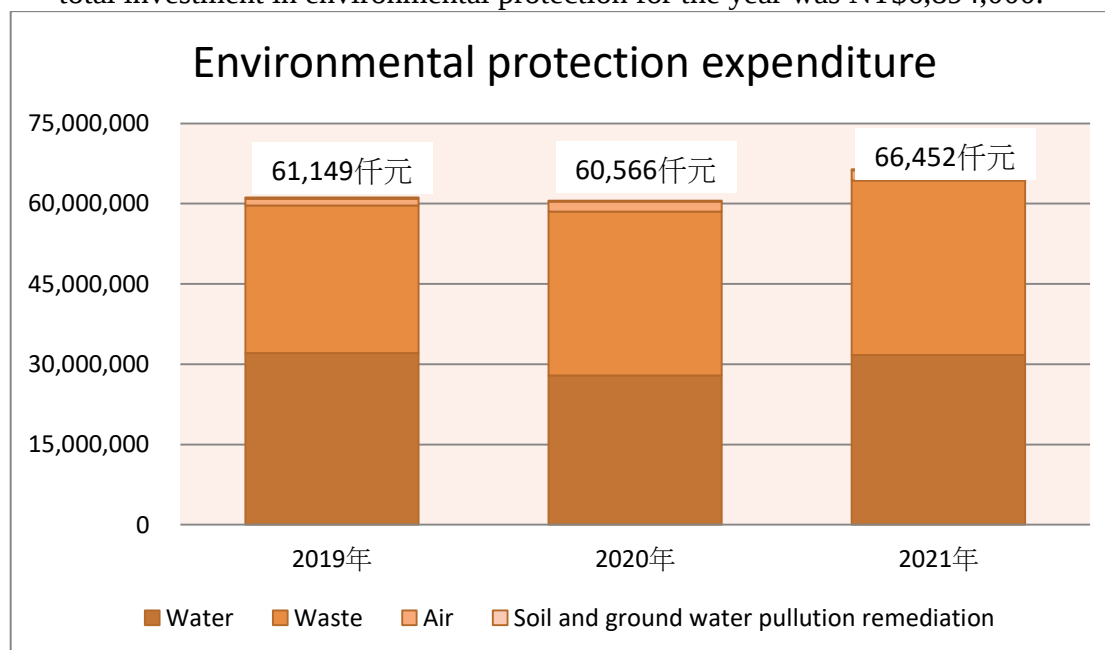
4.1.1 Environmental Management System

In 1997, Ton Yi Industrial assembled an “Environmental Management System Promotion Committee” spearheaded by the President, whose responsibilities are to make decisions relating to environmental management. The general plant manager has been appointed as management representative of the execution team, whose responsibilities are to monitor and manage existing systems.

In October 1997, the Company was certified for ISO 14001 – Environmental Management System and has since been operating based on planned systems and standards. The Company conducts internal as well as external audits, and holds regular management review meetings to discuss ongoing improvements; as a result, the certification has remained valid until this day(Effective period: 2021.11.03~2024.10.30)).

Environmental Management System Promotion Committee:**4.1.2 Environment expenses/ investment**

In 2021, in addition to the regular reporting of air, water, waste, toxic and soil operations as required by the government authorities, the Company paid the relevant environmental protection expenses on time and in accordance with the facts, and had no major investment in environmental protection equipment in the year. The investment in environmental protection is to optimize the process technology and adopt low energy consumption equipment, etc. The total environmental protection expenditure for the year was NT\$66,452,000, and the total investment in environmental protection for the year was NT\$6,894,000.



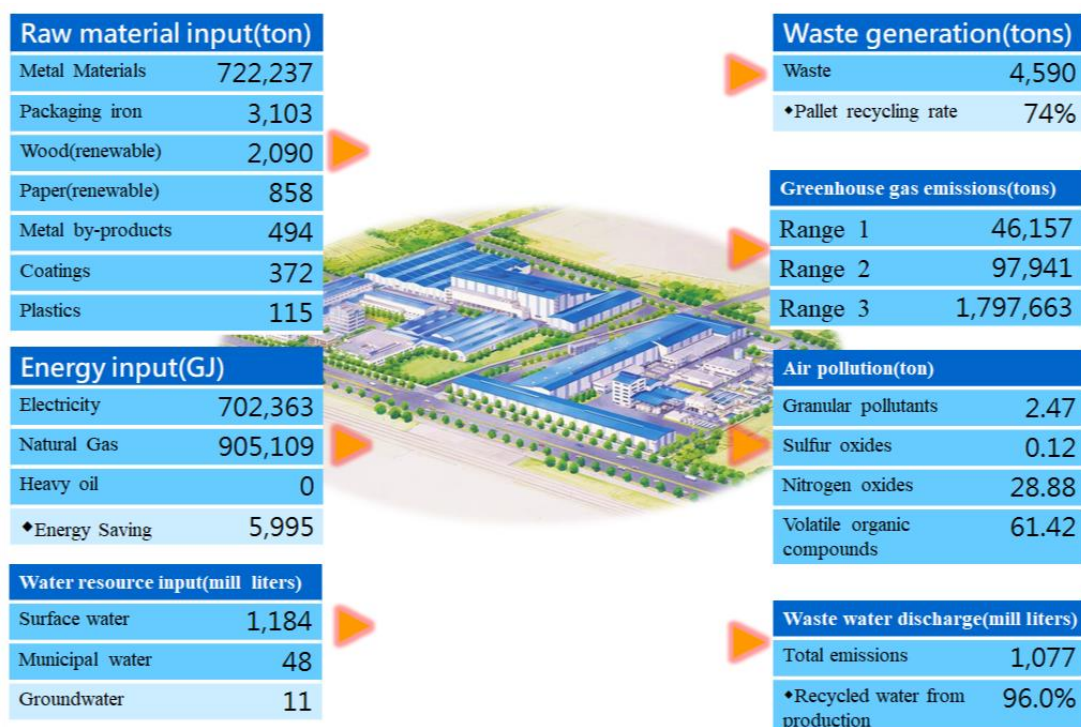
4.1.3 Environmental compliance

In 2021, although we received disciplinary action for non-compliance with environmental laws and regulations, no significant fine or non-monetary sanction was reported. In 2021, we were fined for non-compliance with the Waste Disposal Act in 2020: waste in the disposal truck contained excessive VOCs. According to the adjudication, such waste was not suitable for disposal by contractors. Currently, we have enhanced the awareness education on separating industrial waste, such as the used cloths containing volatile solvents like solvents, petroleum, diesel, and others for cleaning and washing machines in the manufacturing process and maintenance, from domestic waste. Besides restating the previous color and sorting management requirements, implementing awareness education again, and requesting for compliance and implementation, we voluntarily verified VOCs in each bag of domestic waste produced in-house from the date of occurrence with portable VOC detectors and immediately traced the output unit of the nonconforming ones.

In 2021, we will monitor changes in environmental protection regulations, and count a total of 21 cases related to the company. In the future, we will conduct an identification and evaluation of environmental considerations in accordance with the requirements of the company's ISO 14001 environmental management system, and take relevant countermeasures and responses based on the evaluation results.

4.1.4 Environmental footprint

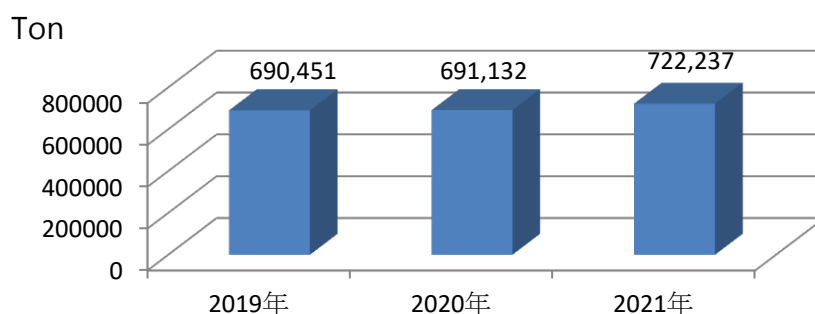
301-1



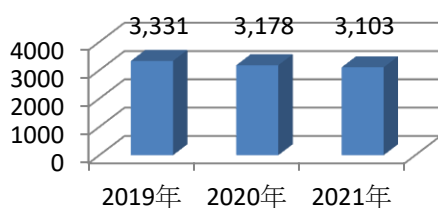
Use of Raw Materials 301-1

Tinplates and cold rolled steel are made using hot rolled coil steel as the raw materials, which can be produced into cold roll, TMBP, tinplate and tin can. The Company sources its supply mainly from Taiwan (CSC), Japan and Korea. It maintains good relationship with suppliers to prevent disruption in its supply chain.

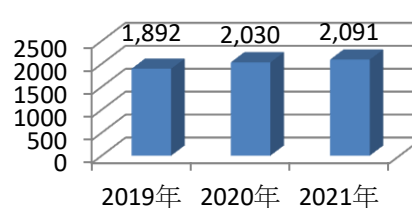
Metallic raw materials



Metallic packaging materials(ton)



Wooden packaging materials(ton)



4.2 Climate Change and energy management

4.2.1 Climate Change and Energy Management Strategies

Governance:

The Company has assembled an Energy Management Committee with the President acting as the lead committee member. The committee makes plans and sets goals for the coming year at each year-end. These plans and goals are tracked by energy specialists of the respective general plant from the following January. Data is consolidated by the energy administrator of the Technical Group, and reported during quarterly Energy Management Committee meetings. Current energy usage and effectiveness of energy saving solutions are reviewed. Climate related risks and opportunities:

The increasingly significant impact of global climate change has affected the ecological environment, global energy, water resources and supply chain, and become an important topic for companies' sustainable growth. We have responded with adaptation strategies and actions for climate change, including the promotion for low-carbon and energy conservation measures (equipment), greenhouse gas inventory, prevention and control of pollution and reuse of resources. We steadily seek opportunities to reduce the use of energy for our organization and products and evaluate the impact on our operations. In the future, we will incorporate the planning into our financial impact assessment to further reduce the climate change risks.

Counteraction and management of Tong Yi Industrial climate-related risks and opportunities:

Climate-related Risks/Opportunities	Risk/Opportunity Type	Risk/Opportunity Factor	Risk/Opportunity Description	Potential Impact on Tong Yi Industrial	Impact Duration	Counteraction and Management Methods	Future Management Planning or Targets
Physical Risk	Acute Risk	Increased frequency and severity of extreme weather events such as typhoons, floods, and droughts.	The increased frequency of extreme weather events can cause the risk of water shortages and floods which lead to production disruption, production decrease, or damage of building and mechanical equipment.	— 、Increased frequency of water rationing will lead to production disruption or production decrease to extend delivery lead-time and reduce revenues. ° — 、Floods will damage buildings and mechanical equipment to increase insurance expenses	Short-term and medium-term	— 、Increase reclaimed water use and maximize water use ° — 、Increase stock, add flood control measures, and improve drainage function ° — 、After treatment, process effluents are reclaimed and reused in the production line to reduce the overall withdrawal of raw water to enhance the water reuse rate °	Drill disaster response for droughts and water shortages and increase insurance expenses.
	Chronic risk	Average temperature rise.	— 、Average temperature rise leads to the consumption of more energy in the factory building to maintain the operating efficiency of equipment ° — 、Average temperature rise	Increased electricity bills and labor costs.	Long-term	Use energy-efficient equipment and automated equipment.	Progressively replace energy-consuming equipment, purchase energy-efficient equipment, and use automated equipment as much as possible, to prevent labor consumption.

Climate-related Risks/Opportunities	Risk/Opportunity Type	Risk/Opportunity Factor	Risk/Opportunity Description	Potential Impact on Tong Yi Industrial	Impact Duration	Counteraction and Management Methods	Future Management Planning or Targets
			leads to easy fatigue of workers to extend the rest time °				
Transition risk	Policy and legal risks	Increased pricing of GHG emissions.	Add the carbon fee charging mechanism in the amendment to the Greenhouse Gas Reduction and Management Act, and the scope of payers may be increased in the future.	Increased operating and sales costs to affect product passthrough capability.	Medium-term	Inventory the Company's current carbon footprint, optimize manufacturing processes, and use energy-efficient equipment.	Observe the policy and legal changes in the EU, Taiwan, and other countries.
	Policy and legal risks	Renewables related laws and regulations.	Tong Yi Industrial is an energy-heavy company. According to the Tainan City Self-Government Ordinance, we need to build 10% renewables within 5 years (from 2021/1/1).	Failure to install renewables according to the legal requirements will need to pay the substitute payment to the government.	Short-term	The overall assessment of solar panel installation is in progress.	Install solar panels to use renewables.
	Policy and legal risks	Energy conservation related laws and regulations.	In accordance with the Energy Administration Act, we need to save electricity by 1% each year.	The competent authority may not approve the implementation plan submitted by energy users for failure to save electricity by 1% without a just cause.	Short-term	Save electricity through process optimization and use of energy-efficient equipment.	Save electricity by 1% each year.
	Policy and legal risks	The demand for and supervision of current products and services.	A carbon fee will be charged on products in the future laws and regulations.	Increased costs due to the influence of the industry's characteristics.	Medium-term	Reduce product carbon footprint through process optimization and use of energy-efficient equipment.	Expansion of diversified, high-efficiency packaging service: Introduce new products and new bottle cans (NBC) to reduce energy consumption and lower the legal impact.
Market risk	3 Market risk	Optimizing customer behavior.	The intensity of product carbon footprint will affect customers' willingness	Reduced orders and revenues	Medium-term	Improve processes and equipment to	Develop and provide customers with products

Chapter Four Sustainable Environment

Climate-related Risks/Opportunities	Risk/Opportunity Type	Risk/Opportunity Factor	Risk/Opportunity Description	Potential Impact on Tong Yi Industrial	Impact Duration	Counteraction and Management Methods	Future Management Planning or Targets
			to buy or sell high carbon footprint products.			reduce the use of energy-consuming equipment.	of high recyclability.
	4 Market risk	Increased materials costs.	— 、Major steel and iron supplying countries like mainland China are all heavy emission countries that cancel export and reduce international trade of steel importing countries to control own emissions, thus causing the international steel price to rise ° — 、TMBP is used for food and beverage packaging. While the impacts (e.g., floods, droughts, bad harvest) of climate change will affect food and beverage production volume, the production of end products reduces due to materials shortages. Even though the market demand is out there, industry supply will	— 、Increased raw material costs due to the rising international steel price ° — 、Reduced customer orders and revenues due to reducing production of upstream raw materials of food and beverages °	5 Short-term	Increase the safety stock, develop alternative materials, and cultivate local suppliers °	Constantly search for local suppliers to reduce the demand for international raw materials; introduce new products, new bottle cans (NBC), including beverage filling °

Climate-related Risks/Opportunities	Risk/Opportunity Type	Risk/Opportunity Factor	Risk/Opportunity Description	Potential Impact on Tong Yi Industrial	Impact Duration	Counteraction and Management Methods	Future Management Planning or Targets
			reduce °				
Opportunities	Market	Cultivate new customers and new markets	As a local supplier, we have the advantage of stable supply to lower the impact of international steel price fluctuation and unstable supply for customers.	By purchasing from Tong Yi Industrial, customers can lower the risk of raw material supply. Our stable supply advantage can attract new customers and strengthen the tie between Uni-President Group and global customers to increase revenues.	Short-term	Serve global customers with two production bases: Taiwan and mainland China to lower the delivery difficulty caused by force majeure from extreme weather events.	
	Products and services	Develop and expand low-emission products and services	Expand customer distribution through developing longer-lifecycle and easier-to-recycle products.	Expand customer sources to increase orders.	Long-term	Develop high environmentally efficient packaging services and provide customers with more options of packaging materials to create market segmentation.	
	Products and services	Changing consumer preferences.	Enhanced plastics reduction movement promoted by consumers and the media.	Products of greater recycling value attract the promotion environmental protection groups more easily to increase brand visibility.	Long-term	Expansion of diversified, high-efficiency packaging service: Introduce new products and NBCs to reduce energy consumption.	
	Energy efficiency	Turn buildings/equipment to higher energy and resource efficiency.	Change the current mode and volume of electricity consumption into high-efficiency and low-consumption production.	Introduce high-efficient equipment and production modes to reduce operating costs and energy expenses.	Medium-term and long-term	Purchase high-efficiency motors and use more energy-efficient utilities.	Completely replace existing motors with high-efficiency motors and introduce energy-efficient dryers and air compressors.

Maintaining the goal of keeping global temperature rise within 1.5-2°C of the Paris Agreement was decided at the COP26 ended in 2021. The government of different countries are progressively enhancing supervision over the net zero emission policy. To examine our operational resilience, we adopted the well below 2°C and 1.5°C scenarios to assess the transition risks. In consideration of the future emission prediction of global manufacturing industries and the reduction pathways in different scenarios of the International Energy Agency (IEA), and the international carbon pricing parameters of the REMIND-MAGPIE model introduced by the Network for Greening the Financial System (NGFS), we calculated the required costs in the business as usual (BAU) scenario, i.e., no counteraction is adopted, of manufacturing industries.

The results of scenario analysis of transition risks:

Scenario	Impact Assessment (proportion compared to the 2021 sales amount)	Impact Duration
<2°C	0.2%~6.9%	2025-2050
1.5°C	0.8%~30.5%	2025-2050

Note: Although the different models introduced by NGFS have some basic similarities, the outcomes will be affected by the native design and parameters of different models. The international carbon price prediction over the years obtained by the NGFS models does not specifically refer to the carbon tax/carbon fee mechanism. Instead, it is the estimation of the required overall carbon cost due to legal change and technological advancement in the future transition scenario.

4.2.2 Energy use and greenhouse gas emission management performance

Use of Energy 302-1 302-3

In 2021, the total energy consumption increased from 1,466,308GJ in the previous year to 1,607,472GJ because of the portfolio in 2021 and the increase in some energy-consuming products, increasing the unit energy consumption from last year.

Energy use in the past three years

Types of energy		2019	2020	2021
Electricity	Unit	183,094,400	187,676,800	195,100,800
	Gigajoule	659,140	675,636	702,363
	Intensity	0.714(GJ/Ton)	0.722(GJ/Ton)	0.729(GJ/Ton)
Natural gas	Cubic meter	18,603,962	19,135,864	22,005,197
	Gigajoule	771,130	790,672	905,109
	Intensity	0.836(GJ/Ton)	0.844(GJ/Ton)	0.940(GJ/Ton)
Heavy oil	Cubic meter	188	0	0
	Gigajoule	7,776	0	0
	Intensity	0.008(GJ/Ton)	0	0
Total	Gigajoule	1,438,046	1,466,308	1,607,472
	Intensity	1.56(GJ/Ton)	1.57(GJ/Ton)	1.567(GJ/Ton)

- Source of data: Electricity – power bill; natural gas – gas bill; heavily oil – in plant collection slip Intensity level is calculated using metallic material input and the denominator.
- Conversion parameters:

Item	Conversion parameters	Source of conversion data
Electricity	1 KWH=0.0036GJ (Gigajoule)	Wikipedia; 1kW·h = 3,600,000 Gigajoule =0.0036GJ
Natural gas	1 m³=0.0414GJ (Gigajoule)	Average calorific value for December 2021 published by Great Tainan Gas Company (9,825.99Kcal/m³)

Greenhouse Gas Survey

302-1、3

305-1~2

305-4

In response to the climate change issue, the company organizes task force teams at each factory to take inventory of the greenhouse gas emissions of the whole company, a team comprising representatives from various plants was formed to compile an SOP manual for greenhouse gas management. Greenhouse gas inventory is conducted every year, and company-wide greenhouse gas emission is calculated according to ISO14064-1 standards.

In 2021, the Company followed EPA (Environmental Protection Administration) Regulations Governing Reporting of Greenhouse Gas Emission and engaged TUV Rheinland to survey and report greenhouse gas emission. According to the certificate, the Company's total GHG emission was calculated at 1,941,761 tons CO₂e/year.

Direct and Indirect GHG emission

Unit : Tons CO₂e

Year	2019	2020	2021	Emission source
Scope 1/ Category 1	39,883	40,269	46,157	Stationary emissions (boilers, annealing furnaces), mobile emissions (stackers, vehicles), fugitive emissions (printing and coating coatings)
Scope 2/ Category 2	97,589	95,527	97,941	electricity
Scope 3/ Category 3-5	Not verified.	Not verified.	1,797,663	transportation, travel, other
Total	137,472	135,796	1,941,761	-
Intensity % (tonCO ₂ e/tons)(Excl uding scope 3)	14.9	14.5	15.0	-

Note: Standard (2nd edition) advocated by the World Business Council for Sustainable Development (WBCSD) and World Resources Institute (WRI); the IPCC AR6; the Carbon Footprint Information Platform of, Regulations for Management of the Inventory and Registration of GHG Emissions, and GHG Emission Factors Management Table (ver. 6.0.4) of Taiwan's Environmental Protection Administration (T-EPA); Taiwan Electricity Carbon Emission Factors (2021) announced by the Bureau of Energy (BOE), the data of 2021 were verified by a third-party verification body in accordance with ISO 14064-1:2018 Greenhouse gases — Part 1: Specification with guidance at the organization level for quantification and

Types of Greenhouse Gases Covered

Type	2019	2020	2021
CO ₂	V	V	V
Methane	V	V	V
Nitrous oxide	V	V	V
Hydrofluorocarbons	V	V	V

4.2.3 Reduction Action

Energy and Carbon Reduction

302-4

305-5

In response to the government's call for energy conservation and carbon reduction, Ton Yi Industrial has been rewarding energy and carbon reduction proposals internally, and is taking steps toward replacing energy-intensive equipment with energy-efficient alternatives, while at the same time managing power usage for the best efficiency. Goals have been set to reduce energy consumption by 1% a year between 2015 and 2024. Annual average electricity conservation by 1.17% during 2015-2021.

The 2021 annual energy performance was 0.83% (target unachieved) because of the increase in the annual production volume in 2021. Counteraction: Increase renewables generation devices within the next 3 years to reduce energy consumption.

Solution	Pieces	Power-saving benefits (kWh)	Emission reduction benefits (kg CO ₂ e)
Improved management or optimization of equipment	81	1,308,019	887,590
Other high efficiency and frequency conversion	13	192,129	
Use of high efficiency motor	17	143,194	
Use of energy-saving lighting	4	21,930	
Total	115	1,665,272	

Note: Calculated based on the latest power coefficient of 0.509 kg CO₂e/KWH published by the Bureau of Energy in 2021).The annual electricity saving is equivalent to 5,995 GJ.

Main energy conservation experience

1.Other high efficiency and frequency conversion



The operating current of the old-model dryers is 74A, while the new models are 60A, reducing electricity

2.Improved management or optimization of equipment



During the repartition of the 3F electrical room, items inside were vacated and stored centrally, and the aircon-related facilities were removed. One air-conditioner was removed to reduce electricity consumption (one air-conditioner).



Improvement of the ARP process to shut down the concentrated waste acid

4.3 Water resource management

4.3.1. Water resources management strategy

The company's water resources are used mainly for production operations and cleaning purposes in the production process. The company's strategy focuses on water conservation and emergency response, and the Energy Management Committee regularly discusses water-related issues, formulates policies and reviews water conservation performance. We also promote the concept of water conservation through announcements and other means, so that employees can integrate the concept of water conservation into the details of production and office operations.



Identification of water resources risk factors and response :

Our main source of raw water is obtained from the Wushantou Reservoir. When there is a shortage of water, or when the water supply is stopped, we can provide enough water from the backup well for our company's use.

Water Resources Risk Control Mechanism:

Risk Sources	Risk Issues	Adjustment Actions
Regulations	Response to Regulations Water Pollution Control	1. Set up a disaster response team to monitor the use of water resources and information. 2. Investment and improvement of environmental protection equipment. 3. Discharge water quality monitoring.
Disasters	Inadequate water supply (water outage) Flooding caused by heavy rain	1. Develop standardized contingency measures for water resource contingency management at each main plant. 2. Set up a disaster prevention and rainfall prevention team, and set up various prevention and control measures. 3. Regularly conduct disaster prevention drills.

Water shortage emergency treatment: pay attention to the Water Resources Department's water condition signal water restriction measures in various stages, briefly described as follows:

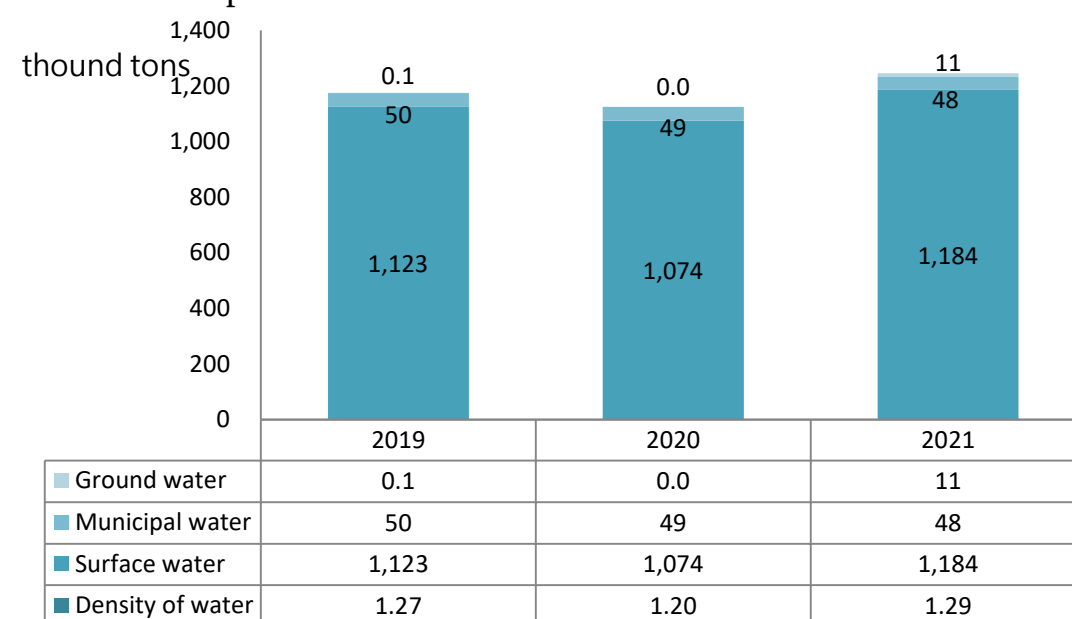
Condition	Equipment Matching	Notification System
1. Normal supply : Industrial water storage tank. Water intake $\geq 3000\text{T}$ per day	Normal supply	Not required
2.Green Light (Water Alert)	Normal supply	Remind colleagues about the water condition.
3. Yellow light (reduced pressure water supply)	Normal supply	Remind colleagues to conserve water.
4. Orange light (reduced water supply): According to the official notice of Water Resources Bureau, the water supply is adjusted.	Activated water storage facility to expand water storage capacity	The Energy Division will notify the plant supervisor. Suspend water that is not necessary for immediate needs.
5. Red light (district water supply). Water cannot be supplied in case of natural disaster or reduction of water supply channels.	Deep Well Water Replenishment Correspondence	The Ministry of Energy informs the plant supervisor and informs the general manager

4.3.2. Production site water situation 303-3

Water consumption status: Our manufacturing process needs to use lots of water for production and washing. The surface water ratio accounts for 95% of total water consumption. The 2021 total water consumption increased slightly because of the overall production increase. As a result, the total surface water consumption increased slightly from last year. In May, June, August, and September 2021, we replenished the insufficiency of surface water with groundwater during the reconstruction of surface water pipelines.

Although we used groundwater not in the dry season due to the maintenance of the surface water pipelines, it was irregular groundwater withdrawal that did not cause local shortages.

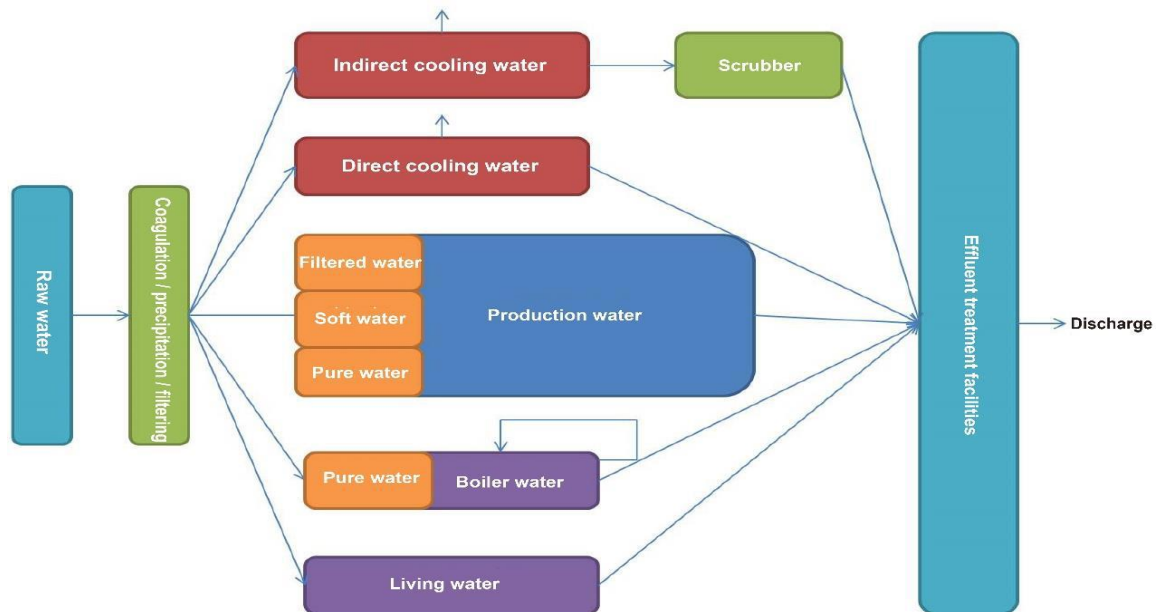
Water consumption trends



Note: 1. Raw water refers to untreated water drawn directly from reservoir. The Company sources water from Southern Region Water Resources Office and Chia-Nan Irrigation Association.
2. The water density is calculated based on the product output in 2021 (a total of 963,242.579 metric tons of product output in 2021)..

4.3.3. Water Conservation Initiative

Recycling of water used during manufacturing process



Purpose	Volume of water drawn (ton/year) (A)	Volume of water recycled (ton/year) (B)	Total water consumption (ton/year) (A+B)
Cooling water	238,635	32,774,990	33,013,625
Boiler water	140,890	70,445	211,335
Production water	979,166	290,877	1,270,043
Living water	19,993	0	19,993
Total	1,378,684	33,136,312	34,514,996

Note1: Data was sourced from monthly records maintained by responsible employees, and estimated based on pipeline flow and hours of motor operation.

Note2: Based on the Global Water Tool (GWT) developed by WRI, the overall water risk of Taiwan was low-medium, low-stress region.

Process recycling and recovery

The Company's products processes require a significant volume of water for purposes such as cooling, rust removal, lubrication, and dust cleaning. We have various measures in place to enforce water management, recycling and reuse.

Year	2019	2020	2021
Volume of water recycled(ton)	32,263,904	32,471,546	33,136,312
Total water consumption(ton)	33,576,180	33,774,631	34,514,996
Percentage recycled	96.1%	96.1%	96.0%

Note: Data was resourced from monthly records(TMBP General Plant 、Tinplates General Plant) maintained by responsible employees, and estimated based on pipeline flow and hours of motor operation.

4.3.4. Wastewater management

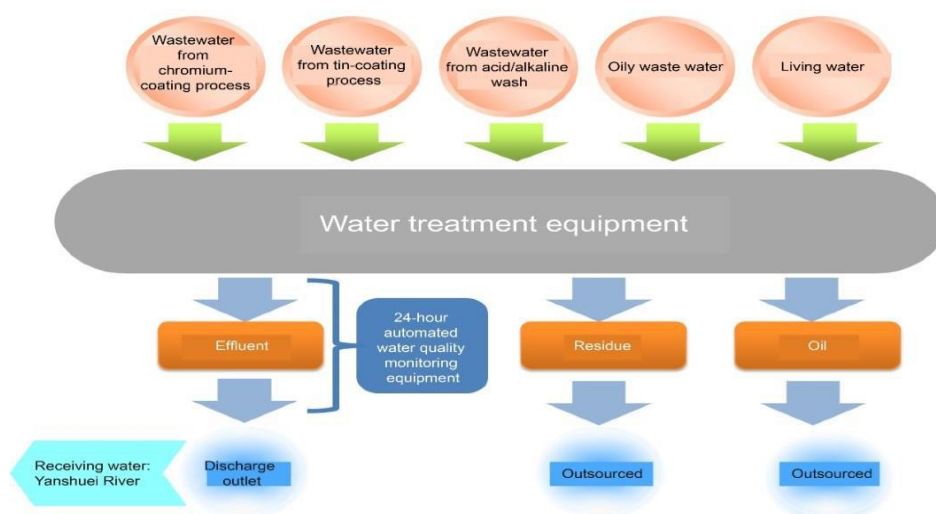
Water Pollution Prevention

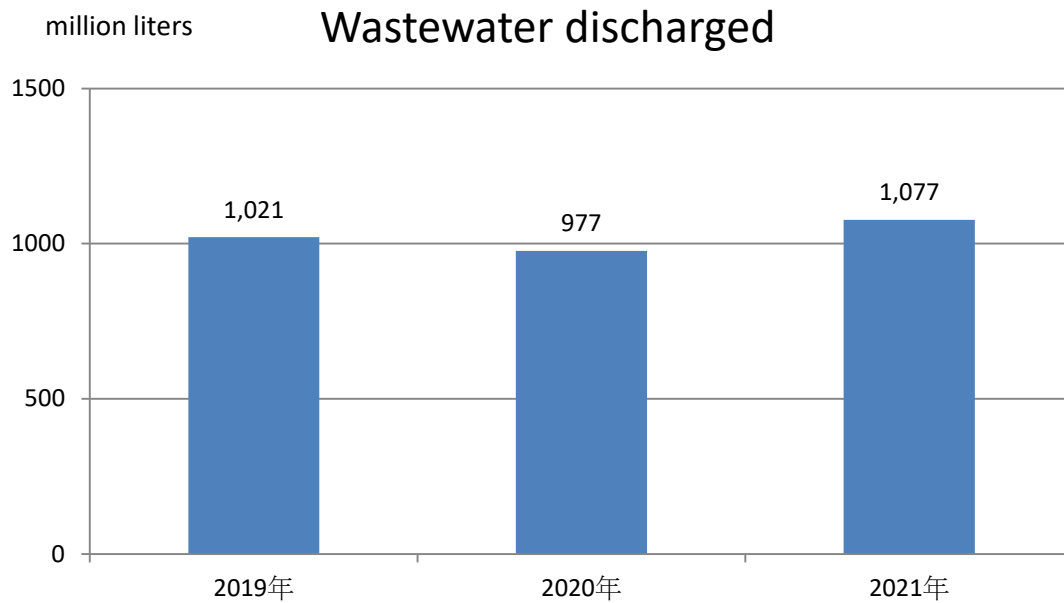
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306-1

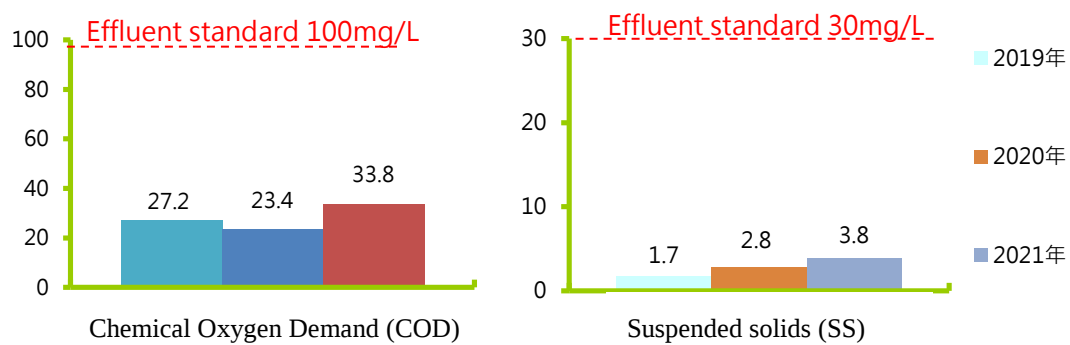
The maximum volume of 6,430 m³ / day is approved to be treated by Ton Yi Industrial Corp. and a special wastewater treatment unit is set up to take charge of the operation and management of the wastewater treatment site in 24-hour shifts, and automatic water quality and quantity monitoring facilities are set up in accordance with the law to transmit the water temperature, hydrogen ion concentration index and conductivity values to the Environmental Protection Bureau of Tainan City Government in real time. In order to make sure that wastewater is treated and discharged in conformity with national effluent standards, and therefore minimize environmental impact, the Company engages EPA-approved institutions to conduct regular tests on the quality of water discharged. The company complies with the standards for sewage treatment and discharge, and the wastewater is discharged to the drainage ditches managed by the Yongkang District Office outside the factory and eventually converged with a local river, Yanshui River, without causing significant impact.

Effluent treatment procedures





Note: The wastewater discharged from the plant is classified as other water (>1,000 mg/L total dissolved solids) according to the water meter measurement, and the wastewater is not used by other organizations. According to the water risk analysis tool developed by the World Resources Institute, Taiwan is not a global water stress area.



Note: The discharge limits and standards are set according to the EPA's effluent standard.

4.4 Waste and Air Pollution Prevention

4.4.1 Air pollution prevention

Air pollution prevention

305-7

Sources of stationary pollution include the following processes: boiler steam production, metal surface cleaning, metal electroplating, metal surface coating, and lithographic printing. The Company has obtained valid permit to operate all of the above process. A class A Air Pollution Control Specialist has been appointed to take regular measurements and report emissions in accordance with applicable laws.

Additionally, we will increase the operation and checks of the prevention equipment in response to the air pollution season or atmospheric air quality deterioration.

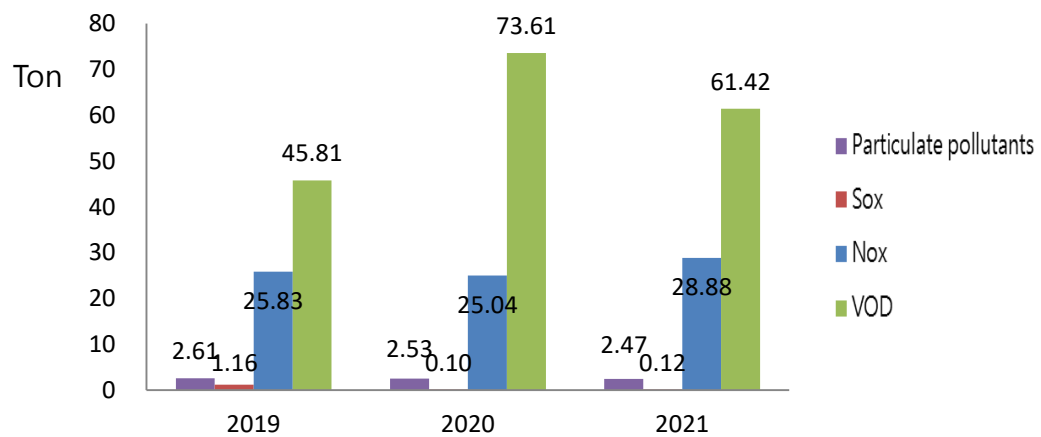
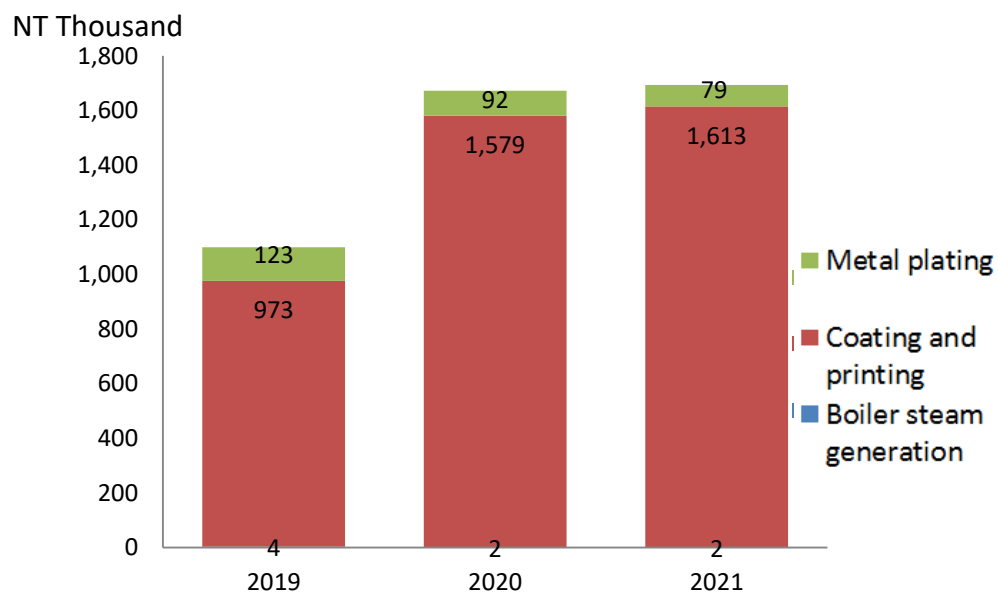
Air pollution emission trend :

In response to climate change, three industrial boilers with dual fuel systems have been completely abolished since 2019, stopping the use of heavy oil as fuel. On August 19, 2019, the company officially obtained the approval by the Environmental Protection Bureau of Tainan City Government to switch to clean and low-carbon energy, natural gas, demonstrating its commitment as a global citizen.

In addition, in response to the amendments in “Air Pollution Prevention and Control Act”, Fees are required from the “Metal Plating Procedures (M03)” which is also included in the Air Pollution Prevention in July 2018, particulate pollutants and heavy metals were added. Therefore, the discharge of pollutants has increased by a large margin compared to recent years.

In the coating process equipment, we has a German-made direct-burning furnace of volatile organic gases, with reduction rate of over 98%, and the heat energy generated by burning VOC is returned to the process for use in the furnace. However, since Q4 2018, we have added a variety of raw materials with large emissions of volatile organic compounds, resulting in an increase in emissions compared with previous years

Since 2020, we have been adjusting the VOC fugitive calculation method of process cleaning agents to meet the requirements of the EPA, resulting in a significant increase in VOC emissions. Additionally, as we have completely changed the fuel of the boiler process and heating process into natural gas, NOx emissions after burning thus increased significantly from 2020.

Comparison of emissions:**Statistics and Comparison of Air Pollution Control Expenses:**

Note: The above statics were calculated according to EPA's Regulations Governing Report of Emission from Stationary Pollution Source in Public and Private Areas and Air Pollution Control Fee Collection Regulations.

4.4.2 Waste treatment

306-2

Waste is sorted in accordance with the EPA's classification specifications. Each of our main factories has established and implemented waste control operating instructions according to the ISO 14001 environmental management system (EMS). Additionally, we also hired waste disposal and treatment contractors licensed by the competent authorities to handle, remove, and clean up waste properly. Each year we also audit waste disposal contractors periodically by law. In 2021, a total of 4 contractors were audited, and all were qualified..

In addition, in response to the issue of climate change, reduce the consumption of various earth resources, strengthen recycling, and continue to pay attention to and invest in the recycling of various wastes. In 2021, although we received disciplinary action for non-compliance with environmental laws and regulations, no significant fine or non-monetary sanction was reported.

Tong Yi Industrial Waste Management Flowchart



Category and volume of waste treated and treatment methods:

Item	Treatment method			
	Incineration	Solidify and landfill	Physical treatment	Re-use
General waste	100%	0%	0%	0%
General industrial waste	2.4%	5.3%	0.3%	92.0%
Hazardous industrial waste	7.2%	73.0%	10.0%	9.8%(thermal treatment)

Note: Data was sourced from the “Industrial Waste Reuse Form” generated by the Industrial Waste Control Center, Environmental Protection Administration, Executive Yuan.

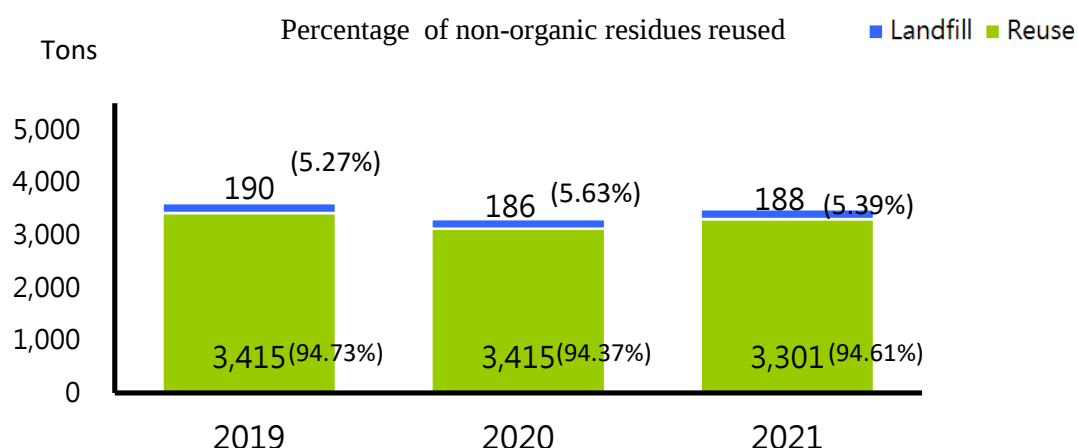
Waste Type	Item	Weight (tons)	Treatment Method
General Waste	Office Waste	193.22	Incineration
Subtotal		193.22	
General Industrial Waste	Waste fire-retardant materials	6.02	Landfill
	Waste paper mixture	7.16	Incineration
	Waste wood mixture	23.44	Incineration
	Inorganic sludge	188.1	Landfill
	Inorganic sludge	3456.25	Recycle and reuse
	Waste activated charcoal	17.72	Landfill
	Non-hazardous organic waste liquids or waste solvents	5.23	Incineration
	Waste lubricants	12.02	Recycle and

Waste Type	Item	Weight (tons)	Treatment Method
			reuse
	Waste oil mixture	264.9	Recycle and reuse
	Waste oil mixture	17.44	Incineration
	Waste plastic mixture	43.7	Incineration
Subtotal		4,041.98	
Hazardous Industrial Waste	Wastewater treatment and sludge of the electroplating process	259.02	Landfill
	Wastewater treatment and sludge of the electroplating process	34.64	Recycle and reuse
	Other abovementioned chemical mixtures or waste containers	0.21	Incineration
	Waste liquid flash point <60°C (excluding alcoholic waste with alcohol by volume below 24%)	25.19	Incineration
	Waste liquid flash point <60°C (excluding alcoholic waste with alcohol by volume below 24%)	35.35	Reuse preparation
	Subtotal	354.41	
Total		4,589.61	

4.5 Circular Economy

Re-use of non-organic residues

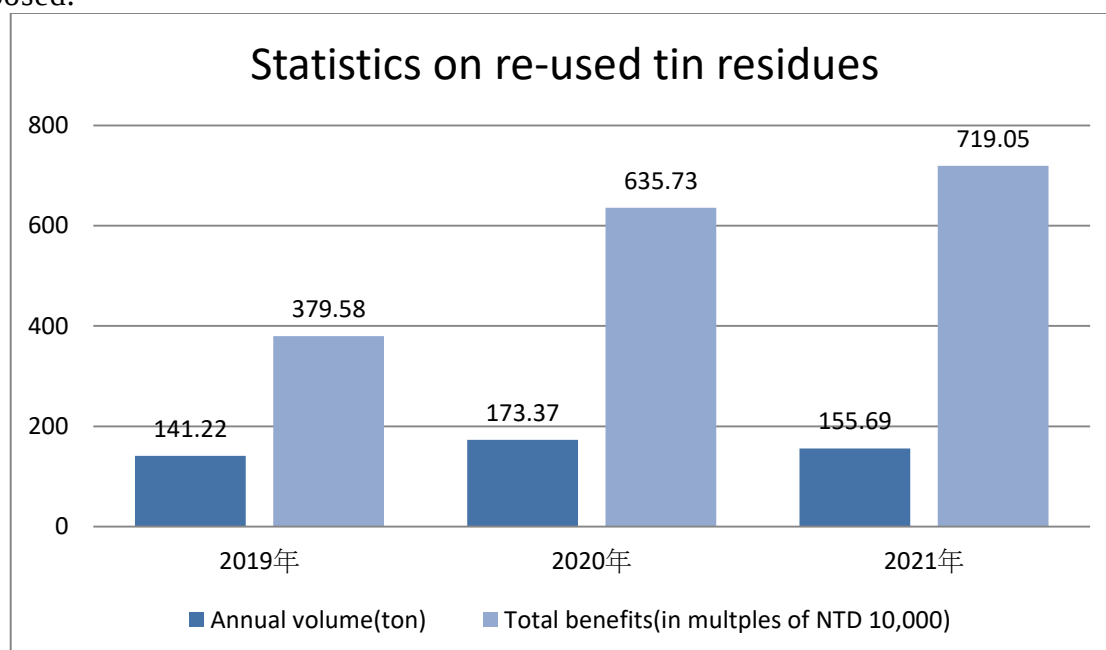
Steel is the main material used in our production process, making iron the primary pollutant found in wastewater. In our water treatment process, these pollutants are oxidized, precipitated, condensed and de-hydrated into non-organic residues mainly consisting of ferric oxide-hydroxide. We have been engaging government-certified waste processing companies to reuse this residue in construction materials.



Note: The percentage of inorganic sludge reuse in 2018 was incorrectly planted last year and will be updated in this annual report.

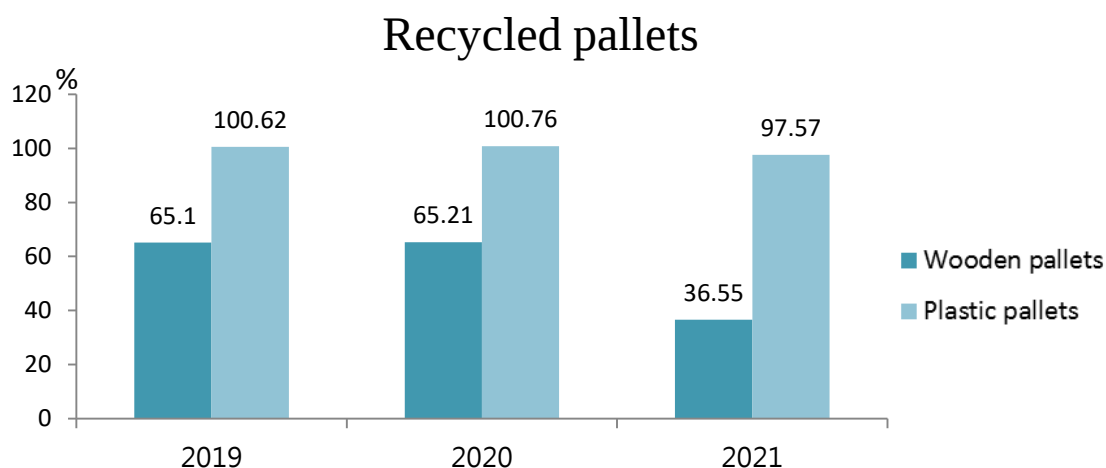
Reuse of tin residues

For tin residues created from tinsplate production, the Company engages grade-2, non-iron local refineries and sought permits from the Industrial Development Bureau, Ministry of Economic Affairs, to re-use the residue in the production of tin-lead ingots. This arrangement incurs no disposal charges from the Company's perspective, and the refineries may even share some of their yields with the Company depending on the global price of tin. Currently, the Company receives about NT\$13,000~NT\$28,000 for every ton of residue disposed.



Recycling and re-use of packaging materials 301-3

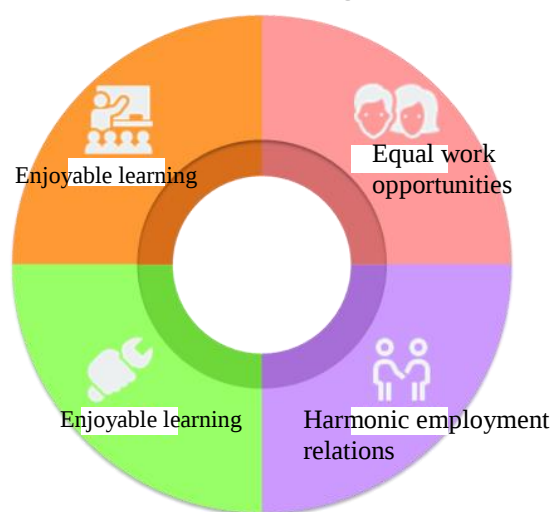
The Company's export/import pallet recycling operations are regulated by common standards that cover every step from inspection, documentation, sorting, cleaning, treatment to storage. Detailed records are being kept for future reference. Furthermore, a "Customer Recycled Packaging Material Quality Record Form" was created to keep track of the pallets recovered.



In 2021, the Company recycled 3,991 wooden pallets (36.55%) and 17,081 plastic pallets (97.61%) in total. The low recovery rate of wooden pallets in 2021 is mainly due to the large number of pallets being replaced with new ones, which will affect the recovery rate, while the plastic pallets will remain unchanged.

Chapter Five Mutual Prosperity

Facing the increasingly stringent labor laws and the rising awareness of labor rights and interests, we have established comprehensive employer-employee communication and grievance filing channels. Allow employees or union groups to respond to problems in a timely manner and address them immediately. We do comply with the provisions of the Labor Standards Law and do not employ child labor or forced labor in order to protect labor rights and interests. We do not discriminate against employees for their gender, nationality, race, religion, or political stance.



By stabilizing the salary system and improving welfare measures, providing education and training, implementing job evaluation and promotion development system, and building a healthy and safe working environment, each employee is able to give full play to his or her talents in the workplace and create a win-win situation together. For the year of 2021, there were no violations of human rights or discrimination incidents, and we did not receive any grievance filing cases.

5.1 Employees information

5.1.1. Human Structure

The Company's Taiwan operations employed a total workforce of 1,126 in 2021. All employees were hired on a permanent basis, and locals comprised 92.06% of the direct production activities, senior executives are all local residents of Taiwan, males accounted for a dominant 90.05% of the employee size.

Statistics of people in the past three years(person)						
Nationality	2019		2020		2021	
	Male	Female	Male	Female	Male	Female
Taiwan	965	119	941	116	932	112
Vietnam	86	0	93	0	72	0
Thailand	22	0	24	0	19	0
Total	1,192		1,174		1,126	

Education Statistics in 2021(person)				
Education	Master's degree	Bachelor	College	Below high school
Senior managers	8	9	3	1
Mid-level managers	12	70	85	23
Specialists	4	50	28	22
Technicians	10	197	246	368

Statistics of job in the past three years(person)			
Statistics of job	2019	2020	2021
Senior managers	20	20	11
Mid-level managers	185	181	190
Specialists	118	121	104
Technicians	869	852	811

5.1.2. Employee Transition

As of Dec.31.2021, new female recruits represented 0.09% of existing employees and exhibited an attrition rate of 0.53%;New male recruits represented 5.5% of existing employees and exhibited an attrition rate of 9.85%

New headcount in 2021(person)								
Age group	Technicians		Specialists		Mid-level managers		Senior managers	
	Male	Female	Male	Female	Male	Female	Male	Female
below30	29	1	2	0	0	0	0	0
30~50	28	0	1	0	0	0	0	0
Above50	1	0	1	0	0	0	0	0
Total	59		4		0		0	

Resigned headcount in 2021(person)								
Age group	Technicians		Specialists		Mid-level managers		Senior managers	
	Male	Female	Male	Female	Male	Female	Male	Female
below30	33	2	1	0	0	0	0	0
30~50	58	0	1	1	0	0	0	0
Above50	12	0	0	3	5	0	1	0
Total	105		6		5		1	

5.1.3. Diversified employment

Upholding the employment diversity concept, by the end of December 2021, our employment diversity included 23 persons with disabilities, 12 persons in excess of the required quota, accounting for 2.04% of all employees. Additionally, we hired 6 indigenous persons, accounting for 0.5% of the total; 72 Vietnamese migrant workers, accounting for 6.39% of the total; and 19 Thai migrant workers, accounting for 1.68% of the total.

5.2 Talent training

5.2.1 Talent training

Ton Yi Industrial offers four different types of training: orientation, common knowledge, managerial courses, and specialized courses. Not only are new recruits required to undergo orientation on their first day, the Company also has a talent training program that focuses core ability, profession skills and management capabilities.

During the COVID-19 pandemic, we implemented the following epidemic control measures:

- 1.e-Learning courses: Employees could take “self-organized” or “outsourced” e-learning courses for “individuals, single machines, distributed areas”.
- 2.Classroom courses:
 - (1) External training courses: All were cancelled (except for courses requested by law and with business emergency that employees may make individual applications to the epidemic crisis handling team for approval before participation).
 - (2) Self-organized internal training courses: They must meet the following requirements before organization:
 - ① Approved by a department or higher supervisor based on the “necessity”.
 - ② Instructors: Limited only to internal instructors and officers of affiliates with the same level of the Company’s epidemic control. Other external instructors were restricted (except for courses given over videoconferencing or e-learning).
- 3.Epidemic control and management measures for training organization: The supervisor of the training organizing department took charge of monitoring and management, such as maintaining well ventilation and social distancing between seats, wearing facemasks at all times, measuring and maintaining exact records of body temperature (once before the class, once in the morning and once in the afternoon for whole-day classes; re-measurement was required when leaving the plant during the class; participants with abnormal body temperature were rejected), and others.

When COVID-19 broke out again in Taiwan in May 2021, we maintained epidemic control at a high level in pace with the group: Temporarily cut all courses in-house given by external instructors; implemented epidemic control measures for enterprise-wide courses: measuring body temperature, sanitizing hands with alcohol, and wearing facemasks before entering the classroom. Many external units also began to organize e-learning courses for employees to keep competence training during the epidemic control period.

New recruits mentoring, passing on experiences

In order to quickly familiarize new recruits into the Company’s environment, new staff training is arranged on the first day of employment. Each unit will teach courses in corporate culture, integrity management, health and safety, and environmental protection. A counselor will be assigned to each new recruit and one-on-one coaching is provided as well as regular review of

the learning with the intention of educating and training professional talents and passing on experiences.

In June 2020, we began to apply to the Workforce Development Agency (WDA) of the Ministry of Labor (MOL) for the Youth Employment Flagship Project and adopt the mentoring system for new employees. By the end of December 31, 2021, a total of 28 employees met the requirements and 21 employees completed the training. The Company applied for training subsidies amounting to NT\$670,800. In 2021, 54 new employees participated in training for a total of 143 times with a total of 393 hours of training.

Training planning, lifelong learning

Each year, the Company explores its own requirements based on existing visions and strategies and arranges courses that meet the needs of individual employees, from managerial skills, common knowledge, environment, health and safety, emotional management, to professional skills. It is our hope to promote continuous learning and ongoing talent development for the mutual benefit of the Company and its employees! The total number of employee training hours in 2021 is 27,837

Item Level	Male			Female			Total		
	Training hours	Number of people	Average training hours	training hours	Number of people	Average training hours	training hours	Number of people	Average training hours
Senior managers	189	19	9.95	16	2	8	205	21	9.76
Mid-level managers	1,696.7	170	9.98	56	20	2.8	1,752.7	190	9.22
Specialists	702	64	10.97	164.5	40	4.11	866.5	104	8.33
Technicians	24,128.2	761	31.71	885.5	50	17.71	25,013.7	811	30.84
Total	26,715.9	1014	26.35	1,122	112	10.02	27,837.9	1,126	24.72

5.3 Employees' Rights

In November 2019, we signed our third "Group Agreement" with corporate unions for the purpose of stabilizing labor relations, promoting labor-management harmony, and protecting employees' rights and interests, as well as providing various welfare measures and leisure activities to create a happy workplace. We have not violated major laws and regulations, labor disputes, employment service laws, and gender work equality laws for more than five consecutive years, demonstrating the care and concern of Ton Yi Industrial Corp.'s employees.



Won the Excellent Unit of Harmonious Labor-Management Relations.

5.3.1 Human rights policy

The company follows the PDCA principles to review and revise the annual education and training program and organize class sessions on human rights-related topics to facilitate continuous improvement. The classes include sharing sessions on workplace equality labor laws -- how companies prevent and handle workplace sexual harassment; prevention of workplace bullying and establishment of gender diversity; friendly work environment. In 2021, a total of 1,031 employees, accounting for 91.5% of all employees, received human rights related training. In 2021, human rights policy courses of a total of 13,068 hours were also organized for a total of 12,479 persons.

Course type	Total people	Hours	Total training hours
Safety and health	834	12,279	12,234.5
Human Resources	8	21	21.5
Physical and mental health	2	36	72
New staff	393	143	740
Total	1,237	12,479	13,068

Note: Total hours are the sum of the training hours of all employees

5.3.2 Labor-management communication

Corporate union

To promote the smooth communication between employer and employee and protect employees' rights and interests, the Company assembled its union in August, 1989. As of the end of 2021, 99.9% of employees excluding those who were prohibited by the labor regulations to join unions had acquired union membership.

In addition to holding the annual member meeting each year, the union votes for the member representatives (9 union directors and 3 supervisors). General and supervisor meetings of the union are held on a regular basis to discuss various topics related to employees. The senior executives of the Company that attend the union member representative meetings or the employee welfare committee will report the Company's operations to the employee representative and communicate directly in the meetings. The drainage problem in the plant parking lot was discussed at the 2021 meeting, and we immediately addressed the problem after the meeting.

We have not received any complaints from employees in 2021. Ton Yi Industrial Corp. will continue to implement smooth labor-management communication channels to fulfill its corporate responsibility to employees.



Asphalt paving

Drainage pipe lap completed

Asphalt paving completed

Labor Conference

There are 14 members representing the employer and employees, with the employee representatives accounting for 1/2 of the members. Before the meetings begin, the employer representatives report to the employee representatives on the status of the company's operations. The meetings also propose motions and discussions on issues such as employee rights, salary and benefits and the company's policies, so that both parties can engage in communication and coordination immediately.

At the 2021 labor-management meeting, the management discussed with the labor the relevant epidemic control measures against COVID-19 before establishing the relevant epidemic control measures. To provide COVID-19 confirmed cases with the “necessary” and “real-time” care and assistance, the “Regulations for the Care and Financial Support for COVID-19 Confirmed Employees” were established as follows:

1. Applicability: COVID-19 confirmed employees.
2. Support criteria: (1) Care consolation money: One-time care consolation money at NT\$32,000.(2) Hospitalization consolation money: NT\$1,000 for each day of hospitalization, to a maximum of 30 days. 3. After acknowledging that an employee is a confirmed case, the immediate supervisor should immediately send regards to that employee, inform him/her of the care and consolation matters, and help him/her to make applications according to these Regulations.

Collective agreement

The company and the union signed a collective agreement for the first time in November 2013 (to be negotiated every 3 years, and the third signing was in November 2019) to protect the rights of both the employer and employees, reinforce the collaboration between the two parties and enhance protection of the union members. The collective agreement was drafted with specific regard to issues such as safety and health measures, training, health checkup, and the Health and Safety Committee. The union exists not only to protect the employees’ interests, but also to care for their health and safety.

5.3.3 Salary and benefits

Salary and benefits :

Employees are the company's most valuable asset. In order to let every employee do their best in the workplace, we regularly evaluate performance and provide reasonable compensation. In terms of looking after our employees, we provide a sound welfare system and facilities that are superior to that the retirement system stipulated by the law, to show our appreciation to the employees' contribution and hard work.

Compensation Management 202-1

The Company's yearly performance appraisal is implemented every December. The total score is based on the results of the Company which decides the bonus and salary scales.

Besides salary management, Ton Yi Industrial pays attention to the salary level of workers. As of the end of December 2021, the average monthly salary of Taiwanese female technicians of Ton Yi Industrial is 1.78 times more than the statutory basic salary in the current period in Taiwan, whereas the average monthly salary of male technicians is about 2.24 times more than the basic salary((The basic salary in 2021 is NT 24,000)). The regular salary to basic salary ratio for male workers is higher than that of female workers due to the fact that the industry is mainly in the direct production. Male employees account for about 93.95% of the direct labor.

Full-time employees who are not in managerial position

Year	2020	2021	Difference
No. of people	1,148	1,108	↓-40
Average salary(thousands)	714	824	↑110
Median salary(thousands)	710	791	↑81

Average monthly salary

Employee gender	Male	Female
Senior managers	5.76	3.75
Mid-level manager	3.02	2.61
Specialists	2.29	2.03
Technicians	2.24	1.78

Subsidies : 401-2

The welfare subsidies provided by Ton Yi Industrial include: labor Insurance premium, National Health Insurance premium, group insurance premium, Life insurance, Injury insurance, employee travel, wedding, childbirth, maternity leave, paternity leave, parental leave, group preferential products, children's education, funeral, birthday cash, retirement cash, festive cash, concession. In 2021 the amounts of subsidies for the Employee Welfare Committee are as follows:

Wedding and funeral subsidies 760,400	Education subsidy 1,484,700	Entertainment activities 4,652,900	Concessions 11,810,959
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Facilities :

Including dormitory, car park, self-served canteen, basketball court, nursery room, employee counseling office, Loaning of camping tents. etc.

Pension system : 201-3

The Company has implemented a “Pension Policy” in accordance with law to govern all matters concerning employees’ pension. It makes monthly contributions of 14% of total salary to the pension account held with Bank of Taiwan in the name of the Supervisory Committee of Workers’ Retirement Preparation Fund which employees may withdraw upon retirement. Overseas subsidiaries also comply with local regulations when developing pension systems. Employees are entitled to receive not only the above pension, but also a commendation and year-end bonus as a token of gratitude for their contributions.

5.3.4 Grievance (counseling) system 402-1

Except for labor conference, corporate union member representative meetings and employee welfare committees, the Company has assembled a “Sexual Harassment Complaint Committee”, the “Reward and Disciplinary Committee”, and the “Appraisal Appeal Committee” to offer different complaint channels. Each committee comprises a minimum percentage of workers’ representative to ensure that employees’ claims are handled in a fair and proper manner.

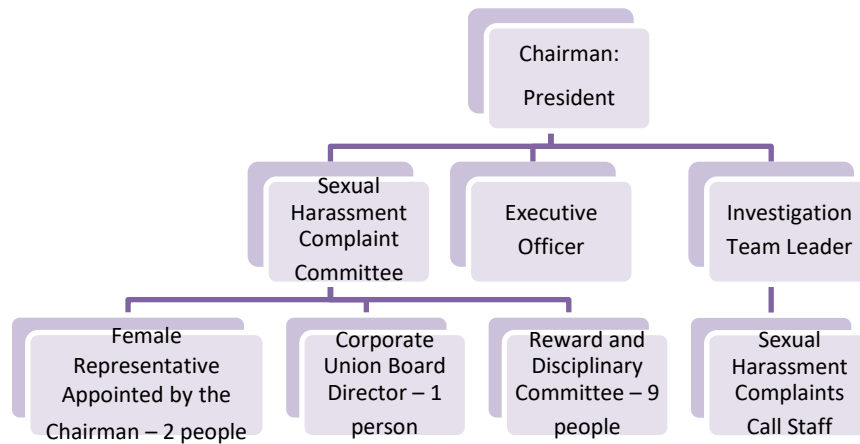
Regarding the shortest notice period of major operational changes, the Company follows Article 16 of Labor Standards Law and shall pre-announce the period of labor termination notice in accordance with the following:

- (1) Ten days for service of three months or more but less than one year.
- (2) Twenty days for service of one year or more but less than three years.
- (3) Thirty days for service of three years or more.

Sexual Harassment Complaint Committee :

The Company supports the concept of gender equality and announcements of “Sexual Harassment Prevention” are promoted within all the plants. “Sexual Harassment Complaint Measures” have been established in order to actively promote various anti-sexist policies and behaviors. In Ton Yi Industrial, any forms of sexual harassment behavior in the workplace is strictly prohibited. In 2021, there were no records of any complaints.

Organization Chart of Sexual Harassment Complaint Committee

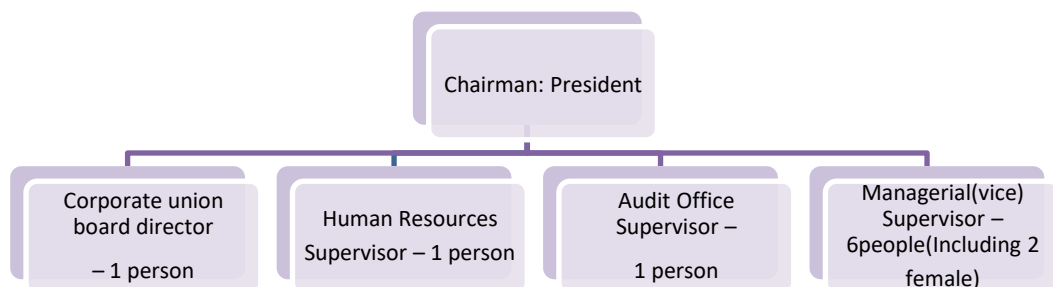


Reward and Disciplinary Committee

In 2021, no reward or discipline was reported by the Reward and Discipline Committee. The committee is operated as follows:

- (1) Employees abide by the management regulations. For behaviors meeting the criteria for rewards or penalties, the supervisor of the department will submit reports to the board of the director for approval, and the cases are forwarded to the reward and disciplinary committee for review.
- (2) When the Reward and Disciplinary Committee is being convened, the concerned persons and the unit's direct supervisor are required to attend. To protect employees' rights, the corporate union board director of the Company is also required to participate and acts as one of the ex officio members of the Reward and Disciplinary Committee. In 2016, a new female supervisor was added to attend Reward and Disciplinary Committee and is one of the committee members.
- (3) The Reward and Disciplinary Committee adopts the system of deliberation, and the Human Resources Department compiles the votes of all committee members and informs the related employees of the rewards or disciplinary results on-site, before engaging in further actions or records based on the announcements and the rewards or disciplinary results.

Organization Chart of Reward and Disciplinary Committee:



Appraisal Appeal Committee :

In 2021, the Evaluation Grievance Committee received no application. The committee is operated as follows:

- (1) The year-end performance appraisal standard of the employees of Ton Yi Industrial Corp. is based on their monthly performance appraisal, working attitude, professionalism and moral character.
- (2) After the year-end performance appraisal is completed, those with any questions or queries regarding the appraisal can file an appeal with the Human Resource Department during the acceptance period of the performance appraisal.. After the appeal application is received, the direct supervisor of the department reviews the facts or reasons for the specific appraisal and provides opinions as reference for review conducted by the performance appraisal appeal committee.
- (3) The Human Resources Department prepares all information and notifies the performance appraisal appeal committee to convene a meeting. The employee filing the appeal and the direct supervisor shall attend the committee meeting to offer their explanations. The performance appraisal appeal committee will reach a resolution and inform the Human Resources Department to either maintain or revise the performance appraisal results for the employee.
- (4) The organization chart of the Appraisal Appeal Committee is as follows, a Chairman and, 2 members in the Committee. Human Resources Supervisor, Unit Supervisor and concerned persons shall attend.

5.4 Health and Safety

At Tong Yi Industrial, “Respect for Life, Attention to OH&S, Total Participation, and Continual Improvement” are the top guiding principles. Based on the concept of putting employees first, we constantly eliminate hazards and reduce risks, and provide a safe and healthy workplace environment. Additionally, based on the corporate OH&S focus, we set “epidemic control and disaster reduction” as the annual OH&S policy and established the OH&S implementation plan to promote OH&S..

2021 Health and Safety Guidelines

Basic philosophy **Epidemic Control and Disaster Reduction**

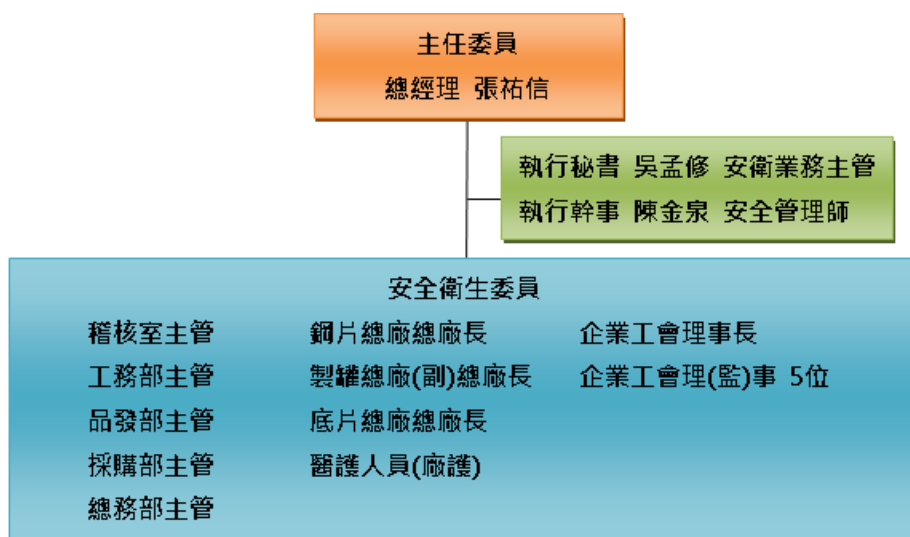
Action focus

- Wash hands frequently, wear masks, maintain social distancing, and implement epidemic control measures exactly.
- Control high-risk operations, maintain good protection habits, eliminate disaster occurrence.

403-4

The Safety and Health Committee is established with the president as the chairman, and the supervisors of relevant units, industrial safety personnel, and employee representatives attend the meetings, of which employee representatives (6) account for 1/3 of the committee (18). The committee meets regularly every three months, with the president as the chairman, and all members jointly consider and review safety and health management issues, such as: safety and health objectives, occupational hazards Accident investigation and statistics, education and training, hazard risk assessment, labor inspection, performance improvement, health inspection, etc.

Structure of the Safety and Health Committee:



Ton Yi Industrial Corp.
Health and Safety Policy

Respect life, health and safety
Full participation and continual improvement

Safety and health commitment

1. Value life and fulfill corporate social responsibility.
2. Comply with government regulations and protect workers.
3. Eliminate hazards, pay attention to physical and mental health, and provide safe and healthy working conditions.
4. Follow education and training policies to integrate safety and health concepts into work processes.
5. Provide a mechanism for workers and their representatives to

5.4.1 Build a healthy workplace

Awarded the Special Investment Award for Traditional Industries at the National Occupational Safety and Health Award.

With the recommendation of the Occupational Safety and Health Administration (OSHA), we participated in the 2021 National Occupational Safety and Health Award-Special Investment Award for Traditional Industries. After presenting our OH&S investment items and effectiveness in the last three years for online review and final evaluation, we were awarded the Special Investment Award for Traditional Industries.



Establishing the “No More Worries” OH&S Family

After becoming the core business of the OH&S Family in 2021, we formed the OH&S Family called “No More Worries” with our contractors to participate in the OH&S Family establishment press conference and flag presentation to extend OH&S

to each family member



2021 OH&S Family Establishment Press Conference



2021 OH&S Flag Presentation



Operational meeting, education and training of the with the “No More Worries” members of OH&S Family in 2021.

Promotion of safety culture

We actively participate in the OH&S Family-related activities organized by the Tainan Labor Affairs Bureau. Due to our excellent activity attendance in 2021, we were included as a target of guidance for safety culture promotion in 2022, so that we can replace labor inspection with guidance. We also participated in related family activities to promote sustainable development to core families and family members.



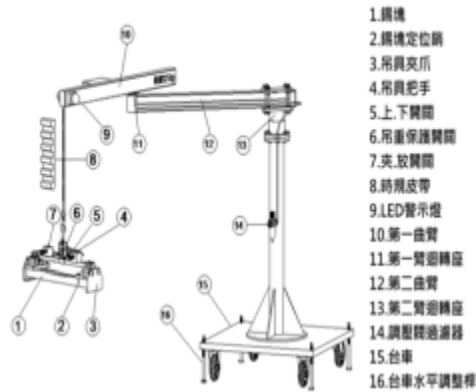
5.4.2 Enhancing work efficiency and safety

➤ Effort-saving equipment for tin ingot handling

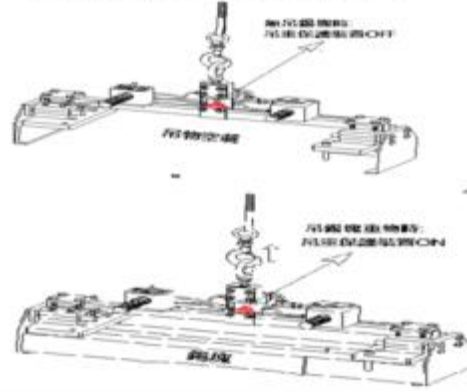
Description:

Replace labor with effort-saving equipment for tin ingot handling to prevent waist and lumbar spine injuries

Description of the structure of effort-saving equipment for tin ingot handling



Tin ingot lifts: Safety device



Benefits:

A safe work environment prevents work-related injuries and enhance work efficiency.



5.4.3 Health and safety management system

403-1

In order to continuously reduce occupational hazards and improve safety and health performance, our company voluntarily follows ISO 45001:2018 and promotes occupational safety and health management system in accordance with CNS 45001:2018 standard, and obtains ISO 45001 and TOSHMS certification.



Management system operation architecture

403-1

The Occupational Safety and Health Management System ISO 45001 covers all employees and related workers' operational activities, and follows the systematic management and operation framework of P-D-C-A to continuously eliminate hazards and reduce the risk of occupational hazards. Adhering to the spirit of continuous improvement of ISO 45001, there are 559 safety and health proposals improvement cases in 2021, accounting for 15% of the company's total number of cases. The proposers will be rewarded for their proposals, and the work environment and management will be continuously improved through the participation of employees.

ISO 45001 Management system operation architecture

ISO 45001 Framework	Relevant procedures for Ton Yi Industrial Corp.
4 Sections before and after the organization	◆ Sections in treatment procedures before and after the organization
5 Leading and worker participation	◆ Occupational safety and health roles and responsibilities, safety and health committees, consultation and participation, etc.
6 Planning	◆ Risk and opportunity assessment, regulatory identification, objectives and programs
7 Support	◆ Education and training, internal and external communication, document/record control
8 Operation	◆ 24 procedures such as security and operational planning control
9 Performance evaluation	◆ Regulatory audits, performance measurement and monitoring, internal audits, management reviews, safety inspections
10 Improvement	◆ Incident investigation, non-compliance and corrective measures, safety observation activities, and management of recurring violations

Staff consultation and participation

403-2

Through this mechanism, employees can actively participate in the operation of the system and communicate in both directions to implement safety and health management and solve safety and health problems. To employees making or participating in OH&S-related inquiries, we have stipulated in the Consultation and Participation Management Procedures that the Company shall not impose unfavorable treatment on employees. We have also set up a suggestion box at the labor union to provide employees with more comprehensive communication channels.

(Labor union email: entpuni@tonyi.com.tw)

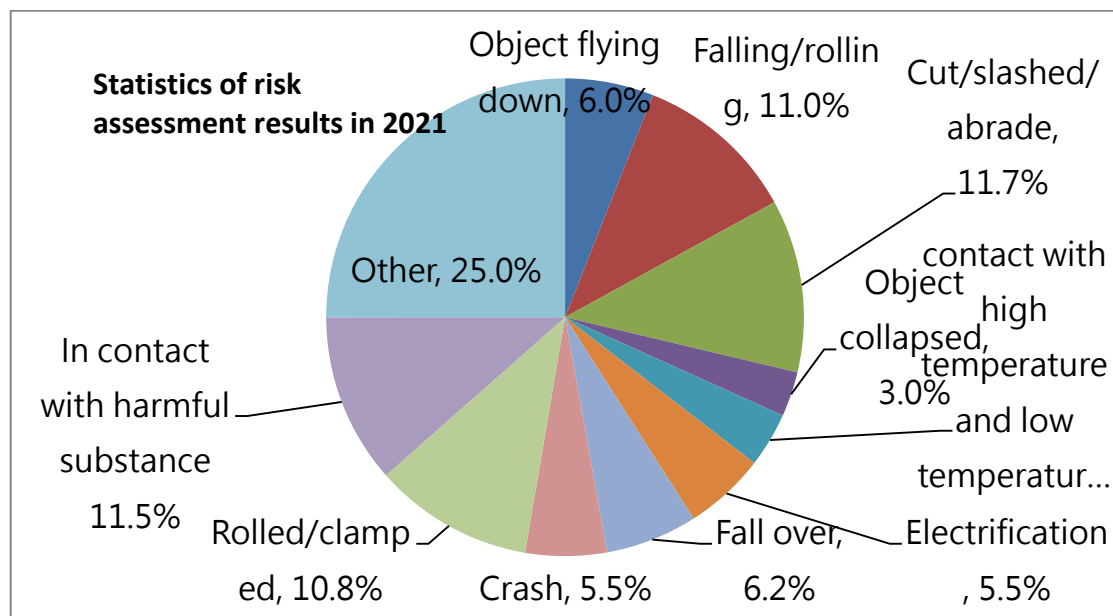
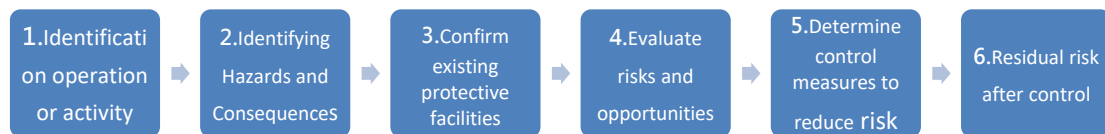
403-2

5.4.4 Hazard Identification Risk Assessment

The Company has established a hazard assessment promotion team and the personnel performing the hazard assessment are required to receive hazard assessment training. We identify the risk factors in the working environment, consider any existing control measures, evaluate the risks caused by hazards, decide on ways to reduce the risks, and set up safety and health management programs for continuous improvement. 2021 hazard risk assessment results show that the four types of hazards with a high proportion in our company include being cut, being caught and rolled, falling and rolling, and contact with hazardous materials.

【Risk assessment workflow】

403-7



【Risk Control Planning Form】 403-2

Risk Level	Risk Control Planning	Remark
5-Significant Risks	Risk reduction facilities should be taken immediately and operations should not commence or continue until the risk has been reduced.	Unacceptable risk: For significant and high risks, risk reduction control facilities must be developed to reduce the risk to moderate (inclusive).
4-High risk	Risk control facilities must be adopted within a certain period of time, and operations cannot begin until the risk is reduced.	
3-Moderate risk	Efforts should be made to reduce risks, such as 1. It is advisable to gradually adopt risk reduction facilities to gradually reduce the proportion of moderate risks. 2. For medium risks of critical (S4) or serious (S3) severity, it is advised to further assess their likelihood as the foundation for facility improvement and control.	Moderate Risk: Efforts must be made to reduce risk.
2-Low risk	Temporary, risk reduction facilities are not required, but the effectiveness of existing protective facilities must be ensured.	Acceptable risk: The mechanism of repair and maintenance, monitoring and verification, and education and training of existing protection facilities shall be implemented or strengthened.
1-Mild risk	Risk reduction facilities are not required, but the effectiveness of existing protective facilities must be ensured.	

When an employee is found to be in immediate danger while working, he/she shall stop the operation and retreat to a safe place in accordance with the law and immediately report to his/her immediate supervisor. The supervisor shall immediately implement hazard identification and risk assessment, and take risk reduction control measures, and no unfavorable points shall be given to the employee.

5.4.5 Investigation and Improvement of Occupational Accidents 403-2

Occupational disaster accident investigation invites unit supervisors, operators, safety and health managers, labor representatives and other relevant professionals to form an accident investigation team to investigate and analyze the cause of the accident and to prepare corrective measures.

With zero hazards being the target, all employees devote to lowering the occurrence of occupational accidents. When sporadic industrial safety accidents occur, we re-assess the risks of the corresponding operations, make continual improvement of the work environment, and enhance workplace safety and health.

- Industrial safety guidance and audits were implemented by Uni-President to eliminate hidden hazards.
- To eliminate unsafe behaviors and prevent occupational accidents from occurrence, we constantly promote safety observation activities.
- Every six months, the president performs in-house safety checks together with the unit supervisors and industrial safety personnel, requests for defect improvement, and lists items with outstanding performance for the reference of other plants.
- Establish safety and health assessment plans, increase the frequency of industrial safety audits, and propose management control measures for

- recurring violations.
- Implement the zero accident movement, hoping that all units can prevent accidents from occurrence together. Those achieving the zero accident target will receive a bonus. In 2021 we granted bonuses amounting to NT\$101,680.
 - Based on the forklift safety protection improvement project, safety protection devices were installed and added to forklifts in different zones. The improvement of 32 forklifts was completed.

【Occupational disaster type statistics】

Type	2019	2020	2021
1. Cut,slashed,abraded	1	2	1
2. Rolled and clamped	3	1	1
3. Rolling, falling	0	1	0
4. Fall over	3	0	0
5. Crash	0	0	1
6. Impact	0	0	2
7. Non-commuting traffic accidents	0	0	1
8. Others	0	0	1

【Occupational Disaster Statistics Index】

403-9

Item\Year	2019	2020	2021	Industries similar to the metal product manufacturing industry
Disabling injury frequency rate (FR) (Same as injury rate, recordable occupational injury rate)	3.92	1.71	3.14	2.28
Disabling severity rate (SR)	26	14	29	180
Frequency severity index (FSI)	0.31	0.15	0.3	0.64
Average days charged per disabling injury (days charged/injured no. of people)	6	9	10	78.94
Number of lost work days	5.13	2.99	5.84	7.1
Disability Injuries	9	4	7	731
Number of serious occupational injuries	0	0	0	43
Serious occupational injury rate	0	0	0	16.13
Occupational injury deaths	0	0	0	2
Occupational Accident Mortality	0	0	0	2.74
Number of occupational diseases	0	0	0	-
Incidence of occupational diseases	0	0	0	-
Absence rate	0.27%	0.27%	0.39	-

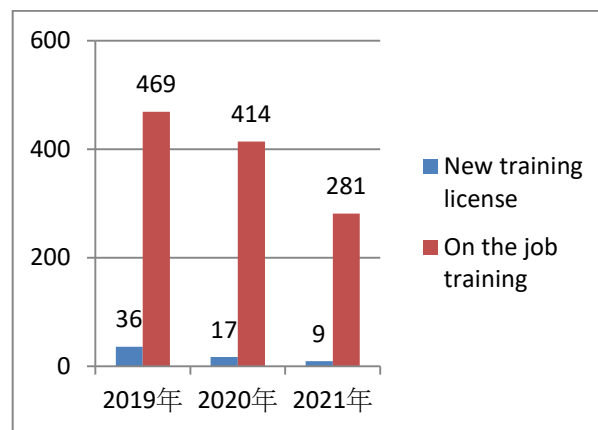
Annual total working hours of employees	2,298,184	2,343,840	2,225,064	320,233,888
Note	The calculation method for the aforementioned performance is based on the benchmark published by the Ministry of Labor, and is calculated in terms of one million working hours. Statistical objects are employees of the company.			

5.4.6 Education, training and disaster prevention drills

403-3

403-5

In order to enrich the safety and health knowledge and professional ability of our employees, a safety and health education and training program has been established and various courses are planned. All course fees are paid by the company, and employees are encouraged to attend the training by providing compensatory time off if they attend professional certification training outside of work hours. We also give priority to sending employees to attend safety and health promotion meetings or lecture courses held by competent authorities to enhance employees' ability to identify hazards and understand the information of competent authorities and new information of laws and regulations.



Training for safety and health license certification

List of major safety and health courses in 2021

- ◆ On-the-job education and training for first responders.
- ◆ On-the-job education and training for supervisors of hazardous jobs
- ◆ Education and training for would-be core businesses of OH&S Family.
- ◆ On-the-job education and training for crane and lift operators.
- ◆ On-the-job education and training for forklift drivers.
- ◆ Fire prevention education and training/emergency response drill
- ◆ Hazard risk assessment and legal audit courses
- ◆ 2021 OH&S VR education and training
- ◆ Others...

VR motion-sensing education and training

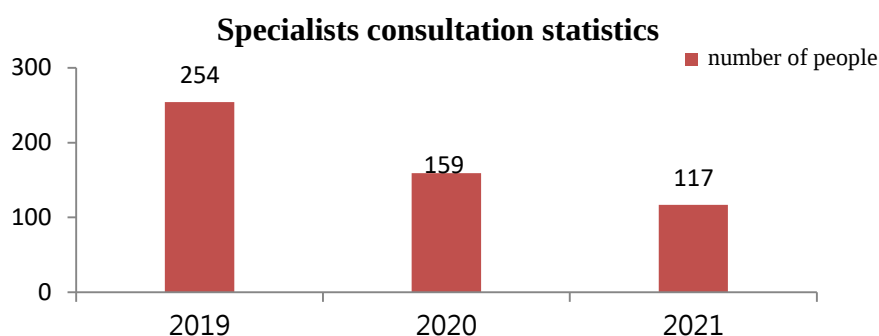
In 2021 we used VR devices in training and education related to industrial safety for employees to have a more lifelike feeling and correctly understand the SOPs and points for notice to enhance employees' OH&S awareness.



5.4.7 Occupational Health Services and Health Screening

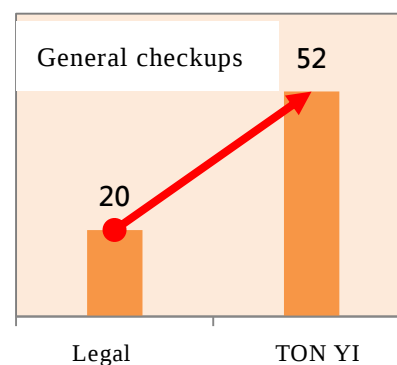
◆ Specialized physician clinical health services

A physician from the Department of Occupational Medicine at Kuo General Hospital serves as our special physician for health services. He provides on-site health services twice a month to provide employees with health guidance and advice, and visits the site from time to time. The main clinical services include health examination result consultation, job selection and assignment return to work assessment, workplace environmental hazard assessment, work load assessment, health consultation and guidance, etc. The dates, locations, and services of the clinical health services are announced and available to all employees by appointment.



◆ Looking after our Employees

The Company organizes regular health checkups (including general checkups, special checkups, health examination items for food safety operators and workers who work at long-term night shifts.) for employees. In order to take care of our employees, we have increased the number of general health checkups from the statutory 20 to 52, so that employees can understand their health situation and achieve disease prevention and health promotion through health checkups in a more comprehensive manner. In order to enhance the willingness of the health check-ups, the check-ups are arranged in four steps in the company so that employees can be examined directly during work hours. For those who have questions or abnormalities, they can consult with a special doctor who will explain them to them. In addition, the factory nurse implements employee health management, tracking the status of employees' repeat examinations and health education and promotion.



【Health checkups in 2021】

Type	Number of people examined	Check rate	Description	Health Check Amount
1. general checkups	-	-	This is implemented once every two years for all employees.	285,000
2. special checkups	355 人	95.2%	Includes noise, free radiation, dust, hexane, chromic acid, mercury and other operations.	
3. Long-term night specific health check	-	-	Long-term night workers are inspected.	
4. Health examination items for food safety operators	359 人	94.2%	Food safety related workers are inspected.	



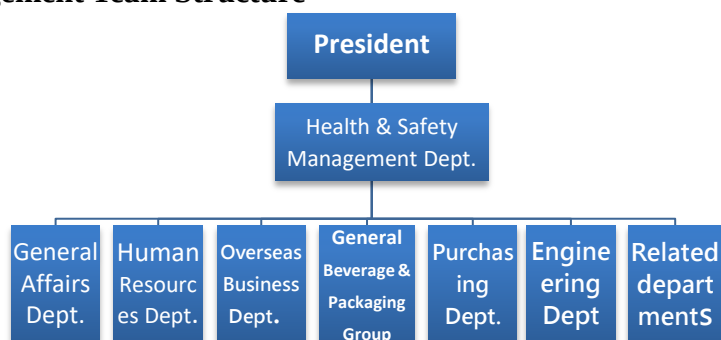
Employees actively participate in health screening

5.4.8 COVID-19 Epidemic Prevention

Forming the COVID-19 crisis response team

In response to the outbreak of COVID-19, we formed the COVID-19 crisis response team and established the “Points for Notice During COVID-19 Prevalence” to capture the information of the Central Epidemic Control Center and periodic meetings, maintain information contact with Uni-President, unfold various epidemic controls and reports, and decide on measures related to epidemic control.

Crisis Management Team Structure



Duty of the COVID-19 Crisis Management Group

- Convener : Coordinate, communicate, collect information and submit reports.
- Health & Safety Management Dept. : Integrate information and stay on top of the situation to respond in real time.
- Human Resources Dept, Overseas Business Dept, General Beverage & Packaging Group : Announcement of personnel attendance and cross-border status.
- General Affairs Dept : Personnel access control, environmental sanitation and maintenance.
- Purchasing Dept : Provide guidance to raw material suppliers to establish relevant corresponding measures and assist in purchasing protective equipment, etc.
- Engineering Dept, Purchasing Dept, General Affairs Dept : Control and negotiation of contractors (including transportation firms) operation management.

Unfolding COVID-19 epidemic control

Based on the epidemic development, the COVID-19 Crisis Response Team implemented rolling review, revised the Points for Notice During COVID-19 Prevalence, and announced epidemic control measures for all employees to implement epidemic control measures, maintain “epidemic control awareness”, and implement personal epidemic control to “block” the chance for virus transmission.

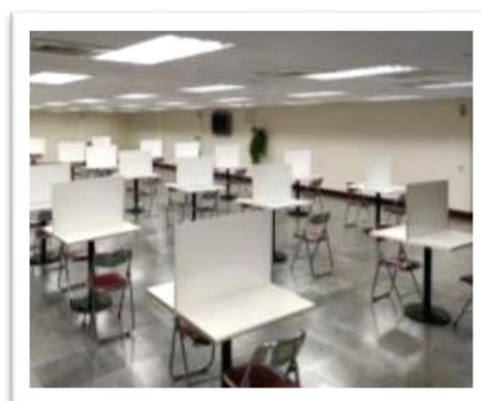
[COVID-19 Epidemic Control Measures]

Epidemic Control Measures	Content Description
Epidemic Control Meeting	The president and members of the response team held the epidemic control meeting on Mondays.
Body temperature measurement	Employees measured body temperature daily: Body temperature measurement before duty at access control.
Overseas employees	1. Employees were requested to take 10 days of home isolation or concentration isolation and 7 days of self-imposed health management and were not allowed to enter the company; 2. Those who needed to enter the company for office affairs must present a PCR-negative report; and (3) Wear facemasks at all times at work.
Epidemic control supplies	1. Keep a stock of 12,000 facemasks; 2. keep a stock of 380 rapid test kits.
Other measures	Implemented according to the Points for Notice During COVID-19 Prevalence.

【Photos of Epidemic Prevention Measures】



Body temperature scanners and alcohol hand sanitizers



Epidemic control partitions in the dining area



COVID-19 section on the employee portal

Health education and outreach of epidemic control

Based on the theme of “COVID-19 Epidemic” Control Health Promotion Plan, the contents of the activities implemented in 2021 are as follows:

Course Topics	Myocardial Infarction Health Education and Outreach	CPR and AED Operation Instruction	Hypertension Prevention Health Education and Outreach
Number of participants	408	29	17
Instructors	Factory nurse of the tin mill black plate (TMBP) factory	Yanhang Division, Fire Department	Factory nurse of the tin mill black plate (TMBP) factory
Picture			

Influenza vaccination

In the fall and winter of 2021, in addition to the COVID-19 outbreak, we are also at risk of an influenza outbreak in the fall

and winter.

- In response to the government's promotion, we are providing subsidies to encourage our employees to pay attention to their health.
- We make announcements of providing subsidies related to influenza vaccination to encourage colleagues to get vaccinated. In cooperation with the Department of Health of Tainan City Government, arrangements were made to set up a station at the company to receive the publicly funded influenza vaccine and encourage colleagues to receive the vaccine. 94 people in total completed the vaccination at the company.



5.5 Community

5.5.1 Community involvement

The Company engages its neighbors in constructive interaction, and devotes itself to charity with the intention of giving back what was gained from the society. We continually support the development of the society and aim on improving living standards for all.

The Company is situated next to the Yanshuei River, which is prone to flood in the event of Typhoon or heavy rain. For this reason, employees are regularly assigned to clear drainage obstruction especially during rainy season.

In addition of giving back to the neighborhood and promoting sound interaction with the local community, the Company has also been active in monitoring air quality and health conditions in the surrounding environment. Meanwhile, pro-active control measures are being taken for the sustainability of the environment.

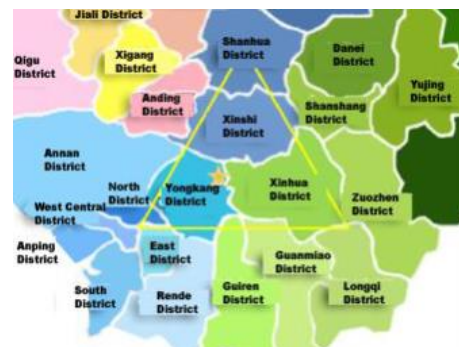
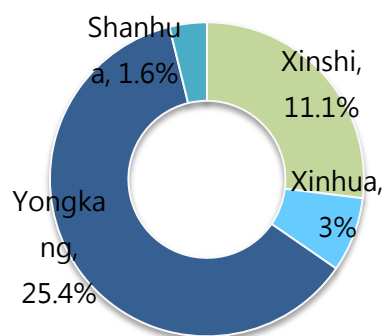
1. The Company maintains close communication with local residents and nearby businesses.
2. The Company sponsors festive and religious celebrations and shows its support to new administrations. A total of 130 cases of beverages.



5.5.2 Promoting local employment

Employees from nearby districts (Yongkang, Xinshi, and Xinhua) accounted for 41.27% of total employees in Ton Yi Industrial.

2021 Staff Statistics



Over the years, Ton Yi Industrial Corp. has actively participated in recruitment activities organized by schools, communities and service centers in the vicinity. In response to the COVID-19 epidemic control measures, in 2021 personnel of employment service centers recruited talents for us based on the job openings we offered. We participated in a total of 32 recruitment activities. Additionally, to ensure epidemic control, all visits from schools were cancelled in 2021.

Assurance Summary Table

Report Assurance

編號	確信標的資訊	適用基準	頁碼
1	非擔任主管職務員工平均薪資 824 仟元，中位 791 仟元。	公開資訊觀測站申報系統「非擔任主管職務之全時員工薪資資訊申報作業說明」及「相關 FAQ」。	77
2	截至 2021 年底，除依勞動法令規定不得加入企業工會之員工外，企業工會會員佔員工總人數高達 99.9%。	2020 年 12 月工會之員工人數佔年度結束日總員工人數（排除依勞動法令規定不得加入企業工會之員工）之百分比。	75
3	截至 2020 年 12 月底止，統一實業台籍基層技術人員女性工平均月薪資為當期台灣地區法定基本工資的 1.78 倍，技術人員男性工的平均月薪資約為基本工資的 2.24 倍。	截至 2020 年 12 月 31 日，依公司定義之基層員工，按性別統計全年薪資及報酬費用並計算平均月報酬。平均月報酬除以勞動部公告基本工資之比率。	77
4	2021 年度員工總受訓時數 27,837 小時。	2020 年度符合統實教育訓練辦法完成之教育訓練時數總和。	74
5	2021 年總計回收木棧板 3,991 個(回收率 36.55%)，塑膠棧板回收 17,081 個(回收率 97.61%)。	2021 年依公司系統中之木棧板及塑膠棧板當年度回收數量除以當年度出貨數。	69

9編號	確信標的資訊	適用基準	頁碼																																																																																																										
6	2021年新進人員統計(人) <table><tr><th rowspan="2">年齡層</th><th colspan="2">技術人員</th><th colspan="2">專業人員</th><th colspan="2">中階管理人員</th><th colspan="2">高階管理階層</th></tr><tr><th>男</th><th>女</th><th>男</th><th>女</th><th>男</th><th>女</th><th>男</th><th>女</th></tr><tr><td><30歲</td><td>29</td><td>1</td><td>2</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>30歲~50歲</td><td>28</td><td>0</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>>50歲</td><td>1</td><td>0</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>合計</td><td>59</td><td></td><td>4</td><td></td><td>0</td><td></td><td>0</td><td></td></tr></table> 2021年離職人員統計(人) <table><tr><th rowspan="2">年齡層</th><th colspan="2">技術人員</th><th colspan="2">專業人員</th><th colspan="2">中階管理人員</th><th colspan="2">高階管理階層</th></tr><tr><th>男</th><th>女</th><th>男</th><th>女</th><th>男</th><th>女</th><th>男</th><th>女</th></tr><tr><td><30歲</td><td>33</td><td>2</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>30歲~50歲</td><td>58</td><td>0</td><td>1</td><td>1</td><td>0</td><td>0</td><td>0</td><td>0</td></tr><tr><td>>50歲</td><td>12</td><td>0</td><td>0</td><td>3</td><td>5</td><td>0</td><td>1</td><td>0</td></tr><tr><td>合計</td><td>105</td><td></td><td>6</td><td></td><td>5</td><td></td><td>1</td><td></td></tr></table>	年齡層	技術人員		專業人員		中階管理人員		高階管理階層		男	女	男	女	男	女	男	女	<30歲	29	1	2	0	0	0	0	0	30歲~50歲	28	0	1	0	0	0	0	0	>50歲	1	0	1	0	0	0	0	0	合計	59		4		0		0		年齡層	技術人員		專業人員		中階管理人員		高階管理階層		男	女	男	女	男	女	男	女	<30歲	33	2	1	0	0	0	0	0	30歲~50歲	58	0	1	1	0	0	0	0	>50歲	12	0	0	3	5	0	1	0	合計	105		6		5		1		截至 2021 年度結束日，人資系統中按性別和年齡組別進行統計之新進和離職人員人數總和。	72
年齡層	技術人員		專業人員		中階管理人員		高階管理階層																																																																																																						
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7	供應商回覆「供應商社會責任承諾書」比率達100%。	截至2021年12月31日，供應商社會責任承諾書回收數量佔全部合格供應商比率。	42																																																																																																										
8	全年度環保支出66,452仟元，投入之環保投資為6,894仟元。	環保支出 2021年環保支出為下列類型支出金額總和。 空氣：固定污染源檢測費、 固定污染源空氣污染防制費(塗裝及印刷作業程序)、固定污染源空氣污染防制費(鍋爐蒸氣產生程序) 水：廢水水質檢測費、 廢水處理設施操作維護費用、水污染防治費 廢棄物：廢棄物檢測費、 廢棄物清除處理費、土壤及地下水污染整治費 環保投資 為申報至能源局之2021年節能專案投資金額總和。	47																																																																																																										



會計師有限確信報告

會資綜第字 21020401 號

統一實業股份有限公司 公鑒：

本事務所受統一實業股份有限公司（以下稱「貴公司」）之委任，對 貴公司選定 2021 年度永續報告書所報導之績效指標執行確信程序。本會計師業已確信竣事，並依據結果出具有限確信報告。

確信標的資訊與適用基準

有關 貴公司選定 2021 年度永續報告書所報導之績效指標（以下稱「確信標的資訊」）及其適用基準詳列於 貴公司 2021 年度永續報告書第 95 至 96 頁之「確信項目彙總表」。前述確信標的資訊之報導範圍業於永續報告書第 16 頁之「報告書範疇與邊界」段落述明。

管理階層之責任

貴公司管理階層之責任係依照適當基準編製永續報告書所報導之績效指標，且維持與績效指標編製有關之必要內部控制，以確保績效指標未存有導因於舞弊或錯誤之重大不實表達。

會計師之責任

本會計師係依照確信準則公報第一號「非屬歷史性財務資訊查核或核閱之確信案件」，對確信標的資訊執行確信工作，以發現前述資訊在所有重大方面是否有未依適用基準編製而須作修正之情事，並出具有限確信報告。

本會計師依照上述準則所執行之有限確信工作，包括辨認確信標的資訊可能發生重大不實表達之領域，以及針對前述領域設計及執行程序。因有限確信案件取得之確信程度明顯低於合理確信案件取得者，就有限確信案件所執行程序之性質及時間與適用於合理確信案件者不同，其範圍亦較小。

本會計師係依據所辨認之風險領域及重大性以決定實際執行確信工作之範圍，並依據本委任案件之特定情況設計及執行下列確信程序：

- 對參與編製確信標的資訊之相關人員進行訪談，以瞭解編製前述資訊之流程、所應用之資訊系統（若適用），以及攸關之內部控制，以辨認重大不實表達之領域。

資誠聯合會計師事務所 PricewaterhouseCoopers, Taiwan
701024 台南市東區林森路一段 395 號 12 樓
12F, No. 395, Sec. 1, Linsen Rd., East Dist., Tainan 701024, Taiwan
T: +886 (6) 234 3111, F: +886 (6) 275 2598, www.pwc.tw



- 基於對上述事項之瞭解及所辨認之領域，對確信標的資訊選取樣本進行查詢、觀察及檢查等測試，以取得有限確信之證據。

此報告不對 2021 年度永續報告書整體及其相關內部控制設計或執行之有效性提供任何確信。

會計師之獨立性及品質管制規範

本會計師及本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、專業能力及盡專業上應有之注意、保密及專業態度。

本事務所適用審計準則公報第四十六號「會計師事務所之品質管制」，因此維持完備之品質管制制度，包含與遵循職業道德規範、專業準則及所適用法令相關之書面政策及程序。

先天限制

本案諸多確信項目涉及非財務資訊，相較於財務資訊之確信受有更多先天性之限制。對於資料之相關性、重大性及正確性等之質性解釋，則更取決於個別之假設與判斷。

有限確信結論

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

其它事項

貴公司網站之維護係 貴公司管理階層之責任，對於確信報告於 貴公司網站公告後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。

資 誠 聯 合 會 計 師 事 務 所

會計師 林永智



中 華 民 國 1 1 1 年 7 月 1 8 日

GRI Index

GRI	Indicators		Page	Chapter	Notes
GRI 102: 2016	Organization Profile				
	102-1	Name of the organization	17-21	2.1 About Ton Yi Industrial	
	102-2	Activities, brands, products, and services			
	103-3	Location of headquarters			
	102-4	Location of operations			
	102-5	Ownership and legal form			
	102-6	Markets served	21		
	102-7	Scale of the organization	18		
	102-8	Information on employees and other workers	70-72	5.1 Employees information	
	102-9	Supply chain	40	3.2 Supply Chain Management	
	102-10	Significant changes to the organization and its supply chain	16	1.5 Report Profile	
	102-11	Precautionary Principle or approach	28-31	2.4 Risk Management	
	102-12	External initiatives	-	None	
	102-13	Member of associations	33	2.6 Participation in External Organizations and Initiatives	
	Strategy				
	102-14	Statement from senior decision-maker	5-6	Messages from the Management	
	102-15	Key impacts, risks and opportunities	28-31	2.4 Risk Management	
	Ethics and Integrity				
	102-16	Values, principles, standards, and norms of behavior	25	2.3 Corporate governance	
	Governance				
	102-18	Governance structure	26	2.3 Corporate governance	
	Stakeholder Communication				
	102-40	List of stakeholder groups	9	1.1 Material Issues	
	102-41	Collective bargaining agreements	76	5.3 Employees' Rights	
	102-42	Identifying and selecting stakeholders	8	1.1 Material Issue	

	102-43	Approach to stakeholder engagement	12		
	102-44	Key topics and concerns raised	12		
	Reporting Practice				
	102-45	Entities included in the organization's consolidated financial statements	16	1.5 Report Profile	
	102-46	Defining report content and topic Boundaries			
	102-47	List of material topics	10	1.1 Material Issue	
	102-48	Restatements of information	-	No information re-editing in this year	
	102-49	Changes in reporting	10	1.1 Material Issue	-
	102-50	Reporting periods	16	1.5 Report Profile	
	102-51	Date of most recent report			
	102-52	Reporting cycles			
	102-53	Contact point for questions regarding the report			
	102-54	Claims of reporting in accordance with the GRI Standards			
	102-55	GRI content index	100-106	GRI Index	
	102-56	External assurance	96-99	Report Assurance	
Material Issue					
Economic Performance					
GRI 103: 2016	103-1	Explanation of material topic and its Boundary	11	1.1 Material Issues	
	103-2	The management approach and its components	22	2.2 Economic Performance	
	103-3	Evaluation of the management approach	14	1.3 Performance	
GRI 201: 2016	201-1	Direct economic value generated and distributed	24	2.2 Economic Performance	
	201-2	Financial Impacts and Other Risks and Opportunities of Climate Change	50-54	4.2 Climate Change and energy management	
	201-3	Defined benefit plan obligations and other retirement plans	77-78	5.3 Employees's Rights	
	201-4	Financial assistance received from government	24	2.2 Economic Performance	
Risk management					

GRI Index

GRI 103: 2016	103-1	Explanation of material topic and its Boundary	11	1.1 Material Issues	
	103-2	The management approach and its components	28	2.4 Risk management	
	103-3	Evaluation of the management approach	28-31		
GRI 102: 2016	102-15	Key impacts, risks and opportunities	28-31		
Regulatory compliance (environmental protection, social economy)					
GRI 103: 2016	103-1	Explanation of material topic and its Boundary	11	1.1 Material Issues	
	103-2	The management approach and its components	31	2.5 Compliance	
	103-3	Evaluation of the management approach	31-32	2.5 Compliance	
GRI 307: 2016	307-1	Non-compliance with environmental laws and regulations	31-32	2.5 Compliance	
GRI 419: 2016	419-1	Non-compliance with laws and regulations in the social and economic area	31-32	2.5 Compliance	
Climate change and Energy management					
GRI 103: 2016	103-1	Explanation of material topic and its Boundary	11	1.1 Material Issues	
	103-2	The management approach and its components	46	4 Sustainable Environment	
	103-3	Evaluation of the management approach	14	1.3 Performance	
GRI 302: 2016	302-1	Energy consumption within the organization	55	4.2 Climate Change and energy management	
	302-3	Energy intensity			
	302-4	Reduction of energy consumption	57-58		
GRI 305: 2016	305-1	Direct (Scope 1) GHG emissions	56		
	305-2	Energy indirect (Scope 2) GHG emissions			
	305-3	Other indirect (Scope 3) GHG emissions			
	305-4	Reduction of GHG emissions	56-57		
Water/Air pollution/Waste management					
GRI 103: 2016	103-1	Explanation of material topic and its Boundary	10	1.1 Material Issues	
	103-2	The management approach and its components	46	4 Sustainable Environment	
	103-3	Evaluation of the management approach	14	1.3 Performance	
GRI 303: 2018	303-1	Interaction of shared water resources	69-62	4.3 Water resource management	

	303-2	Management of Drainage-Related Shocks	62-63	4.3 Water resource management	
	303-3	Water withdrawal	61	4.3 Water resource management	
	303-4	Displacement	63	4.3 Water resource management	
GRI 305: 2016	305-7	Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions	64	4.4 Waste and Air pollution prevention	
GRI 306: 2020	306-1	Waste generation and significant waste-related impacts	65-67	4.4 Waste and Air pollution prevention	
	306-2	Management of significant waste-related impacts	65-69	4.4 Waste and Air pollution prevention 4.5 Circular Economy	
	306-3	Generation of waste	66-67	4.4 Waste and Air pollution prevention	
	306-4	Disposal and transfer of waste		4.4 Waste and Air pollution prevention	
	306-5	Direct disposal of waste		4.4 Waste and Air pollution prevention	
Costmers safety and health					
GRI 103: 2016	103-1	Explanation of material topic and its Boundary	11 80-81 14	1.1 Material Issues	
	103-2	The management approach and its components		5.4 Health and Safety	
	103-3	Evaluation of the management approach		1.3 Performance	
GRI 403: 2018	403-1	Occupational health and safety management system	84-85	5.4 Health and Safety	
	403-2	Hazard identification, risk assessment, and incident investigation	86-88		
	403-3	Occupational health services	90		
	403-4	Worker participation, consultation, and communication on occupational health and safety	90-91		
	403-5	Worker training on occupational health and safety	89		
	403-6	Promotion of worker health	90-94		

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	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	82-84		
	403-9	Work-related injuries	87-88		
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GRI 103: 2016	103-1	Explanation of material topic and its Boundary	10	1.1 Material Issues	
	103-2	The management approach and its components	74	5.3 Employees' Rights	
	103-3	Evaluation of the management approach	74-80	5.3 Employees' Rights	
GRI 202: 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	77	5.3 Employees' Rights	
GRI 401: 2016	401-1	New employee hires and employee turnover	72	5.1 Employees information	
	401-2	Benefits provides to full-time employees that are not provided to temporary or part-time employees	77-78	5.3 Employees' Rights	
GRI 402: 2016	402-1	Minimum notice periods regarding operational changes	78		
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GRI 103: 2016	103-1	Explanation of material topic and its Boundary	11	1.1 Material Issues	
	103-2	The management approach and its components	34	3.1 Custmers Heath And Safety	
	103-3	Evaluation of the management approach	1	1.3 Performances	
GRI 416: 2016	416-1	Assessment of the health and safety impacts of product and service categories	35-38	3.1 Custmers Heath And Safety	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	34		
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	417-2	Incidents of non-compliance concerning product and service information and labeling	34		
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	301-3	Reclaimed products and their packaging materials	68-69	4.5 Circular Economy	

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	308-2	Negative environmental impacts in the supply chain and actions taken	41-42		
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	404-2	Programs for upgrading employee skills and transition assistance programs			
	404-3	Percentage of employees receiving regular performance and career development reviews	77	5.3 Employees' Rights	
GRI 405: 2016	405-1	Diversity of governance bodies and employees	70-71	5.1 Employees Rights	
GRI 406: 2016	406-1	Incidents of discrimination and corrective actions taken	70	5 Mutual Prosperity	
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GRI 413: 2016	413-1	Operations with local community engagement, impact assessments, and development programs	95	5.5 Community	
GRI 414: 2016	414-1	New suppliers that were screened using social criteria	41-42	3.2 Supply Chain Management	
	414-2	Negative social impacts in the supply chain and actions taken			

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Risk Management	28-31	2.4 Risk management
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