



# 2019

## 企業社會責任報告書

Corporate Social Responsibility Report



統一實業股份有限公司  
TON YI INDUSTRIAL CORP.



**統一實業股份有限公司**  
**TON YI INDUSTRIAL CORP.**

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# Messages from the Management

102-14~15

The global trade war intensified in 2019, with a volatile exchange rate causing the economy to face high uncertainties. All sectors were sidelined and thus the economic growth decelerated. Only by working hard and embracing the challenge, the resilience of businesses may be sustained. Our company has begun its steps into the next five decades. We will implement the operation philosophy of “Honesty, diligence, innovation, and progression” thoroughly. With the operating guidelines of fully grasping the clients’ demands, performing quality management, and providing reasonable prices, the Company will deepen the foundations of the key business, optimize the product structures, and enhance the competitiveness, to bring new growth momentum to the Company.

## **Food safety, quality, and customers' satisfaction are the top priorities to build a reliable relationship.**

Ton Yi Industrial is a professional company starting from consumer staples, and reaches out to the packing materials and beverage products more relevant to consumers gradually. The strategy is “One Core + Four Advantages,” in which the core is “Quality Management,” and the four edges include the “Group Advantage,” “Competitive Advantage,” “Capital Advantage,” and “Industry Advantage,” to develop aggressively. By obtaining various certifications such as ISO 9001 for quality, ISO 14001 for environmental safety, ISO 22000 & HACCP for food safety, ISO 45001 & TOSHMS for occupational safety, and the certifications of JIS G3303 and CNS, as well as establishing a TAF laboratory to conduct more stringent inspections to the suppliers, raw materials, production processes, and products, In the future ,we continuously inputs resources, enhances the control mechanism, and establishes the trustworthiness the society has towards Ton Yi Industrial.

## **ECO - Friendly & green biz, respect life, and emphasis on safety for sustainable development**

Our company culture stays true to good faith, and makes all possible efforts to the environment, society, and economy. To respond to the sustainability development goals, and promote SDGs, we have introduced the occupational health and safety management system, implemented the equality and care; to mitigate and accommodate the climate changes, we established the systemized environmental protection, and all employees participate the

energy-saving and carbon reducing activities. We use cleaner and low-carbon energies to create a friendly and safe working environment.

We also require our suppliers to provide a working environment that meet ethical and regulatory standards. They have to maintain a good relationships with their employees, with a labor protocol that provides a working space emphasizing human rights, safety, and health. We respect the philosophy of “taking from the society and giving back to the society;” with all the stakeholders including employees, clients, vendors, and society, we proceed on the path of sustainability and sharing.

Under the current economic circumstance, we not only listen and communicate, but also enhance and deepen the organizational disciplines, and improve the internal management systems. With a more rigorous and transparent corporate governance framework, we perfect talent training. Through continuous learning and discussion, we brainstorm the response strategies to the changes in the macro environment. Seeking to be better and continuing to improve is the only way to strengthen our market position and competitiveness.



### Operation perspectives

The spread of the novel coronavirus in early 2020 has brought a new level of consideration to corporate operations. We adjust our operating model in a timely manner, taking care of the health of all members of the Company, creating a safe and happy enterprise for employees and the society and adopting proper pandemic control measures to fulfill the corporate social responsibility. We offer a full range of production expertise and core technology for packaging containers and drinks. Incorporating the advantages of our corporate group synergy, our major strategic partners are able to concentrate on their brand management and marketing promotion to create a win-win situation with us.

Chairman



## Chapter One Corporate Social Responsibility Management

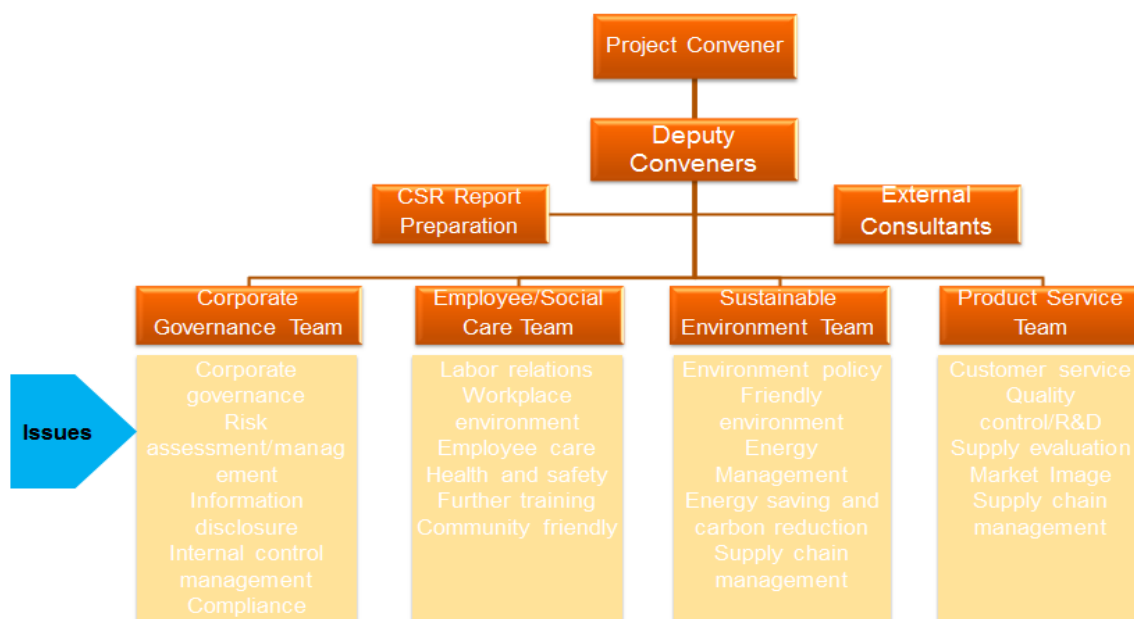
### — 、 *CSR policy and promotion*

- (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.

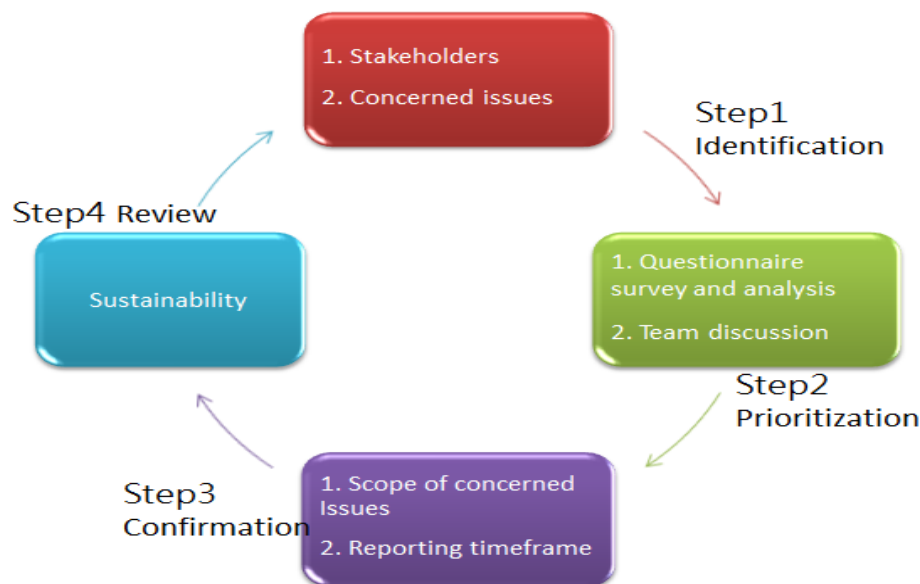
### CSR Task Force

In accordance with the Company's "Corporate Social Responsibility Code of Conduct", Ton Yi Industrial set up a CSR Task Force in 2010 which coordinates all issues and strategies relating to corporate responsibility. It is managed by the Planning Department under the direct supervision of the President. The task force consists of cross-departmental units, which are the Corporate Governance Team, Employee/Social Care Team, Product Service Team, and the Sustainable Environment team which handles various issues relating to internal and external communication and management, and reports to the President through management and project meetings. The plans and performances of the CSR Task Force are escalated to the Board of Directors annually, and there are 2 reports for 2019.

### The Structure of the CSR Task Force



In order to understand the needs and expectations of stakeholders and respond appropriately, we complete the identification of stakeholders and major topics through the following four steps (Identification, Prioritization, Confirmation, Review), and conduct regular (two years/times) questionnaire surveys. In 2019, the questionnaire was reissued to conduct a major theme survey to understand the concerns of various stakeholders, so as to put forward specific results and promote improvement plans in this annual 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 17 issues that are relevant for reporting.

## 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.

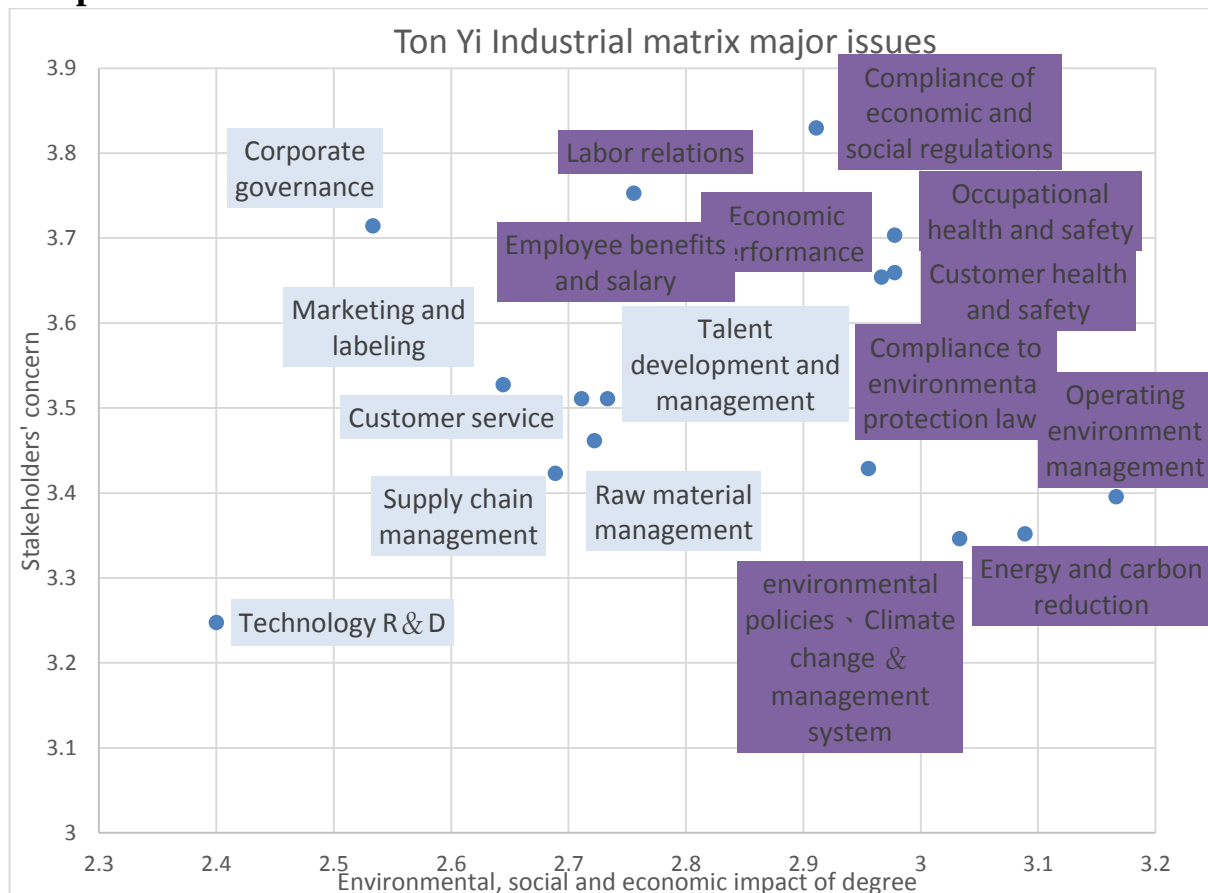
## Step 2 Prioritization

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 10 material issues.

According to the internal selection of the 17 topics as follows, major themes are identified:  
 Economic: 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.

### Topics of material concern as follow:

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| Topics of material concern |               |                                                                              |
|----------------------------|---------------|------------------------------------------------------------------------------|
| Aspect                     | Economic      | Economic performance                                                         |
|                            | Environmental | Compliance to environmental protection laws                                  |
|                            |               | Environmental policies 、 Climate change & management system                  |
|                            |               | Energy and carbon reduction                                                  |
|                            |               | Operating environment management( Air Pollution 、 Water/ Wastewater 、 Waste) |
|                            | Social        | Customer health and safety                                                   |
|                            |               | Compliance of economic and social regulations                                |
|                            |               | Occupational health and safety                                               |
|                            |               | Labor relations                                                              |
|                            |               | Employee benefits and salary                                                 |

### **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.

## Material Issues Impact Boundary

103-1

The material concerns which affect the scope of internal and external organizations, and the response to the corresponding chapters of various stakeholders.

| Aspects       | Material issue                                             | Significance                                                                                                                                                   | Corresponding chapter   | Impact boundary                                    |           |                                                                                                     |           |           |        |            |
|---------------|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------|-----------|-----------|--------|------------|
|               |                                                            |                                                                                                                                                                |                         | Within the organization                            |           | Outside the organization                                                                            |           |           |        |            |
|               |                                                            |                                                                                                                                                                |                         | Ton Yi                                             | Employees | Fund provider                                                                                       | Customers | Suppliers | Social | Government |
| Economic      | 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.                                              |           |           |        |            |
| Environmental | 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 |           |           |        |            |
|               | environmental policies· Climate change & management system | Improve and increase the efficiency of environmental management through systematic management.                                                                 | Sustainable environment | •                                                  | •         | •                                                                                                   | •         |           |        |            |
|               |                                                            |                                                                                                                                                                |                         | Impact on operating activities                     |           | Affect the company's sustainable operation                                                          |           |           |        |            |
|               | Energy and carbon reduction                                | Sustainable development to reduce environmental impact.                                                                                                        | Sustainable environment | •                                                  | •         | •                                                                                                   |           |           |        | •          |
|               |                                                            |                                                                                                                                                                |                         | Impact on operating activities and corporate image |           | Affect the company's sustainable operation                                                          |           |           |        |            |
| Social        | Operating environment management                           | Diligently implement the management system.                                                                                                                    | Sustainable environment | •                                                  | •         | •                                                                                                   | •         |           |        | •          |
|               |                                                            |                                                                                                                                                                |                         | Impact on operating activities                     |           | Affect the company's sustainable operation                                                          |           |           |        |            |
|               | Customer health and safety                                 | Food safety is the utmost priority, for which the Company shall adopt stringent measures and attitudes as means of control.                                    | Product service         | •                                                  | •         |                                                                                                     | •         | •         |        |            |
|               |                                                            |                                                                                                                                                                |                         | Impact on operating activities and corporate image |           | Direct impact on external customers and suppliers' activities.                                      |           |           |        |            |
|               | Occupational health and safety                             | Eliminate hidden work hazards and care for employees' health to provide a safe and healthy work environment.                                                   | Product service         | •                                                  | •         | •                                                                                                   |           |           | •      |            |
|               |                                                            |                                                                                                                                                                |                         | Impact on corporate image                          |           | Impact on the Company's reputation.                                                                 |           |           |        |            |
|               | Labor relations                                            | 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       | •                                                  | •         | •                                                                                                   | •         |           | •      |            |
|               | Employee benefits and salary                               |                                                                                                                                                                |                         | 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

We communicate with outside world and stakeholders through the official release of information on Company's website, annual report and CSR report, and use various channels to understand the issues of concern to stakeholders and respond to them accordingly.

| Stakeholders                                                      | Concerned issues                                                                                                                                                                               | Communication and Frequency                                                                                                                                                                                                                              |
|-------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Fund provider<br>(Banks, shareholders,<br>Professional investors) | Economic performance,<br>Corporate governance,<br>Customer health and safety,<br>Technology R&D                                                                                                | Annual shareholder meetings,<br>Financial statements,<br>Investor conferences, annual<br>reports, Publish corporate social<br>responsibility reports annually,<br>Company website                                                                        |
| Customers                                                         | Customer health and<br>safety, Marketing and<br>labeling, Product services                                                                                                                     | Visit clients from time to time<br>and provide technical quality<br>consultation services,<br>Company website,<br>Customer satisfaction survey                                                                                                           |
| Employees                                                         | Labor relations, Employee<br>benefits and salary,<br>Compliance of economic<br>and social regulations                                                                                          | Public announcements, quarterly<br>employer-employee meetings,<br>union regular meetings, regular<br>education and training sessions,<br>annual pension supervision<br>committee meetings and<br>employee welfare committee<br>meetings, Company website |
| Collaborator<br>(Suppliers, Contractors,<br>Verification units)   | Compliance to<br>environmental protection<br>laws, Compliance of<br>economic and social<br>regulations, Occupational<br>health and safety,<br>Corporate governance,<br>Supply chain management | Annual supplier evaluation,<br>irregular on-site inspection,<br>safety promotion, regular<br>compliance inspection, safety<br>and health committee meetings<br>and others.                                                                               |
| Government agencies                                               | Economic performance,<br>Corporate governance,<br>Raw material<br>management, Supply<br>chain management,<br>Product services                                                                  | Participation in conferences,<br>regular compliance inspection,<br>seminars, education and training<br>sessions, Company website                                                                                                                         |
| Social<br>(Inhabitant、School、<br>Industry Association)            | Compliance to<br>environmental protection<br>laws, Compliance of<br>economic and social<br>regulations,<br>environmental policies,<br>Climate change &<br>management system                    | Visiting itinerary, group<br>activities, corporate social<br>responsibility reports,<br>Company website                                                                                                                                                  |

## ≡ · 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.

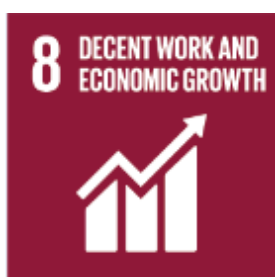


| Goals relevant to Ton Yi Industrial                                                                                                                                                                                                                                                                                                                  | Corresponding chapter   |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|
|  <p>SDG 3:3.d.<br/>Reinforce the early warning and risk reduction of all countries and the national and global risk management capabilities, especially for the developing countries.</p>                                                                          | Product services        |
|  <p>SDG 5:5.5<br/>Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.</p>                                                                             | Mutual prosperity       |
|  <p>SDG 6:6.4<br/>By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity, and substantially reduce the number of people suffering from water scarcity.</p> | Sustainable environment |



SDG 7:7.a.  
Before 2030, improve international collaboration to improve the access to clean energy and technology, including renewable energy, energy efficiency and more advanced and cleaner petrochemical fuel technology, and promote investment in energy infrastructure and clean energy technology.

Sustainable environment



SDG 8:8.5  
Achieve full and product employment and decent work for all women and men including for young people and persons with disabilities and equal pay for work of equal value by 2030.

Mutual prosperity



SDG 12:12.4 、 12.5  
Achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to their air, water and soil in order to minimize their adverse impacts on human health and the environment by 2020.  
Substantially reduce waste generation through prevention, reduction, recycling, and reuse by 2030.

Sustainable environment



SDG 13:13.1 、 13.3  
Strengthen the post-disaster recovery and adaptation capabilities of all countries to natural disasters and climate-related risks. In terms of risk reduction, adaptation, impact reduction and early warning of climate changes, improve education, raise awareness and enhance the capabilities of people and organizations.

Sustainable environment

四、Performances (2017~2019)

103-3

| Aspects       | Topics                                     | Item                                      | Unit           | 2017            | 2018            | 2019            |
|---------------|--------------------------------------------|-------------------------------------------|----------------|-----------------|-----------------|-----------------|
| Economic      | Economic Performance                       | Stand-alone (consolidated) revenue        | NT\$ Million   | 17,001 (32,667) | 19,013 (35,103) | 16,845 (32,528) |
|               |                                            | Stand-alone (consolidated) gross margin   | NT\$ Million   | 1,489(3,450)    | 1,674(3,351)    | 1,202(3,017)    |
|               |                                            | Stand-alone (consolidated) net profit     | NT\$ thousands | 600 (603)       | 1,486(1,540)    | 536(441)        |
|               |                                            | Net profit per share                      | NT\$           | 0.38            | 0.94            | 0.34            |
|               |                                            | Cash dividend per share                   | NT\$           | 0.5             | 0.47            | 0               |
|               | Board operation                            | Attendance                                | %              | 95              | 95              | 95              |
|               | Corporate governance evaluation indicators | Ranking                                   | %              | Top 5%          | Top 6%~20%      | Top 6%~20%      |
| Environmental | Energy                                     | Power intensity                           | GJ/ton         | 0.717           | 0.696           | 0.714           |
|               | Water                                      | Water intensity                           | Unit/ton       | 1.17            | 1.17            | 1.27            |
|               |                                            | Process water recovery rate               | %              | 95.7%           | 95.7%           | 96.1%           |
|               | Emission of green house gases              | Emission intensity                        | %              | 15.1            | 15.1            | 14.9            |
|               | Sewage and waste                           | General waste recycling rate              | %              | 89              | 90              | 85.8            |
|               | Power saving                               | 1%<power saving                           | %              | 1.29            | 1.32            | 1.93            |
|               | Environmental expenditure                  | The amount of environmental expenses      | NT\$ thousands | 57,575          | 70,266          | 61,026          |
|               | Environmental investment                   | Environmental protection investment       | NT\$ thousands | 41,024          | 4,220           | 8,490           |
| Social        | Customer satisfaction survey               | Satisfaction in percentage                | %              | 85.6            | 86.7            | 87.4            |
|               | Domestic purchase amount                   | Percentage of purchase                    | %              | 70              | 68              | 75              |
|               | Supplier check                             | Numbers                                   | Count          | 5               | 3               | 11              |
|               | Disabling injury frequency rate            | Numbers of disabling injury/million hours | Hour           | 2.91            | 5.64            | 3.92            |
|               | Disabling injury severity rate             | Loss days of work/million hours           | Hour           | 17              | 16              | 26              |
|               | Occupational safety violation ticket       | case                                      | case           | 1               | 4               | 1               |
|               | Labor relations                            | Employee count                            | Male           | 1,086           | 1,094           | 1,073           |
|               |                                            |                                           | Female         | 120             | 120             | 119             |
|               | Educational training                       | hour/employees                            | Hour           | 29.3            | 33.6            | 32.1            |

## 五、Report Profile

102-50~54

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, 2019, 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:** CSR reports are published annually, and have been made available on the Company website.

Current issue: published July 10, 2020 (precious issue: published June 28, 2019)

Next issue: scheduled to be published on August 10, 2021

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

Contact: Planning Department      Address: No 837, Zhongzheng N.Rd., Yongkang District., Tainan City

TEL: (06) 253-1131 (ext118)      FAX: (06) 253-5222

E-mail : [csr@tonyi.com.tw](mailto:csr@tonyi.com.tw)      Company website : [www.tonyi.com.tw](http://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 CSR 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.84~p.85 of this report.



Corporate Governance

## Chapter Two Corporate Governance

### The importance of the issue

We establish a corporate culture of ethical operations and a good risk management system. We solidify our core business and expand into additional areas. By improving communication channels and refining sustainable operations and development, we are able to continue creating positive impacts on the economy, environment and society.

### Management strategy

**Commitment:** We rigorously comply with the law and the relevant regulations of the authority, and adhere to ethical operations in providing satisfactory services to clients and fulfilling corporate social responsibilities, and continues to create the highest interests for the Company and shareholders as the ultimate principle.

**Complaint:** The Company website has a complaint and report pipeline ,and Set up a complaint mailbox in the security room of each zone.

**External:** Introduce ISO 9001, ISO 14001, ISO 22000 and HACCP, ISO 45001 and TOSHMS certification which are followed up by external reviewers annually as well as discussing related system and propose improvements.

**Internal:**

- 1.Regularly hold production and sales meeting, raw material and finished products purchase requirements, resource allocation, production scheduling and inventory management.
- 2.Regular business reports, discussions on market situation and marketing strategies.
- 3.Regular financial settlement and budget planning, following up and reviewing the achievement of budget targets, and taking relevant management measures.
- 4.Other units shall hold management meetings according to the actual operating situations.

## — 、 About Ton Yi Industrial

102-1~7

102-45

Ton Yi Industrial Corp. is a member of Taiwan's largest food enterprise group – Uni-President Corp. Ton Yi Industrial was established in 1969, and is one of the few successful enterprises that integrate tinsplate manufacturing, plating, color printing, canning, middle and downstream metal packaging materials in the world. The Company is in line with the Group's strategy which lays out beverage production and various types of beverage packaging manufacturing in order to provide customers with more diversified products and services. We have set up beverage factories and adopted the most advanced aseptic packaging technology to provide clients with a full range of services from packaging materials to finished cans. Ton Yi Industrial and Japan's Daiwa Can Company have formed a joint venture to establish Wuxi Tonyi Daiwa Industrial Co., Ltd. in Wuxi City, Jiangsu Province in mainland China to manufacture new can type NBC, creating more diversified packaging container services.

|                        |                                                         |
|------------------------|---------------------------------------------------------|
| 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         | 1,192                                                   |
| Net sales              | NT\$16,845,390,000                                      |
| Total assets           | NT\$29,388,495,000                                      |
| Total equity           | NT\$17,741,351,000                                      |
| Share capital          | NT\$15,791,453,000                                      |
| Number of shareholders | 56,744                                                  |
| Overseas offices       | Mainland China (16), Vietnam (1)                        |

Note: As of December 31, 2019

| Composition of Shareholders                | Proportion of shareholding | Number | Quantity of shareholding |
|--------------------------------------------|----------------------------|--------|--------------------------|
| Natural persons                            | 30.21%                     | 56,467 | 477,047,191              |
| Foreign institutions and foreign nationals | 14.06%                     | 174    | 222,047,800              |
| Government                                 | -                          | 1      | 746                      |
| Financial institutions                     | -                          | 1      | 6,885                    |
| Other institutions                         | 55.73%                     | 101    | 880,042,720              |

Note: As of April 30, 2020

Production and marketing locations of related companies  
(Entities included in consolidated financial statements)

102-6

102-45

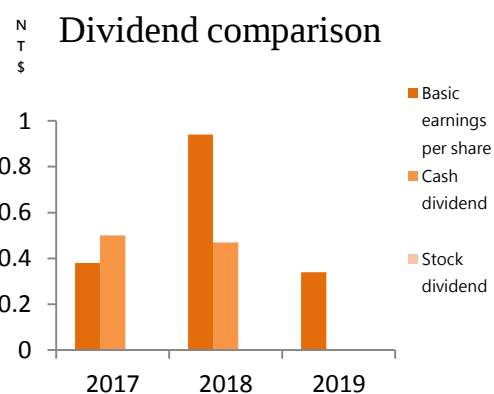
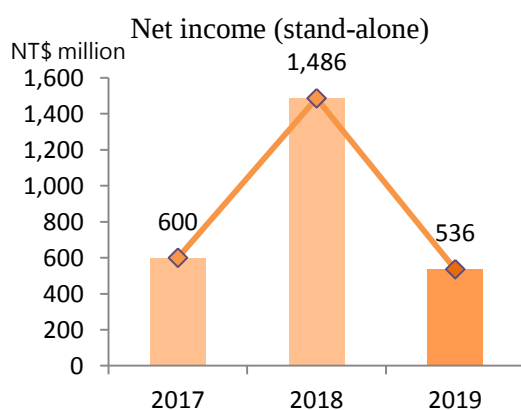
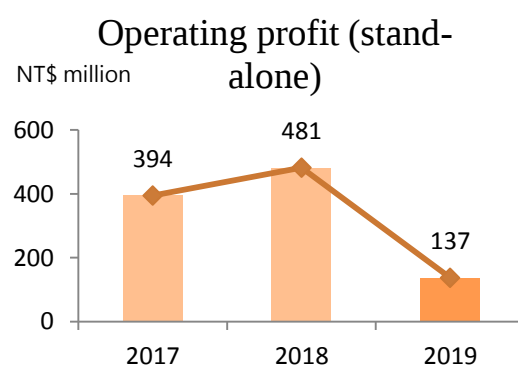
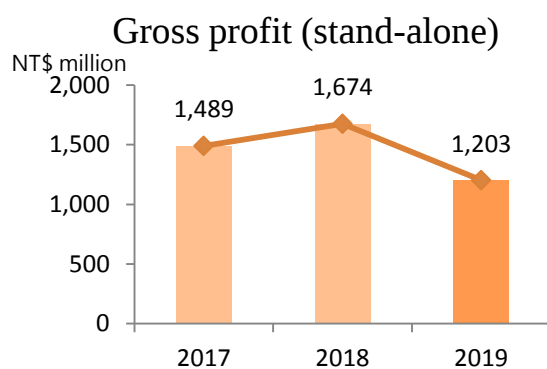
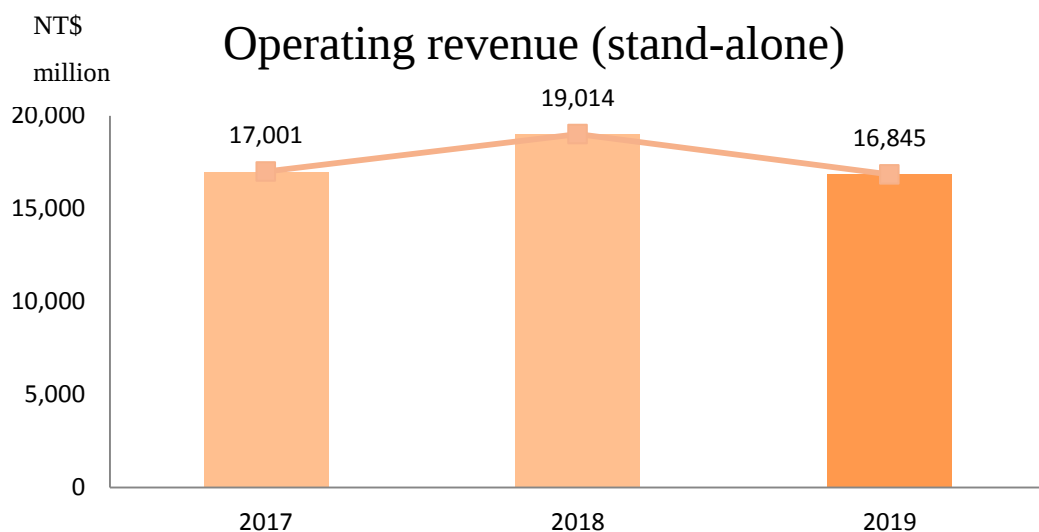
| Area           | Company                                                                                                                     | Production project                                                                                                                                                                                                                                                                                          | Customer category                                                                                                                     |
|----------------|-----------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------|
| Taiwan         | Ton Yi Industrial Corp.                                                                                                     | Tin plates<br>Tin mill black plates (TMBP)<br>Coated Steel<br>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                                                                                               |
|                | 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 2019 |            | Distribution by marketing region |                        |
|------------------------------------|------------------------------|------------|----------------------------------|------------------------|
|                                    | Amount                       | Percentage | Mainland China                   | Outside Mainland China |
| Tinplate packaging products        | 19,503                       | 59.96%     | Approx36%                        | Approx64%              |
| Plastic packaged beverage products | 13,025                       | 40.04%     | 100%                             | 0%                     |
| Total                              | 32,528                       | 100%       | Approx62%                        | Approx38%              |

## 二、Economic Performance

102-45



## Direct Economic Value Generated and Distributed by the Organization

201-1・3・4

Unit: NT\$ thousands

|                                   |                                                             | 2017       | 2018       | 2019       |
|-----------------------------------|-------------------------------------------------------------|------------|------------|------------|
| Direct economic value generated   |                                                             | 17,433,752 | 20,204,146 | 17,496,535 |
| Operating revenues                | Net sales                                                   | 17,001,461 | 19,013,654 | 16,845,390 |
|                                   | Realized (unrealized) gain on sales to affiliated companies | 81,815     | (26,967)   | 81,444     |
|                                   | Interest income                                             | 456        | 908        | 755        |
|                                   | Dividend income                                             | 18,439     | 5,510      | 4,176      |
|                                   | Rental income                                               | 5,383      | 5,372      | 5,359      |
|                                   | Other income                                                | 28,864     | 21,674     | 21,765(*1) |
|                                   | Other gains and losses                                      | (78,603)   | 48,479     | 18,482     |
|                                   | Investment gains                                            | 375,937    | 1,135,516  | 519,164    |
| Direct economic value distributed |                                                             | 17,623,231 | 19,460,091 | 16,960,151 |
| Operating cost                    | Operating activities costs incurred                         | 15,696,402 | 17,402,676 | 15,797,241 |
| Employee salary and benefits      | Employee welfare expenses                                   | 981,624    | 1,091,754  | 981,889    |
| Payment to providers of capital   | Cash dividend                                               | 789,573    | 742,198    | 0          |
|                                   | Interest expense                                            | 89,649     | 127,556    | 156,444    |
| Transactions with government      | Business income tax + duties (expenses)                     | 65,973     | 95,897     | 24,567     |
| Community investments             | Donation                                                    | 10         | 10         | 10         |
| Economic value retained           |                                                             | (189,479)  | 744,055    | 536,384    |

\*1 : Other income – government subsidies: includes a subsidy of NT\$180,000 received for recruiting persons with disabilities above the statutory requirement.

\*2 : Detailed financial figures can be found in the Company's 2019 annual report, available from the website of Ton Yi Industrial Corp. (<http://mops.twse.com.tw>) or MOPS (<http://mops.twse.com.tw>)

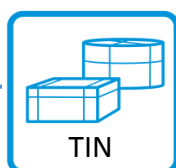
## Main products

1. TMBP, cold rolled steel.
2. Tinplate, TFS plate.
3. Printed and coated tinplates, cans (cylinder cans and shaped cans used for packaging food, beverages, oil, chemical.)
4. New bottle cans (for various contents such as coffee, tea, juice, carbonated drinks, dairy beverages, sports drinks, functional drinks and alcoholic drinks.)
5. All types of plastic caps, PET bottles, beverage filling (PET bottles, TP, New Bottle Cans). We incorporate the latest clean technologies, which enables the Company to provide customers with complete service solution from packaging materials production to the final beverage filling.



TMBP

Main purposes: raw materials for tinplates, steel plate for computer components, steel plate for coating, construction material, home appliance, automobile, electromagnet, etc.



TIN

Main purposes: packaging and surface printing material for food, beverage, oil, chemical and sundry goods; electronic components, line, battery, stationery and sundry metal.



TIN CAN

Main purposes: canned goods (including cylinder and 5-gallon cans for food, beverage, juice, dairy, powder, edible oil, fats, paint, etc).



飲料充填 (PET瓶)



飲料充填 (TP)

Main purposes: the factory has production lines for plastic caps, bottles, PET and TP materials. There is also a beverage filling plant that incorporates the latest clean technologies, which enables the Company to provide customers with complete service solution from packaging materials production to the final beverage filling.



CAP

Main purposes: provides all types of plastic caps for PET bottled beverages and offers services such as customized cap design, coloring, printing and bar coding.



## Introduction of New Bottle Cans

### 1. Benefits of metal cans

Opaque, airtight, keeps freshness and preservation, recyclable and environmentally friendly.

### 2. Resealable

Easy to open, resealable with side-score caps.

### 3. Variety of types and added value.

High-pressure sterilization ensures hygiene and safety. (Eg: dairy products)

High printing standard can meet customers' high precision design.

### 4. More 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.

### 3. Ethical Corporate Management

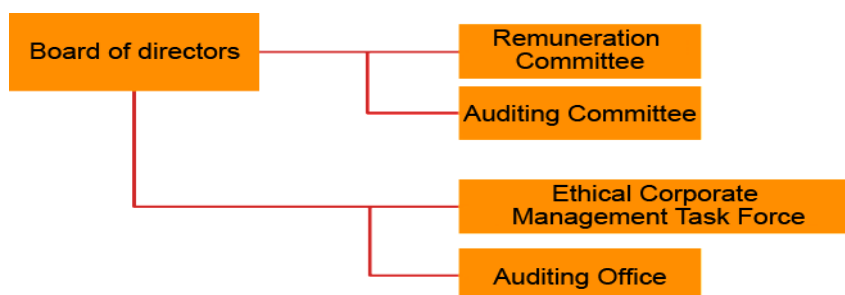
#### Corporate Governance 102-18

The company adheres to the principle of ethical operations management, continues to promote a transparent corporate governance structure and responds to the Corporate Governance Roadmap advocated by the government. The measures include "Deepen culture of corporate governance and corporate social responsibility," "Effective elaboration of directors' functions," "Promote shareholder activism," "Improve quality of information disclosure" and "Reinforce compliance with relevant laws and regulations." The company has assigned a corporate governance supervisor, regularly published corporate social responsibility reports, improved disclosure and timeliness of information in English, implemented nomination practice of director candidates and reinforced regulatory compliance and performance appraisal of the board. In terms of the performance in "Corporate governance evaluation," the company has been rated as one of the top 20% outstanding companies for six consecutive years, showing that the company has achieved great results in various indicators.



- **Corporate Social Responsibility:**  
Publish reports annually, and report to the board regularly.
- **Elaboration of Directors' Functions:**  
Assign a corporate governance supervisor and implement performance appraisal of the board.
- **Quality of Information Disclosure:**  
Improved by disclosing information in both Chinese and English.
- **Promote Shareholder Activism:**  
By implementing electronic voting, and establish a stakeholder platform.
- **Legal Compliance:**  
The shareholder meeting rules of procedures, board meeting rules of procedures, corporate social responsibility best practice principles and corporate governance best practice principles.

## Corporate Governance Framework



### ➤ Board of directors

This year, the company re-elects its board of directors. Considering the overall configuration of the board and 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 7 meetings in 2019; directors' attendance rate averaged 95%. For improvement of governance capability, directors were subjected to 84 hours of training. The courses covered a number of subjects including Prospect of economy and major decisions of the Board, Analysis on the latest version of corporate governance blueprint and the latest amendment on Company Act, The rationale and application of artificial intelligence, An Overview on major corporate scandals from the perspective of the directors' and supervisors' legal risks and compensation measures, Principles for corporate to ensure peak business and sustainable operation in the market of global competitiveness, Digital resilience- the new issues that the directors, supervisors, and veteran managerial staff are faced with, Seminar on preventive measures against insider trading, The impact of laws against tax avoidance and Taiwanese version of CRS: A discussion on influence of overseas companies and responsive measures from the perspective of corporate governance.

### ➤ 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 3 meetings in 2019 with an attendance rate of 89%, 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 2019.

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

### ➤ 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 2019 and with an attendance rate of 89%. 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 2019.

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

### ➤ Ethical Corporate Management Task Force

102-16~17

The Ethical Corporate Management Task Force is responsible for the execution of integrity-related practices, which provides the foundation to corporate integrity culture and sound risk management with the organization. The task force regularly reports to the board of directors(at least once a year) 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 2019, a training of ethical corporate management business (courses including compliance and promotion of integrity management regulations, management of food safety and hygiene, quality, environment, accounting system and internal control) was held internally and externally with an attendance of 18,425 people that totaled 19,458 hours. The take 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 2019.

| 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. (Established on May 6, 2015) |

|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate Governance Best Practice Principles   | In order to establish a good corporate governance system, the company follows the provisions of the Corporate Governance Best Practice Principles for TWSE/TPEX Listed Companies jointly established by the TWSE and Taipei Exchange to develop the company's proprietary corporate governance best practice principles to establish an effective corporate governance structure and disclose such development in the Market Observation Post System. (Amended on March 26, 2020) |
| Corporate Social Responsibility Code of Conduct | These guidelines have been developed in accordance with the provisions of the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM Listed Companies in order to put corporate social responsibility into practice and promote progress in economic, environmental and social causes. (Amended on March 26, 2020)                                                                                                                                                |

## ➤ Auditing Office

By offering independent and objective confirmation and consultation, internal auditors add value to the Company with their supervisory efforts, 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 2019, the Auditing Office found no significant weakness with regards to internal control.

## ➤ Reporting Center

In order to facilitate rapid response and proper handling of various crises encountered during operation, Ton Yi Industrial has established a "Reporting Center" that specializes in coordinating across departments in the event of major crisis. The Reporting Center is a mission-oriented unit. If a crisis arises, the "Convener" for that particular type of crisis will be responsible for coordinating and commanding the relevant departments and personnel to respond to the crisis. Meanwhile, the Convener monitors the current progress and maintains close contact with the Reporting Center.

The Reporting Center currently oversees the following six types of crisis:

1. Crisis involving major environmental protection incident.
2. Crisis of major pandemic incident announced by the government (such as SARS)
3. Crisis relating to product safety.
4. Financial crisis (such as a worldwide financial turmoil)
5. Crisis involving crime (such as blackmailing, extortion)
6. Crisis involving production or other issues (i.e. production-related crises or crises that are not classified above)

## Risk Management

102-11

| Category                   | Potential risk             | Control Strategy and exercise                                                                                                                                                                                                                                                                                                                        | Department in charge                  |
|----------------------------|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------|
| Market risk                | Market competition         | <ul style="list-style-type: none"> <li>Pay attention to the local and international markets and comply with the control of export volume.</li> </ul>                                                                                                                                                                                                 | Business Department                   |
|                            | Trade protection           | <ul style="list-style-type: none"> <li>Increase the quality of goods and delivery date, control inventory and adjust marketing strategy.</li> <li>More diversity with less amount, adjust product combination and sales areas in order to decrease and spread risks, while developing other high-efficiency packaging materials business.</li> </ul> |                                       |
| Financial risk             | Exchange rate              | <ul style="list-style-type: none"> <li>To reduce the uncertainty caused by the adverse effects on financial performance, and avoid long-term foreign exchange contract risks.</li> </ul>                                                                                                                                                             | Accounting Department                 |
|                            | Price                      |                                                                                                                                                                                                                                                                                                                                                      |                                       |
|                            | Interest                   | <ul style="list-style-type: none"> <li>By working closely with group's operating units to identify, assess and avoid financial risks.</li> </ul>                                                                                                                                                                                                     |                                       |
| Raw material risk          | Supply disruption          | <ul style="list-style-type: none"> <li>Actively develop raw material suppliers, avoid domination by few suppliers.</li> <li>Establish a moderate amount of stocks.</li> </ul>                                                                                                                                                                        | Purchase Department, Field Unit       |
|                            | Poor quality               | <ul style="list-style-type: none"> <li>Strive for excellent supplier to jointly develop and benefit each other.</li> <li>Group source, increase inspection ability.</li> </ul>                                                                                                                                                                       |                                       |
| Information system risk    | Hacker                     | <ul style="list-style-type: none"> <li>Standardize operating procedures.</li> <li>Install anti-virus software, control software installation, regular security training and software check.</li> </ul>                                                                                                                                               | Information Department                |
|                            | Virus                      | <ul style="list-style-type: none"> <li>Continue to participate in information-related courses which are held externally.</li> </ul>                                                                                                                                                                                                                  |                                       |
| Equipment maintenance risk | Machinery equipment        | <ul style="list-style-type: none"> <li>Various spare parts control and set operation standard procedures.</li> <li>Training manpower and pass on.</li> <li>Rehearse disaster management measures and training.</li> </ul>                                                                                                                            | Field Unit                            |
| Weather risk               | Energy supply              | <ul style="list-style-type: none"> <li>Import new process equipment or inspection system.</li> </ul>                                                                                                                                                                                                                                                 | Field Unit, Tech and Works Department |
|                            | Environmental requirements | <ul style="list-style-type: none"> <li>Replace old equipment with energy-saving equipment.</li> <li>Set up automatic monitoring facility for discharged water.</li> <li>The Energy Commission oversees various energy uses.</li> <li>Strengthen waste management and recycling.</li> </ul>                                                           |                                       |

#### 四、Compliance

307-1

416-2

419-1

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. In 2019, due to the inspection of 1 accidental negligence penalty in the Occupational Safety and Health Factory, of which, the responding measures will be explained in more details in subsequent chapters.

| 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.                                                   |

## 五、 External Organizations and Initiatives

102-13

Through external organizations, the Company engages itself in an open learning platform where it can collaborate and assist other peers. The Company continued to be an active member of Taiwan Steel and Iron Industries Association, Taiwan Metal Industry Association, Tainan County Importers Exporters Chamber of Commerce and Tainan County Industrial Association, and contributed useful suggestions, opinions and discussions.

| 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.                                                                                                                                                                                                                                                                                                                                   | Taiwan   | Member        |
| Taiwan Metal Industry Association                     | 1. Investigation, statistics, research, improvement and development of the metal industry at home and abroad.<br>2. Investigation of the source of raw materials from industry peers and assistance in the deployment of raw materials.<br>3. Manufacturing, investigation of shipping and marketing, statistics and promotion for members.<br>4. Contact and promotion for technical collaboration.                                                                                                                                                           | Taiwan   | Member        |
| Tainan County Importers Exporters Chamber of Commerce | Coordinate relations between industry peers, explore mutual benefits, expand international trade and promote economic development.<br>1. Investigation, statistics, research and development of commerce at home and abroad.<br>2. Coordination, introduction and promotion of international trade.<br>3. Assistance in promotion and research for the government's economic policies and business laws.<br>4. Reconciliation of disputes between industry peers.<br>5. Organize skill training and business lecture sessions for employees of industry peers. | Taiwan   | Member        |
| Tainan County Industrial Association                  | Coordinate relations between industry peers, explore mutual benefits, seek improvement and promote economic development.                                                                                                                                                                                                                                                                                                                                                                                                                                       | Taiwan   | Member        |

**Human Rights Policy**

102-12

406-1

412-1

Ton Yi Industrial supports and follows internationally recognized human rights regulations and principles, including the Universal Declaration of Human Rights, United Nations Global Compact and International Labour Organization as well as Declaration of Fundamental Principles and Rights at Work. The Company shall comply with local labor laws to eliminate human rights violations. Human rights policy shall be used in all units, treat employees and customers with dignity, and continue to enhance and improve the management of relevant human rights topics. According to the company's human rights policy, the specific management plans promoted are as follows:

| Item                                               | Program and performance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| No child labor                                     | The company specifies in its work rules that it will never employ child labor and explicitly prohibit gender discrimination. Various measures to promote equal opportunity are implemented to ensure compliance with corporate social responsibility and ethics requirements. As of the end of December 2019, the number of child labor hired was zero.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Forced labor is prohibited                         | In the event that the company needs employees to work overtime, it needs to ask for the consent of the employees and the labor union. The overtime compensation is issued in accordance with the wage standard specified in the Labor Standards Act. The company shall not force employees to carry out involuntary labor works, and grievance filing channels have been established.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Employees gather for freedom of association        | The Ton Yi Industrial Corp. Labor Union was founded in August 1989 to facilitate the communication between the employer and employees and protect employees' rights and interests. As of the end of 2019, except for those who are not allowed to join the union, the number of the company's union members accounted for 99.91% of the total number of employees. In order to protect the rights and interests of both the employer and employees, improve benefits for union members and promote the company's development, the company and the union signed the first collective agreement on November 1, 2013 and the third on November 1, 2019, and the measures have continued to improve the protection of union members.                                                                                                                                                                                  |
| No discrimination, bullying and harassment         | No violation of major laws and regulations for more than five consecutive years, including labor disputes, equal employment opportunities and the Act of Gender Equality in Employment. The company strives for creating a friendly workplace and organizes a variety of welfare measures and leisure activities to care for employees. The company has been awarded as an employer-employee unity model organization by the Labor Affairs Bureau of Tainan City Government for seven consecutive years (2013 to 2019), fully demonstrating Ton Yi Industrial's care and attentiveness for its employees.                                                                                                                                                                                                                                                                                                         |
| Provide a safe, clean, healthy working environment | The company adheres to the guiding principles of "Respect for life. Attention to occupational safety and health. Full participation. Continuous improvement" and takes the "Employees First" approach to continue eliminating hazards, reducing risks and providing a safe and healthy work environment. The company has also introduced the ISO 45001/TOSHMS certification to actively improve the performance of occupational safety and health measures, and adopted the plan-do-check-act approach to reinforce the self-directed occupational safety and health management. In addition, we establish annual safety and health policy and implement safety and health measures based on the company's operational focus. The collective agreement also specifies articles on the safety and health measures and training sessions and employees' health examination that should be organized by the company. |
| Training programs                                  | In conjunction with the implementation of the above specific management measures, 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 physical and mental lecture -- emotional awareness and stress management; employee physical and mental health; 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; corporate sustainability; employee participation; human resources and occupational safety and health.                                                                                                                                                          |



**Product & Service**

## Chapter Three Product and Services

### — · *Customers' Health and Safety*

#### **The importance of the issue**

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.

#### **Management strategy**

**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.

**Policy and commitment:**

※In 2019, 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: Impecline 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:

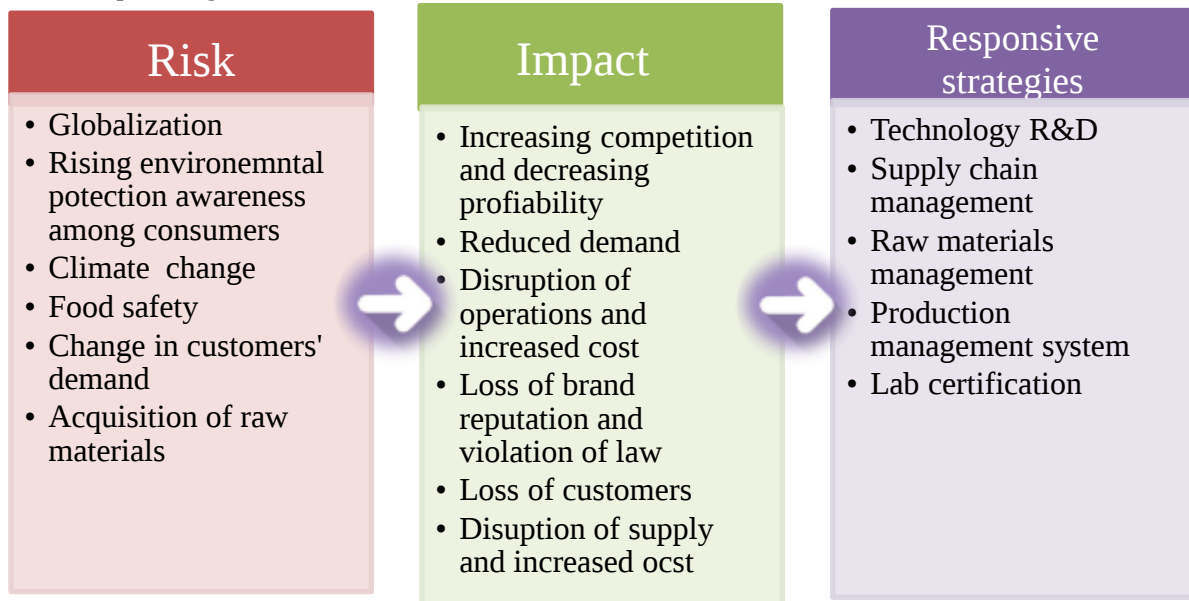
1. Bring food safety awareness and spirits into the work details of all employees.
2. Respect, learn and satisfy customers' needs, and satisfy mutually agreed food safety requirements.
3. Enforce stringent control over food safety, and continually develop and innovate new technologies.
4. Develop systematic 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

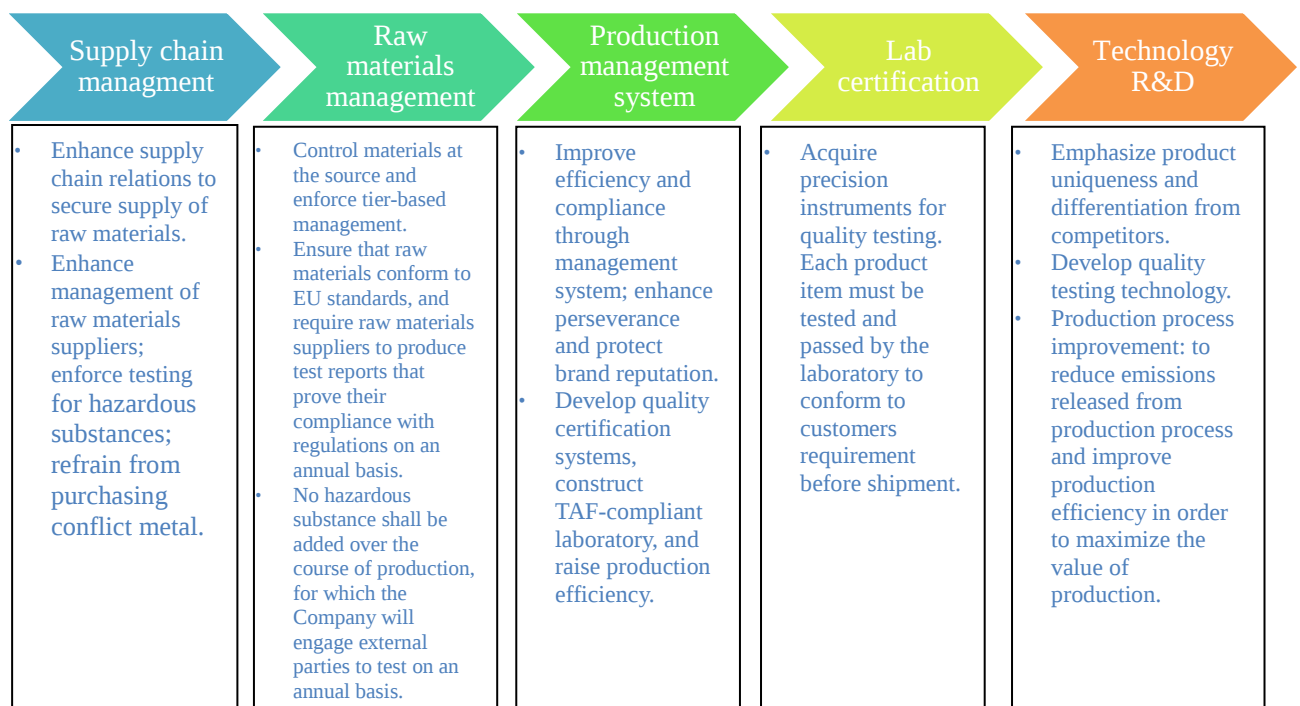
## Impact and Risk Assessment

We constantly take into consideration the sustainability of our future business, and propose solutions for potential risks. Below is a summary of the risks identified and corresponding solution:



## Sustainable Value Chain

As required by company policy, we have a dedicated Quality Assurance R&D Department that comprises several units including R&D, quality assurance and technical service center. Department employees are often assigned to undergo professional training domestically and overseas, where they gather the latest technologies and market information to contribute to the improvement of production procedures, product quality, and new product development. This participation also enables employees to develop responses to the above-mentioned risks impacts and manage businesses as a sustainable value chain. Management practices will be explained in more details in subsequent chapters.



## 二、Supply Chain Management

102-9

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 corporate social responsibilities and implement their own policies as well as promote waste reduction and localized production.

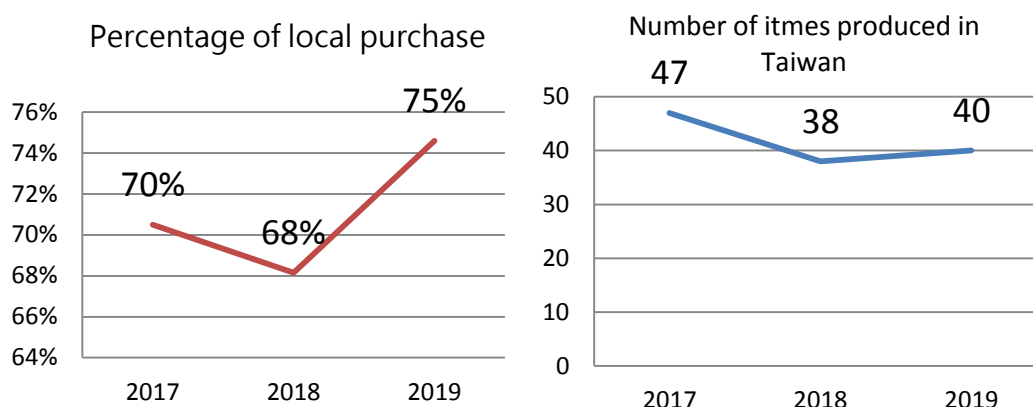
### Supply Category

| 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/<br>Taiwan | Capital intensive                                                 |
| Machinery supplier                 | Discussions of drawings and specifications technology in person/phone/Email, FAX/Email order                   | Overseas/<br>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.



## 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      | 148   | 148                                              | 147                  | 99.4%      |
| Contractor        | 18    | 18                                               | 18                   |            |
| Distributor       | 155   | 155                                              | 154                  |            |
| Total             | 321   | 321                                              | 319                  |            |

Note: 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

## 2019 New Suppliers

| Supplier category | Number of new suppliers | Chemical suppliers | Percentage of new suppliers screened by the environmental standards |
|-------------------|-------------------------|--------------------|---------------------------------------------------------------------|
| Manufacturer      | 7                       | 5                  | 71%                                                                 |
| Contractor        | 1                       | 1                  | 100%                                                                |
| Distributor       | 17                      | 7                  | 41%                                                                 |

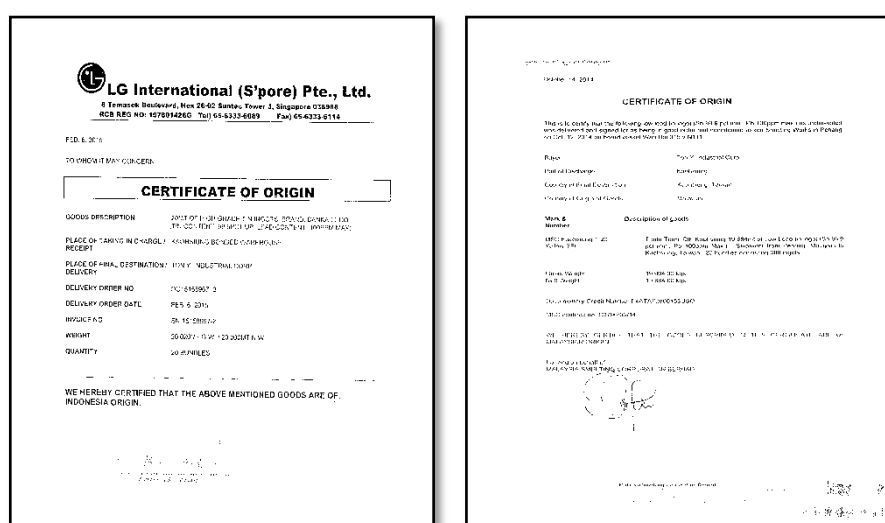
## Supplier Inspections

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 2019, we conducted on-site inspections at 11 suppliers and found them all to have passed the required standards.

## 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



## ≡ · Raw Material Management

### Hazardous substance management

416-1

#### 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) <sup>Note1</sup> and REACH (SVHC) <sup>note 2</sup>. 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.

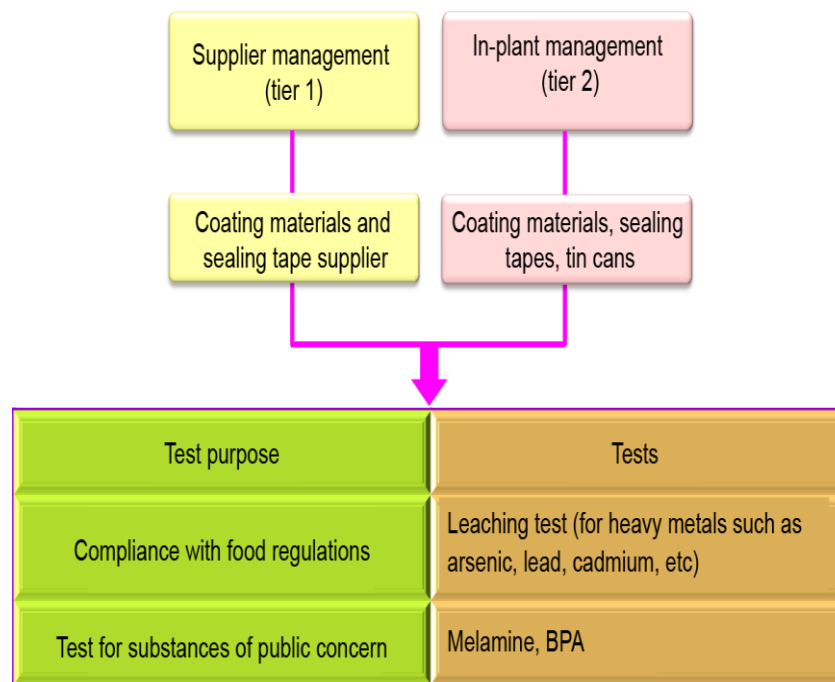
#### Tin can (container)

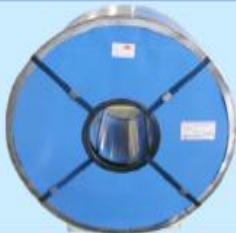
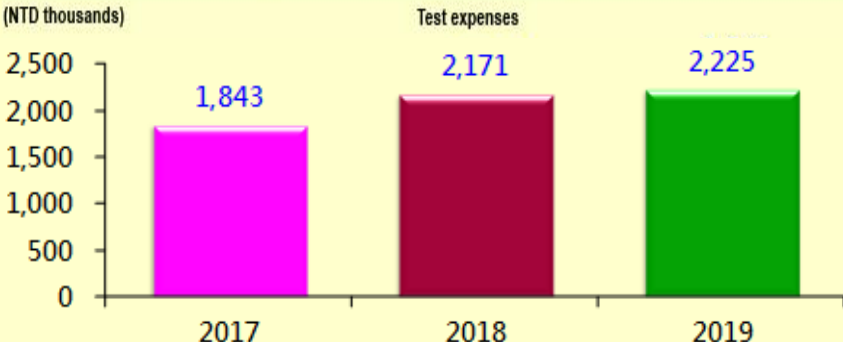
- Tin cans (containers) and any substances that come into direct contact with the content (e.g. coating material, sealant, etc) are graded and controlled at the source. In addition to grading its suppliers, the Company also requires raw materials suppliers to produce test reports to prove their compliance 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.



| Product type and raw materials      | Tin Mill Black Plate                                                                                                                                                                                                                                                                                                                                   | Tin-coated steel/chromium-coated tin-free steel plate                               | Tin cans (containers), coating materials, sealing tapes                               |      |                               |      |       |      |       |      |       |
|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|------|-------------------------------|------|-------|------|-------|------|-------|
| Product picture                     |                                                                                                                                                                                                                                                                     |  |  |      |                               |      |       |      |       |      |       |
| Hazardous substance control         | RoHS、REACH                                                                                                                                                                                                                                                                                                                                             | RoHS、REACH                                                                          | Sanitation Standards for Food Utensils, Containers and Packages                       |      |                               |      |       |      |       |      |       |
| Test expenses incurred in 2015~2017 | <p>(NTD thousands)</p> <p>Test expenses</p>  <table><thead><tr><th>Year</th><th>Test expenses (NTD thousands)</th></tr></thead><tbody><tr><td>2017</td><td>1,843</td></tr><tr><td>2018</td><td>2,171</td></tr><tr><td>2019</td><td>2,225</td></tr></tbody></table> |                                                                                     |                                                                                       | Year | Test expenses (NTD thousands) | 2017 | 1,843 | 2018 | 2,171 | 2019 | 2,225 |
| Year                                | Test expenses (NTD thousands)                                                                                                                                                                                                                                                                                                                          |                                                                                     |                                                                                       |      |                               |      |       |      |       |      |       |
| 2017                                | 1,843                                                                                                                                                                                                                                                                                                                                                  |                                                                                     |                                                                                       |      |                               |      |       |      |       |      |       |
| 2018                                | 2,171                                                                                                                                                                                                                                                                                                                                                  |                                                                                     |                                                                                       |      |                               |      |       |      |       |      |       |
| 2019                                | 2,225                                                                                                                                                                                                                                                                                                                                                  |                                                                                     |                                                                                       |      |                               |      |       |      |       |      |       |

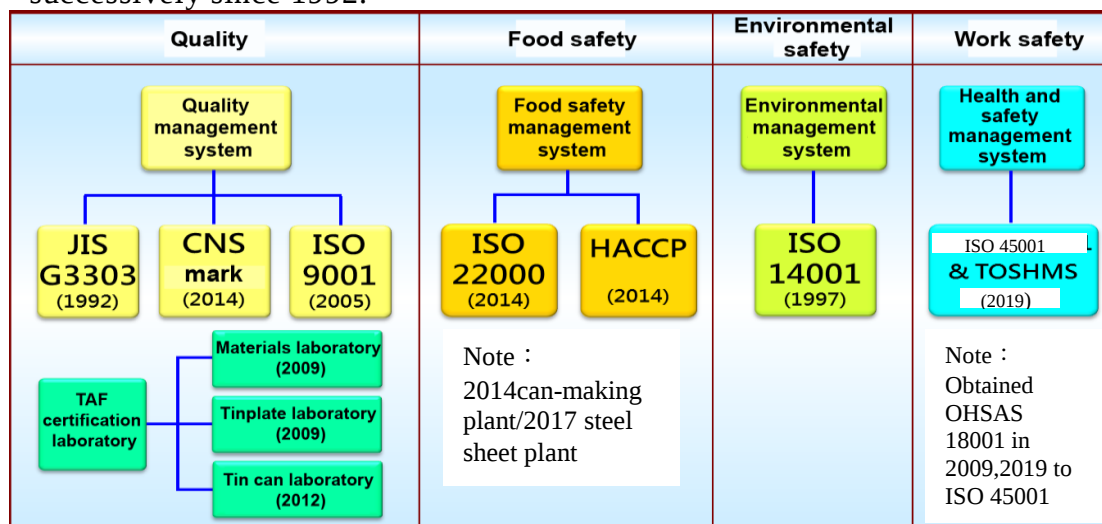
※The management of food safety risks of cans (barrels) is managed from the source, the inspection of suppliers is carried out annually and raw materials suppliers are required to provide various testing reports that comply with food laws. Gel permeation chromatography is used to monitor the quality of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

## 四、 Production Management System and Lab Certification

### Management Systems

417-1

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

| Certification<br>Type                                | Quality  |                          |                    | Food safety |      | Environmental safety | Work safety |        |
|------------------------------------------------------|----------|--------------------------|--------------------|-------------|------|----------------------|-------------|--------|
|                                                      | ISO 9001 | JIS JQA G 3303 J29W00007 | CNS                | SGS         | SGS  | ISO 14001            | ISO 45001   | TOSHMS |
| 鍍錫用<br>底片<br>Tin Mill<br>Black Plate                 | 100%     | —                        | 99.7% <sup>註</sup> | —           | —    | 100%                 | 100%        | 100%   |
| 一般冷軋<br>鋼板<br>Cold-Rolled<br>Steel Sheet             | 100%     | —                        | —                  | —           | —    | 100%                 | 100%        | 100%   |
| 鍍錫鋼片<br>Tinplate                                     | 100%     | 75.0% <sup>註</sup>       | 74.5% <sup>註</sup> | 100%        | 100% | 100%                 | 100%        | 100%   |
| 電鍍鍍鎳<br>無錫鋼片<br>Chromium<br>coated tin<br>free steel | 100%     | —                        | 76.3% <sup>註</sup> | 100%        | 100% | 100%                 | 100%        | 100%   |
| 馬口罐<br>圓罐<br>Tin Can<br>(ROUND)                      | 100%     | —                        | —                  | 100%        | 100% | 100%                 | 100%        | 100%   |
| 馬口罐<br>角罐<br>Tin Can<br>(REC<br>TANGULAR)            | 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



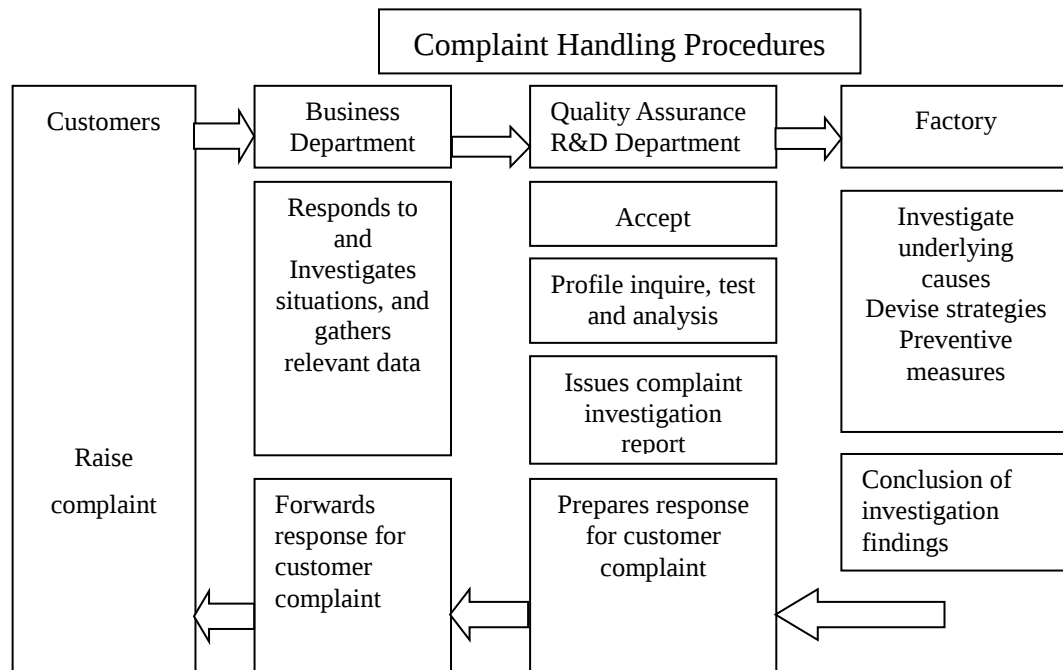
TAF (Taiwan Accreditation Foundation) evaluates laboratories using international standards (ISO 17025). TAF-certified laboratories are able to print the TAF label on the report they produce as a proof of credibility.

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.



## Grievance Mechanism

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



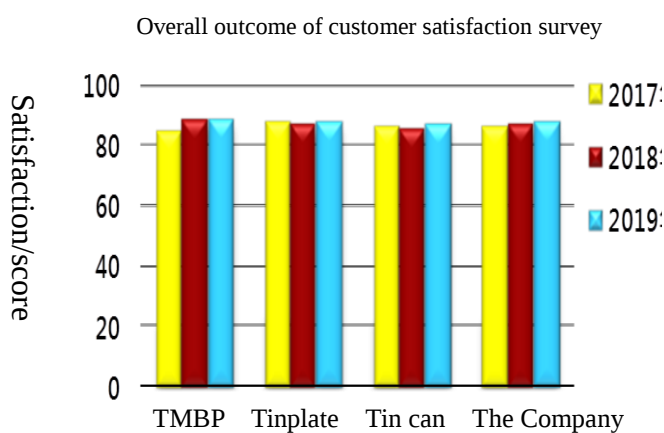
## Performance Management

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:



## 五、Technology R&D and Improvement

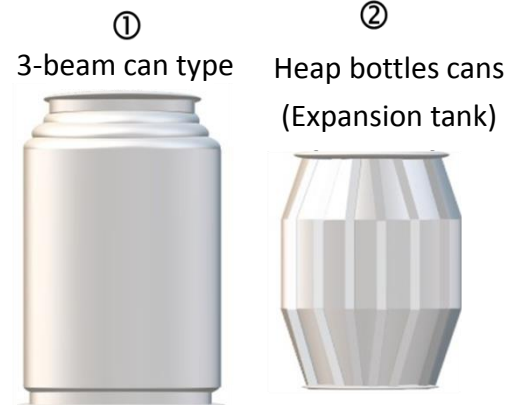
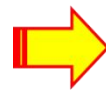
1. Improve the wrinkles of paint coating on the neck of empty cans.

Description:

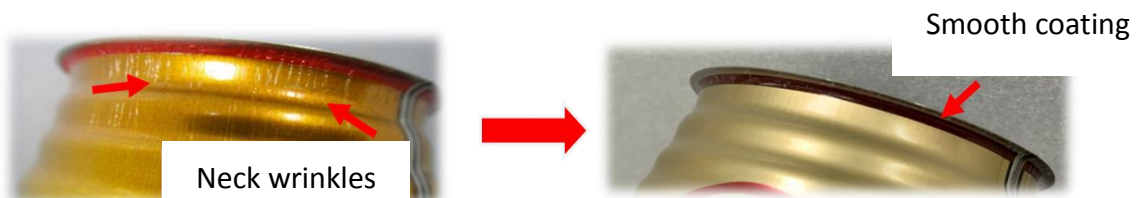
- (1) The varnish coating is the last layer of protection for empty cans (barrels). It should be resistant to rubbing, scratches and peeling to ensure the quality of cans.
- (2) The current varnish coating of tin cans has not experienced peeling. However, there have been occasions where the quality of processing was poor, resulting in wrinkles on the neck, which affects the outside appearance.
- (3) Jointly developed new varnish coating resistant to processing together with paint manufacturers to improve the appearance quality of empty cans.

The company began to review and test with the paint manufacturers in May 2018, and the test items are as follows:

- ✓ Varnish resistant to processing has been selected for the manufacturing process of packaging factories.
- ✓ Tested with highly processable cans.



**Implementation status and performance:**  
Batch testing started in 2018.



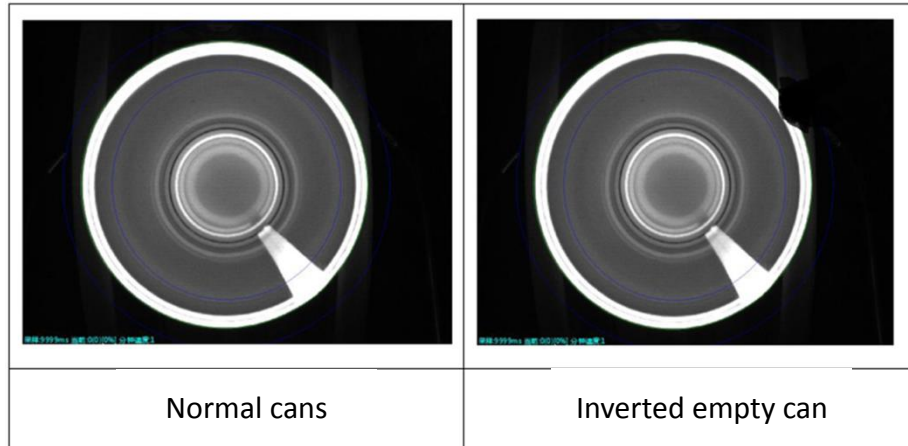
**Officially used on tin can products starting 2019. The quality has been good, and no neck wrinkles on the neck have been found.**



### 2. Reverse folding automatic detector

#### Description:

The can production lines adopt image detection to automatically reject defects to ensure the quality of empty cans before they enter the packaging process. The entrances of the lines are equipped with CCD recording which adopts image detection to automatically reject defective cans, further ensuring the quality of empty cans and food safety.



#### Implementation status and performance:

Since September 2019, the company has adopted image processing equipment to automatically reject defects, further reducing the time needed for manual labor originally used and improving the accuracy.

### 3. The service life of TFS Plater conductive wheels with chrome-plated iron sheet is extended

#### Description:

- (1) EPL TFS Plater conductive roller shells are plated copper first and then chrome. Although arc spot welding has been improved, soft copper makes the chrome layer prone to peeling, leading to the loss of chromic acid solution. Oversea factories have experience using stainless steel rollers, and there have been no signs of chrome layer peeling after one year.
- (2) After evaluation and discussion with manufacturers, the forged carbon steel shaft and bearings and steel roller housing are replaced with stainless steel SUS316. The electrical conductivity is also changed due to the different materials used.



#### Implementation status and performance:

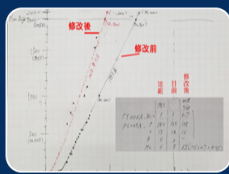
The original conductive rollers need to be replaced 4.8 times a year, and the issue with peeling chrome layers can cause downtime loss. After the improvement, they only need to be replaced once a year, and there have been no signs of peeling. The implementation reduces cost and downtime loss, and staff can focus on other maintenance items.

#### 4. Reduce the unit consumption of natural gas of the continuous annealing line (CAL LNG)

Description: Adjust the parameters on hardware and software and change the types of pressure relief valves.



Adjust the consumption of LNG and pressure relief:  
Reduce the decompression of LNG: From 1700 to 1600mmAQ, increase the gap from the relief valve settings to reduce the discharge due to exceeding the relief valve settings.  
Increase the pressure of the relief valves: From 1800 to 2000mmAQ, to reduce the discharge due to exceeding the relief valve settings.



Adjust combustion temperature control parameters:  
Slow down the reaction rate of combustion temperature: Suppress the change of LNG flow rate and slow down the pressure oscillation to reduce the discharge due to exceeding the relief valve settings.  
Reduce the minimum opening of the LNG relief valve: When used in low flow, the pressure can fall quickly to reduce the discharge due to exceeding the relief valve settings.

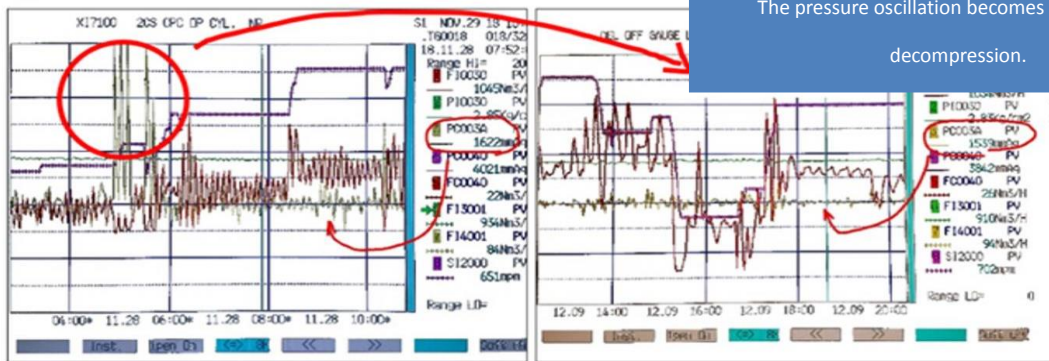
Screw valves



Change the types of LNG relief valve:  
Screw valves are replaced with sliding gate valves: The characteristic curve for the flow rate and valve opening is closer to being linear. Eliminate pressure oscillation caused by valve hysteresis, so the pressure is easier to be adjusted. Reduce the discharge due to exceeding the relief valve settings.

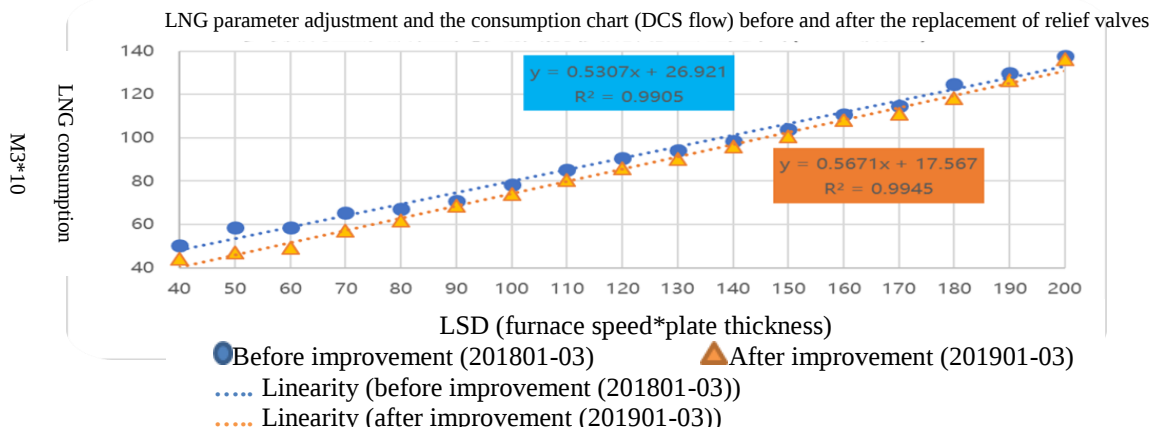
#### Implementation status and performance:

After the improvement, the natural gas pressure is more stable and the unit consumption is also reduced.



Large LNG pressure oscillation before improvement

Stable LNG pressure after improvement





## Chapter Four Sustainable Environment

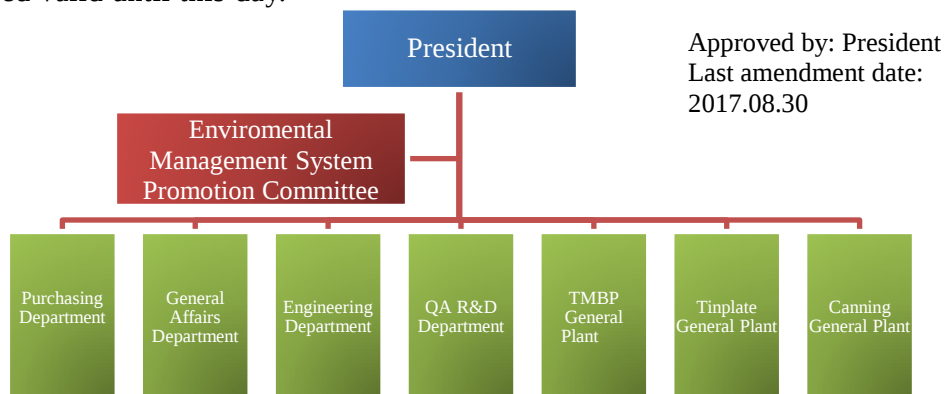
### The importance of the issue

Climate change brings many potential risks and opportunities to the company's current and future operations. Ton Yi Industrial identifies climate risks and opportunities and takes responding measures to incorporate climate change into the existing environmental protection system, so that the company can clearly consider the potential impact of decision-making and implementation processes of R&D and design, product manufacturing, use of raw materials, maintenance, transportation, and waste disposal on climate change and the environment. The following environmental policies are established as the company's principles in environmental protection works.

### — 、 *Environmental Management and Policy Promotion*

#### Environmental Management System Promotion Committee

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 wells external audits, and holds regular management review meetings to discuss ongoing improvements; as a result, the certification has remained valid until this day.



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.

## 二、Climate Change Risks and Adaptation

102-15

201-2

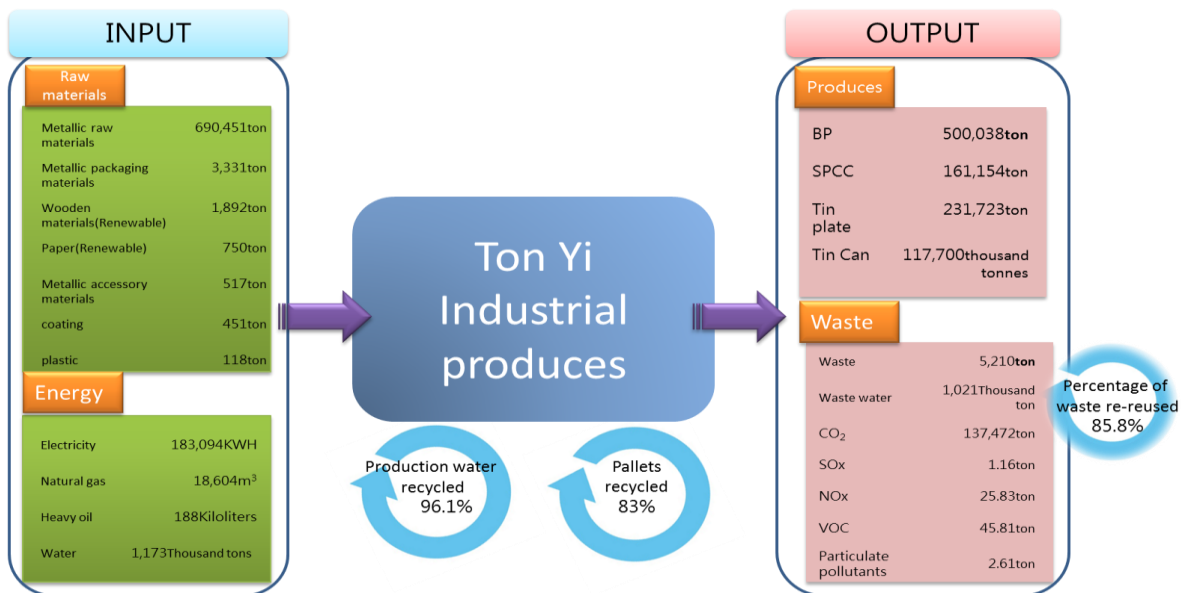
The increasingly significant impact of global climate change has affected the ecological environment, global energy, water resources and supply chain, and become an important topic for companies' sustainable growth. We have responded with adaptation strategies and actions for climate change, including 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.

| Types of risks<br>(including physical, regulations, and others) | Identified risk types                                                                                                                                                                                                                                                                                                                    | Risk management practices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Physical risks                                                  | (1).Changes in temperature and precipitation patterns, leading to a reduction in the supply of raw materials and price hikes.<br>(2).Increased uncertainty of water and energy supply.<br>(3).Extreme weather conditions cause damage to traffic or buildings, supply chain issues, decreased productivity or increased insurance costs. | (1).Main raw materials used for manufacturing, such as steel and plastics, are supplied by well-known manufacturers at home and abroad. The inventory of key auxiliary materials and spare parts has been increased appropriately and the company has begun to search for alternatives.<br>(2).The manufacturing and logistics units practice various disaster rescue and training sessions from time to time and establish standard operating procedures.<br>(3).Establish an environmental management promotion committee and energy committee to respond to the company's use of the environment and energy in a timely manner. |
| Supervision and legal risks                                     | The country has established a series of control tools to adapt to climate change, facilitate more effective management of natural resources and reduce disaster risks.                                                                                                                                                                   | Assign staff to regularly study the Environmental Protection Administration's regulation inquiry system and collect and identify the relevance of regulations with the company's various departments. Report the countermeasures in the regular (quarterly) review meetings for the environmental management system and advocate for the countermeasures in the company's internal website.                                                                                                                                                                                                                                        |
| Market risk                                                     | Climate change or consumers' increased awareness of climate change leads to the decreasing demand for a particular item, resulting in a shrinking market.                                                                                                                                                                                | (1). Pay attention to the domestic and overseas market dynamics and cooperate with the authority to control export volume.<br>(2). Improve quality and delivery time of goods, control inventory situations and adjust marketing strategies accordingly.<br>(3). High variety low volume approach to adjust product mix and sales areas and reduce and diversify risks, and at the same time, develop other high-return packaging businesses.                                                                                                                                                                                      |

| Opportunity type                                       | Types of identified opportunities                                                                                                                                                                                | Plan practices                                                                                                                                                 |
|--------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Corporate image                                        | The corporate group has a good brand image and abundant resources, and makes timely investment for low-carbon transformation and adjustment.                                                                     | The corporate group coordinates efforts to communicate with stakeholders, and uses electronics to reduce unnecessary waste and promote the reuse of resources. |
| Growing consumer awareness of environmental protection | Packaging containers for users offer good preservation and long storage time. The growing environmental awareness identifies that metal materials are not harmful to the environment.                            | Build diverse packaging containers and beverage production expertise and core technology.                                                                      |
| Product labels and standards                           | Comprehensive management certification system and the manufacturing system upstream and downstream bring rich technology experience in production, increase product value and meet customer demand for services. | Maintain product value through regular external certification management system, talent cultivation and succession of experience.                              |

## Raw Materials and Energy

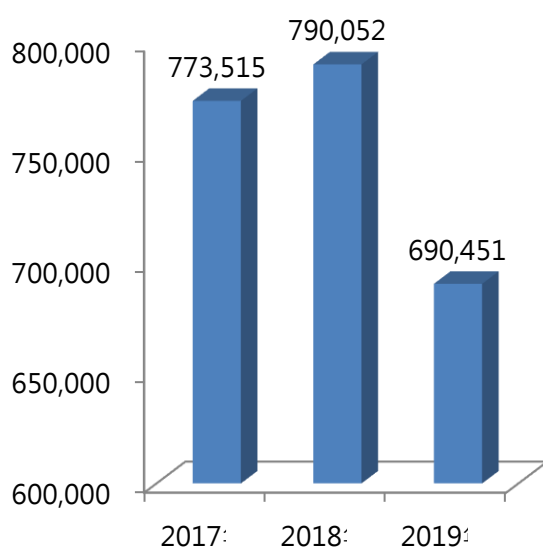
### Production input & output



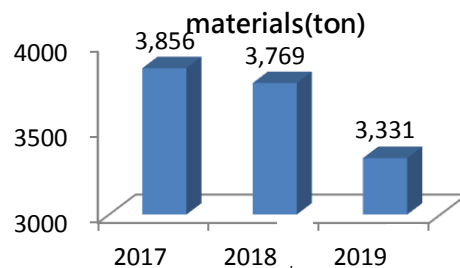
### Use of Raw Materials 301-1

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.

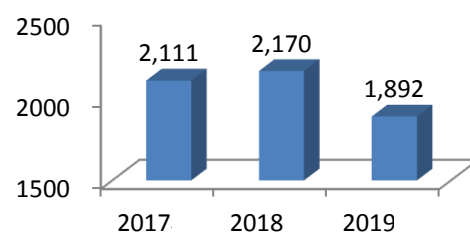
**Metallic raw materials (ton)**



**Metallic packaging materials(ton)**



**Wooden packaging materials (ton)**



## Use of Energy

302-1

302-2

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.

The Company consumed 1,619,984GJ of energy in 2019, lower than the same period last year (1,619,984GJ), indicating that the various energy-saving measures and performance results have paid off.

| Energy Usage    |                    |             |             |             |
|-----------------|--------------------|-------------|-------------|-------------|
| Types of energy | Unit               | Performance |             |             |
|                 |                    | 2017        | 2018        | 2019        |
| Electricity     | Unit               | 205,388,800 | 202,646,400 | 183,094,400 |
|                 | Gigajoule          | 739,400     | 729,527     | 659,140     |
|                 | Intensity (GJ/ton) | 0.717       | 0.696       | 0.714       |
| Natural gas     | Cubic meter        | 20,475,480  | 21,613,472  | 18,603,962  |
|                 | Gigajoule          | 840,561     | 890,174     | 771,130     |
|                 | Intensity (GJ/ton) | 0.816       | 0.849       | 0.836       |
| Heavy oil       | Cubic meter        | 1,400       | 51          | 188         |
|                 | Gigajoule          | 58,836      | 2,119       | 7,776       |
|                 | Intensity (GJ/ton) | 0.057       | 0.002       | 0.008       |

■ 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:

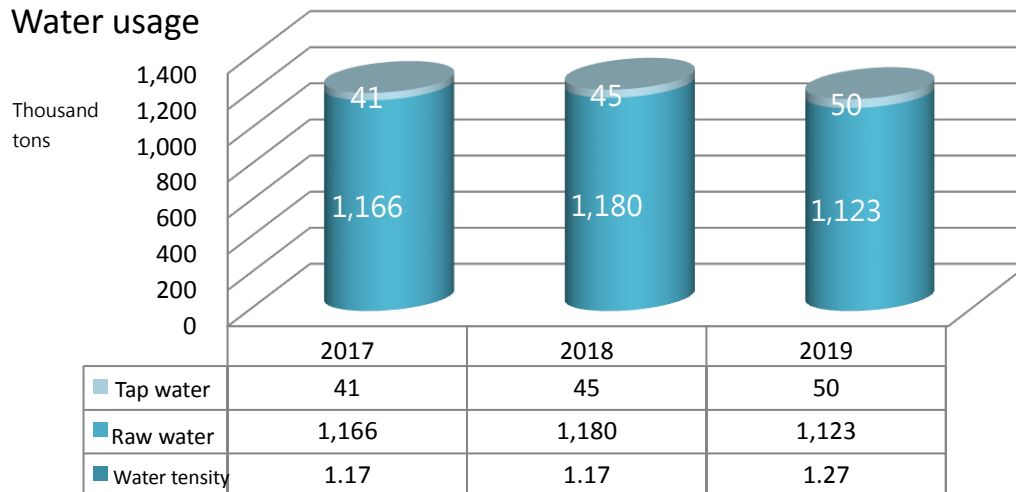
| Item        | Conversion parameters                  | Source of conversion data                                                                      |
|-------------|----------------------------------------|------------------------------------------------------------------------------------------------|
| 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 2019 published by Great Tainan Gas Company (9,902Kcal/m³) |
| Heavy oil   | 1 KL (kiloliter)=41.4017GJ (Gigajoule) | Average calorific value for December 2019 published by CPC Corporation (9,890.52Kcal/L)        |

## Water Resource 303-1

Ton Yi Industrial uses significant amounts of raw water for production and cleaning. Raw water accounts for approximately 97% of total water usage. Use of water has reduced over the years, which shows significant progress in the Company's water-saving measures.

In 2019, the total consumption of tap water was relatively higher due to the broken water pipeline at the beginning of the year. The total consumption of raw material is reduced by 5% as the production volume is reduced compared with last year.

Water usage



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. Data was sourced from water bill statements and receipts issued by Taiwan Water Corporation and Water Resources Agency, Ministry of Economic Affairs.

## Greenhouse Gas Survey

302-2

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 2019, 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 137,472 tons CO<sub>2</sub>e/year.

Direct and Indirect GHG emission

Unit: tons CO<sub>2</sub>e

| Year      | 2017    | 2018    | 2019    |
|-----------|---------|---------|---------|
| Scope 1   | 47,446  | 45,507  | 39,883  |
| Scope 2   | 108,651 | 112,266 | 97,589  |
| Total     | 156,097 | 157,773 | 137,472 |
| Intensity | 15.1%   | 15.1%   | 14.9%   |

Note: 2019 statistics were calculated according to EPA's Regulations Governing Greenhouse Gas Survey, Greenhouse Gas Emission Coefficient (Version 6.0.4), Bureau of Energy's Electricity Emission Coefficient - Taiwan (2017), ISO/CNS 14064-3:2006, Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals (ICS13.020.40; July 10, 2006), ISO/CNS 14064-3:2006 Specifications with guidance for the validation and verification of greenhouse gas assertions (ICS13.020.40; January 18, 2007), and Greenhouse Gas Measurement Guidelines (Version 2010). Results were obtained from or certified by third-party intuitions.

## 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 2020.

Energy conservation measures in 2019 were focused on: optimization of production technology and improve with low energy consumption equipment. Investment amount were NT \$ 8,490,000 and making a yearly energy saving of 1.93% (goal achieved).

| Solution                                         | Pieces | Power-saving benefits (kWh) | Emission reduction benefits (kg CO <sup>2</sup> e) | Investment amount(Thousands) |
|--------------------------------------------------|--------|-----------------------------|----------------------------------------------------|------------------------------|
| Improved management or optimization of equipment | 8      | 1,424,148                   | 1,917,650                                          | 8,490                        |
| Other high efficiency and frequency conversion   | 15     | 931,204                     |                                                    |                              |
| Use of energy-saving lighting                    | 7      | 908,502                     |                                                    |                              |
| Use of high efficiency motor                     | 9      | 287,078                     |                                                    |                              |
| Upgrades or optimization                         | 1      | 46,910                      |                                                    |                              |
| Total                                            | 40     | 3,597,842                   |                                                    |                              |

Note: Calculated based on the latest power coefficient of 0.533 kg CO<sub>2</sub>e/KWH published by the Bureau of Energy in 2019). The annual electricity saving is equivalent to 12,952 GJ.

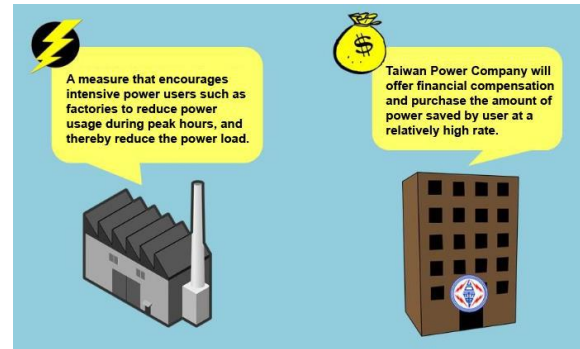
## Main energy conservation experience

1. Installation of LED lighting throughout the plant.



## 2. Participation in Taiwan Power Company's Demand Bidding Scheme:

The Company has been supporting Taiwan Power Company's power suppression measures and rearranging production activities to the extent that does not compromise its operations. In doing so, we help mitigate the shortage of power supply and contribute towards our social responsibilities. In the meantime, we reduced power expenses, lowered operating costs and secured our competitiveness to maintain sustainable business.



## 3. Indirect Cooling Water Pump Coating Power saving Benefits:

Direct cooling water is supplied to the equipment from the internal pitting corrosion, blade wear and corrosion that caused the slow flow and excessive power consumption. Use Casing and Impeller Coating which is ceramic composites improves efficiency and it reduces current

Before improvement



After improvement



## 4. Power-saving operation of purified water pumps:

The return function of minimum flow valves of purified water pumps is closed and replaced by the absorption water of the ARP absorption tower.



## 5. Transformation of high-efficiency inverter:

The total capacity 5506KVA of the CAL inverter consumed more power before the update and is now more energy-efficient after the update.



## 四、Pollution Prevention Management

In 2019, there were no major fines and non-pecuniary penalties for violations of environmental laws and/or regulations. With respect to amendments to environmental protection regulations, assign staff to regularly study the Environmental Protection Administration's regulation inquiry system and collect and identify the relevance of regulations with the company's various departments. Report the countermeasures in the regular review meetings for the environmental management system and advocate for the countermeasures in the company's internal website.

### Environment Expenses:

We have committed ourselves to environmental protection. In addition to making mandatory reports concerning air, water, waste, toxicity and soil, the Company has also been paying environmental charges. In 2019, the environmental expenditures totaling NT\$61,026,000 were spent.

| Category                                    | Description                                                |                         | Amount<br>(NT\$ thousands) |
|---------------------------------------------|------------------------------------------------------------|-------------------------|----------------------------|
| Air                                         | Testing charges for stationary pollution source            |                         | 182                        |
|                                             | Prevention charges for stationary pollution source         | Coating and printing    | 973                        |
|                                             |                                                            | Boiler steam generation | 4                          |
|                                             |                                                            | Metal plating process   | 123                        |
| Water                                       | Waste water quality testing charges                        |                         | 379                        |
|                                             | Water treatment facility operation and maintenance charges |                         | 31,557                     |
|                                             | Water pollution control fees                               |                         | 171                        |
| Waste                                       | Waste testing charges                                      |                         | 117                        |
|                                             | Waste disposal charges                                     |                         | 27,417                     |
| Soil and ground water pollution remediation | Soil and ground water pollution remediation charges        |                         | 226                        |
| Total                                       |                                                            |                         | 61,026                     |

**Prevention of Air Pollution** 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.

**Air pollution emission trend:**

Since 2013, the Company has adopted the use of a dual-fuel system (heavy oil + natural gas) for its boil steam generation. By using the cleanest form of fuel (natural gas), the Company has significantly reduced the amount of particulate pollutants, sulfur oxides, and nitrogen oxides found in emissions. Air pollution control fees are paid in accordance with the law; however, there is a trend of reduction in the amount of fees having to be paid.

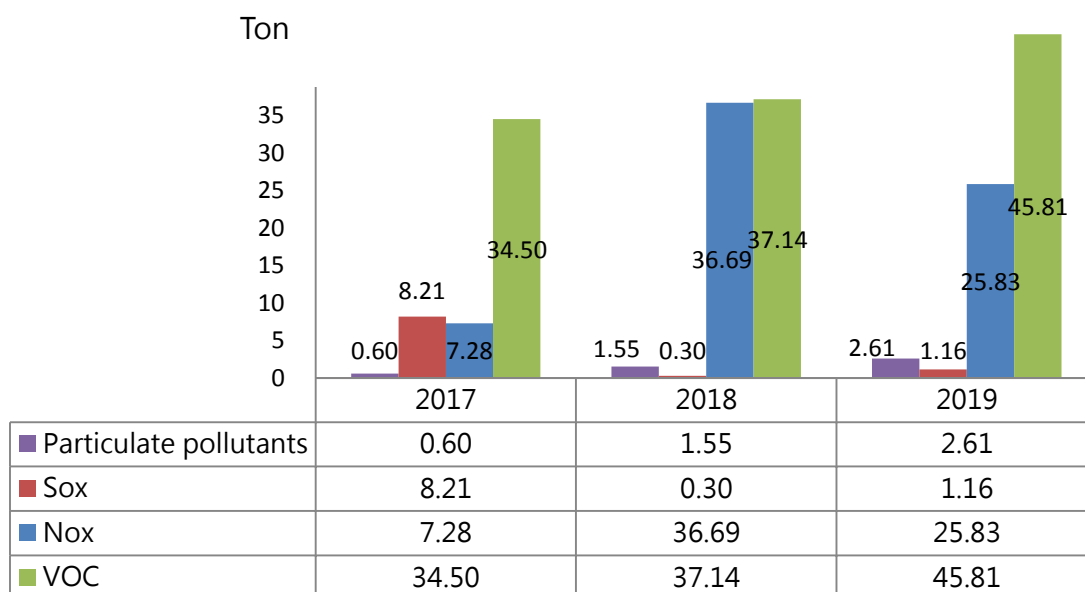
In response to climate change, three industrial boilers with dual fuel systems have been completely abolished since 2019, stopping the use of heavy oil as fuel. On August 19, 2019, the company officially obtained the approval by the Environmental Protection Bureau of Tainan City Government to switch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

The use of natural gas is adopted for the boilers. For digesting the remaining heavy oil in inventory and the regular inspection in Q1 and Q2, the emissions of SO<sub>x</sub> increased and the emissions of NO<sub>x</sub> decreased.

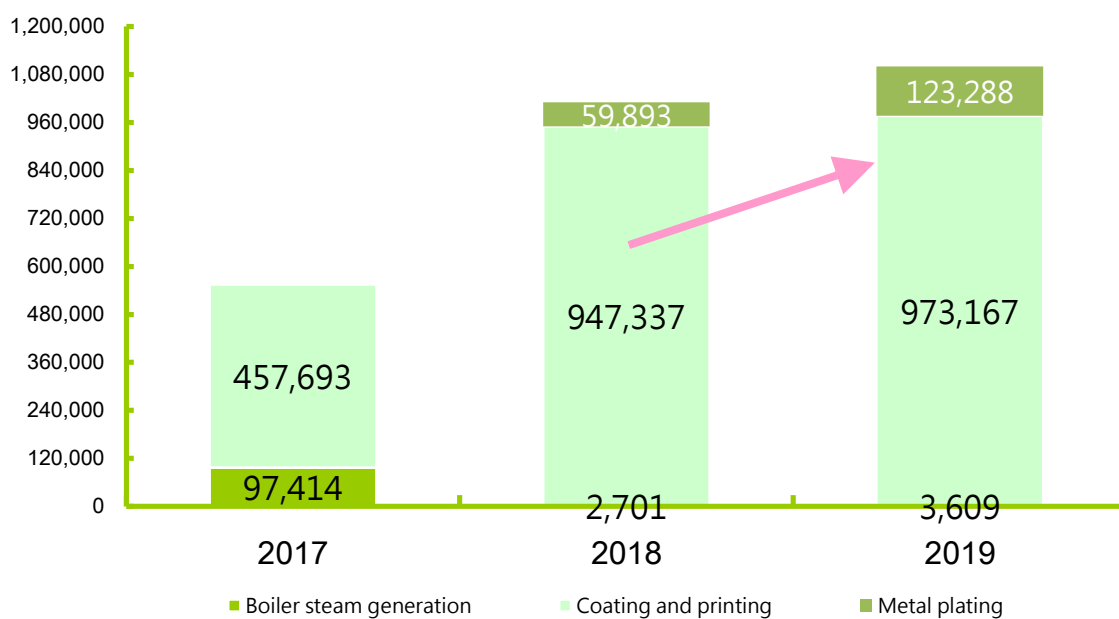
In addition, in response to the amendments in “Air Pollution Prevention and Control Act”, Fees are required from the “Metal Plating Procedures (M03)” which is also included in the Air Pollution Prevention in July 2018, particulate pollutants and heavy metals were added. Therefore, the discharge of pollutants 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 in 2019 compared with previous years.

## Comparison of emissions :



## Comparison of air pollution prevention 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.

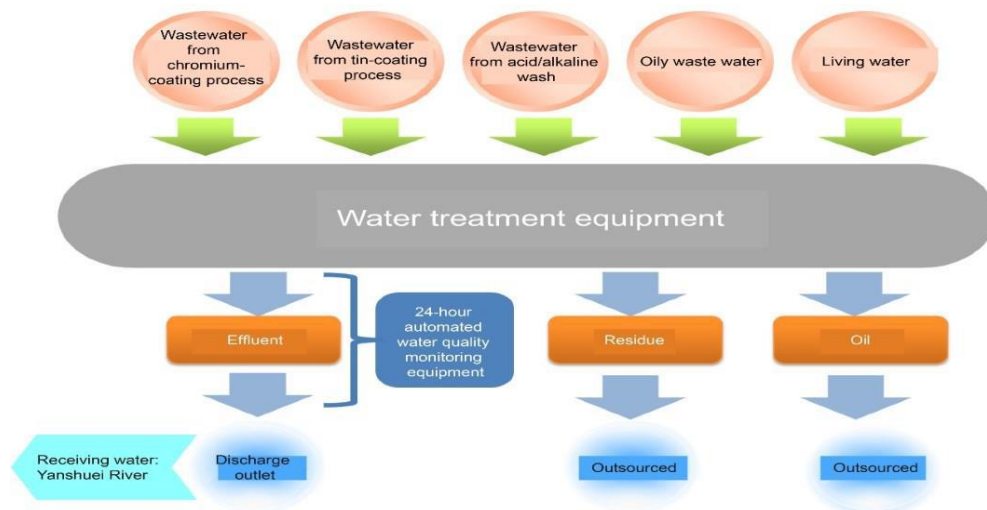
## Water Pollution Prevention

306-1

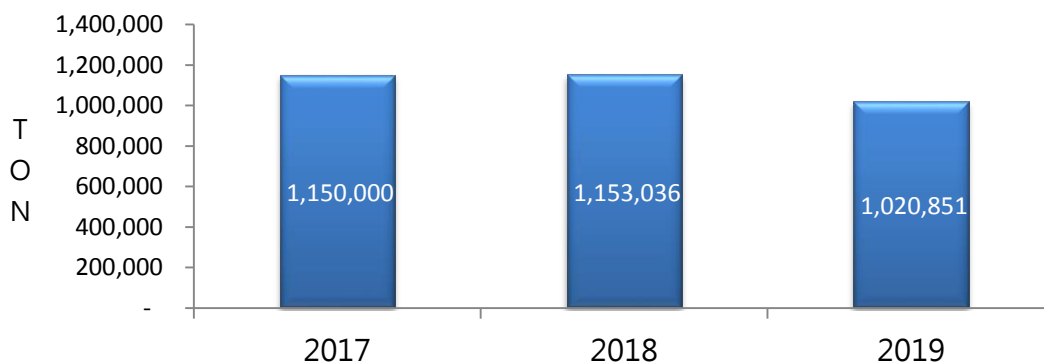
306-5

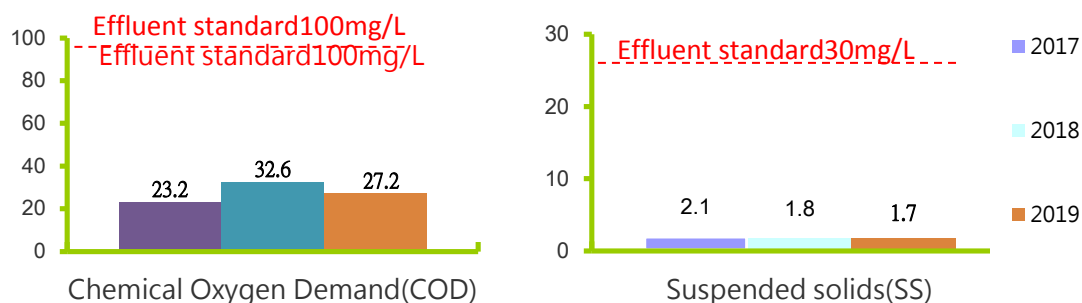
Ton Yi Industrial initially installed water treatment facilities capable of processing 9,316m<sup>3</sup> of wastewater each day, but as production efficiency improved, the maximum water treatment capacity was revised downwards to 6,430 m<sup>3</sup>. Water treatment specialists have been appointed to oversee water treatment operations 24 hours a day in rotating shifts, while automated water quality monitoring facilities have been installed to upload measurements such as water temperature, hydrogen ion concentration, and conductivity to Tainan City Environmental Protection Bureau 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



Wastewater discharged





## Waste management 306-2

All waste produced by Ton Yi Industrial has been classified according to EPA guidelines and handled by locally approved treatment providers. Meanwhile, the Company is taking steps to recycle, reuse and turn waste into viable resources. There has been no major leakage from waste treatment operations and cleanup in 2019.

### Category and volume of waste treated and treatment methods:

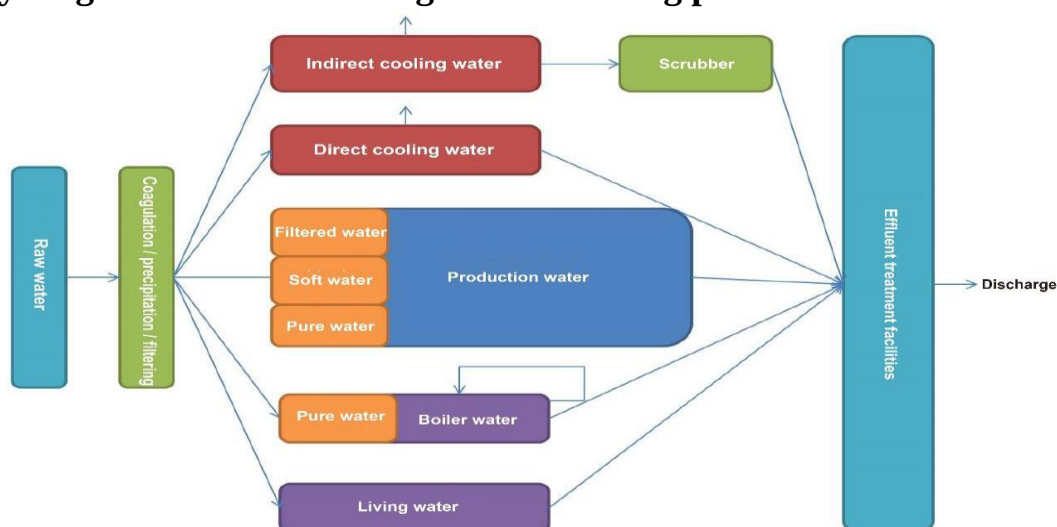
| Item                       | Unit | Year  |       |       | Percentage |
|----------------------------|------|-------|-------|-------|------------|
|                            |      | 2017  | 2018  | 2019  | 2019       |
| General waste              | Ton  | 382   | 351   | 306   | 5.9%       |
| General industrial waste   | Ton  | 4,508 | 4,927 | 4,410 | 84.6%      |
| Hazardous industrial waste | Ton  | 500   | 582   | 494   | 9.5%       |
| Total                      | Ton  | 5,390 | 5,860 | 5,210 | 100%       |

| Item                       | Treatment method |                       |                    |        |
|----------------------------|------------------|-----------------------|--------------------|--------|
|                            | Incineration     | Solidify and landfill | Physical treatment | Re-use |
| General waste              | 100%             | 0%                    | 0%                 | 0%     |
| General industrial waste   | 8.7%             | 4.9%                  | 0.6%               | 85.8%  |
| Hazardous industrial waste | 7.7%             | 83.7%                 | 8.7%               | 0%     |

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

## 五、Reuse of Resources

### 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    | 207,801                              | 31,885,735                              | 32,093,536                               |
| Boiler water     | 138,700                              | 79,935                                  | 218,635                                  |
| Production water | 941,987                              | 298,233                                 | 1,240,220                                |
| Living water     | 23,788                               | 0                                       | 23,788                                   |
| Total            | 1,018,079                            | 28,723,258                              | 33,576,179                               |

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

### Process recycling and recovery 303-3

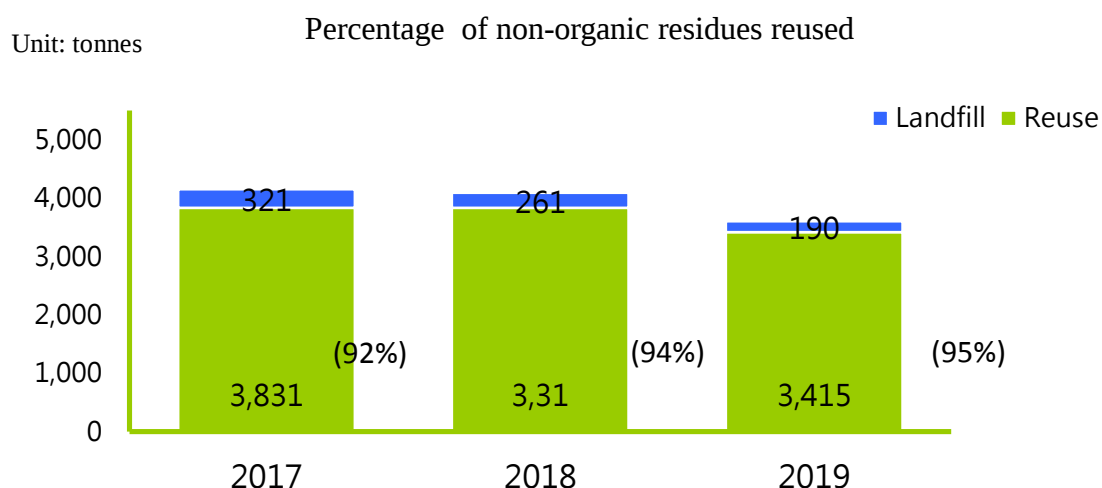
The Company's products processes require a significant volume of water for purposes such as cooling, rust removal, lubrication, and dust cleaning. We have various measures in place to enforce water management, recycling and reuse.

| Year                          | 2017       | 2018       | 2019       |
|-------------------------------|------------|------------|------------|
| Volume of water recycled(ton) | 29,963,885 | 34,144,329 | 32,263,904 |
| Total water consumption(ton)  | 31,314,487 | 35,683,672 | 33,576,180 |
| Percentage recycled           | 95.7%      | 95.7%      | 96.1%      |

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.

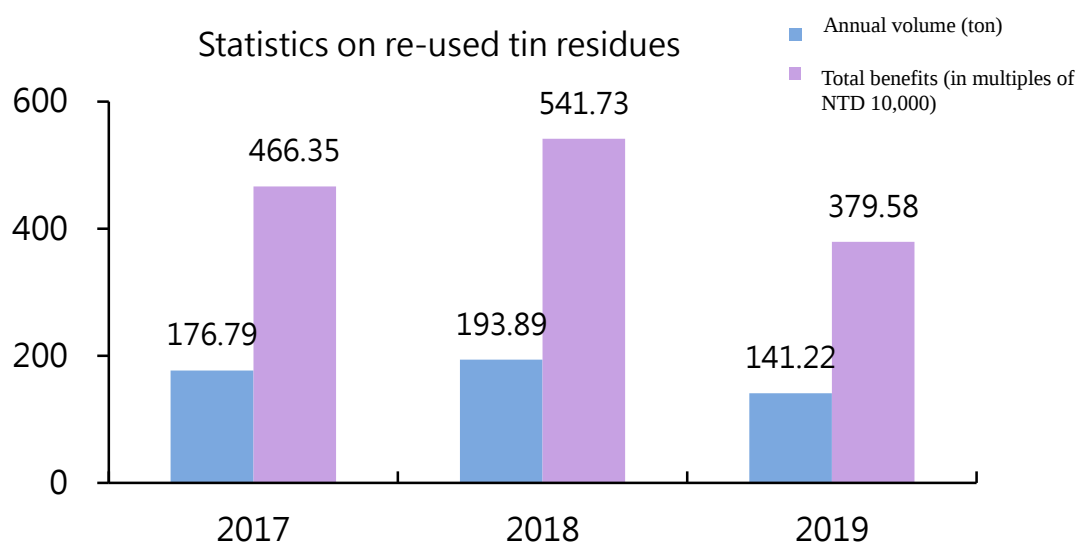
### Re-use of non-organic residues

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.



### Reuse of tin residues

For tin residues created from tinplate 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\$10,000~NT\$25,000 for every ton of residue disposed.

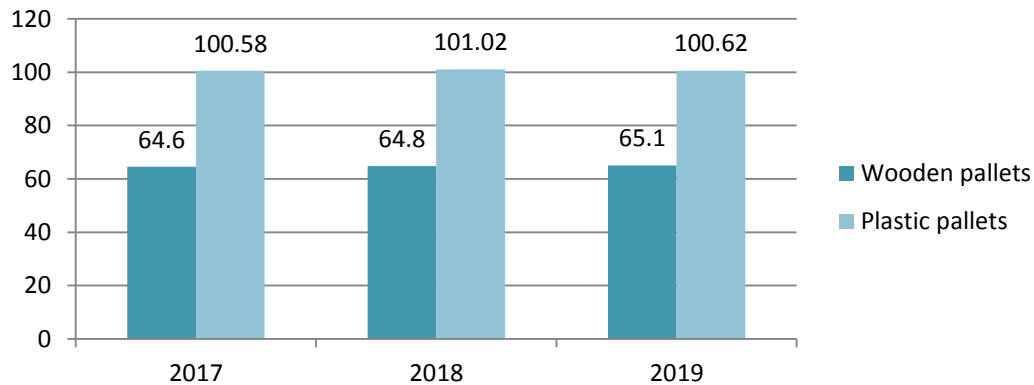


## Recycling and re-use of packaging materials

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.

### Recycled pallets



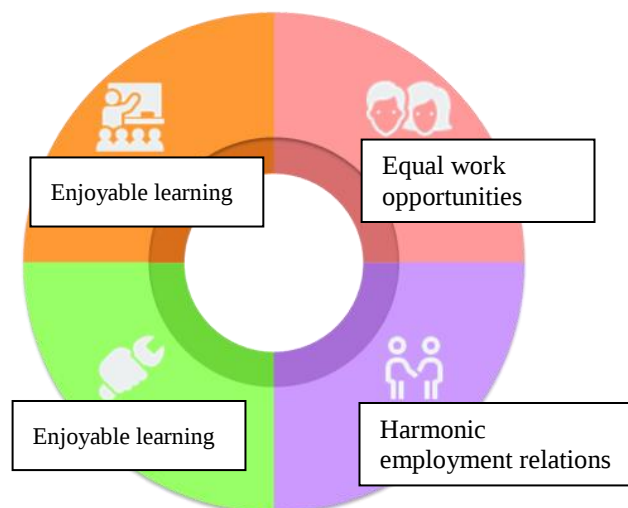
In 2019, the Company recycled 6,043 wooden pallets (65.1%) and 16,331 plastic pallets (100.62%) in total. As the volume recovered in the current year exceeded the volume shipped in the current year, the recovery rate of plastic pallets exceeded 100%. Wooden pallets are prone to stains, damages, and are difficult to maintain. After taking into account the condition of recovered pallets, some customers may even choose to dispose or make alternative use of wooden pallets. For these reasons, wooden pallets tend to exhibit a lower recovery rate than plastic pallets.



## Chapter Five Mutual Prosperity

### The importance of the issue

Facing the increasingly stringent labor laws and the rising awareness of labor rights and interests, Ton Yi Industrial has established comprehensive employer-employee communication and grievance filing channels. We abide by the requirements of the Labor Standards Act, and never employ child labor. We do not discriminate against employees for their gender, nationality, race, religion, or political stance. We offer stable remuneration and improve welfare measures and implement education and training sessions, performance appraisal and career advancement plans to fully elaborate our human resources, so that every employee can exert influence in his/her career and the company can have sustainable growth, creating a win-win situation for everyone. For the year of 2019, there were no violations of human rights or discrimination incidents, and we did not receive any grievance filing cases.



### Management strategy

Ton Yi Industrial has implemented a set of “Work Rules” that were approved by the authority. These rules are public record, ensuring compliance from both employer and employee. The Company does not force any employees into labor, and has strict rules in place to prohibit against child labor, prevent gender discrimination, and foster equal work opportunities. The Company is also committed to achieving zero hazard and has been verified ISO45001 & TOSHMS-compliant safety and health management system by making ongoing improvements to the production process and operating environment. In doing so, we provide employees a safe and healthy workplace.

### — 、 Employees

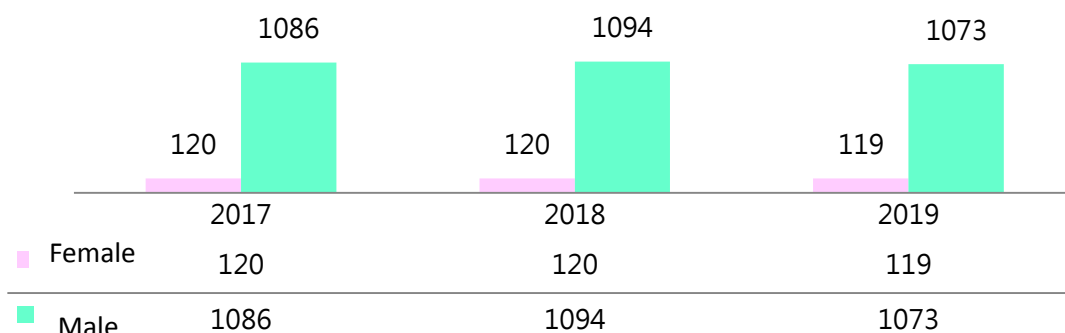
#### Human Structure

102-8

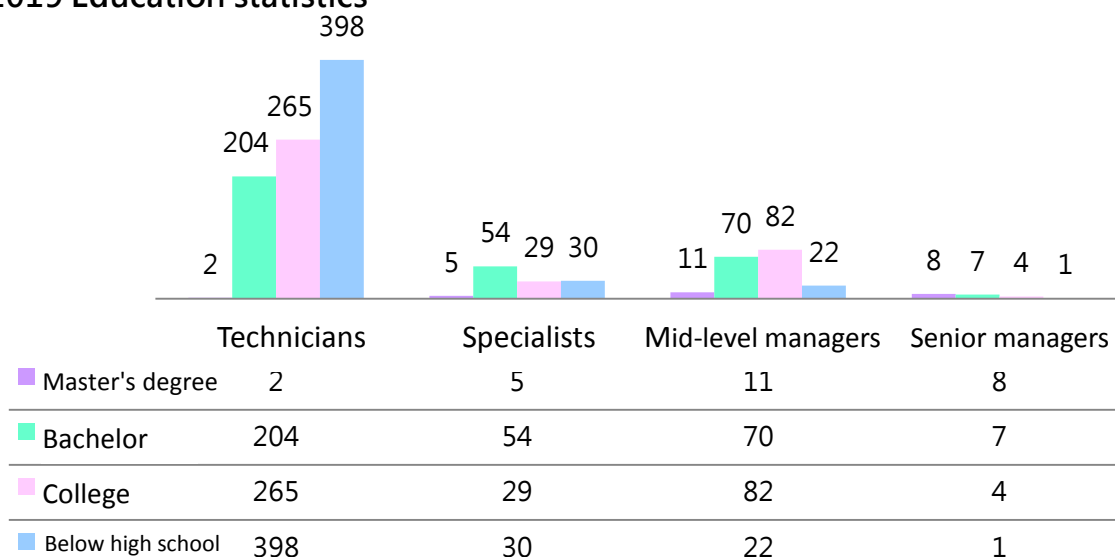
405-1

The Company’s Taiwan operations employed a total workforce of 1,192 in 2019. All employees were hired on a permanent basis, and locals comprised 90.93% of the direct production activities, senior executives are all local residents of Taiwan, males accounted for a dominant 90.01% of the employee size.

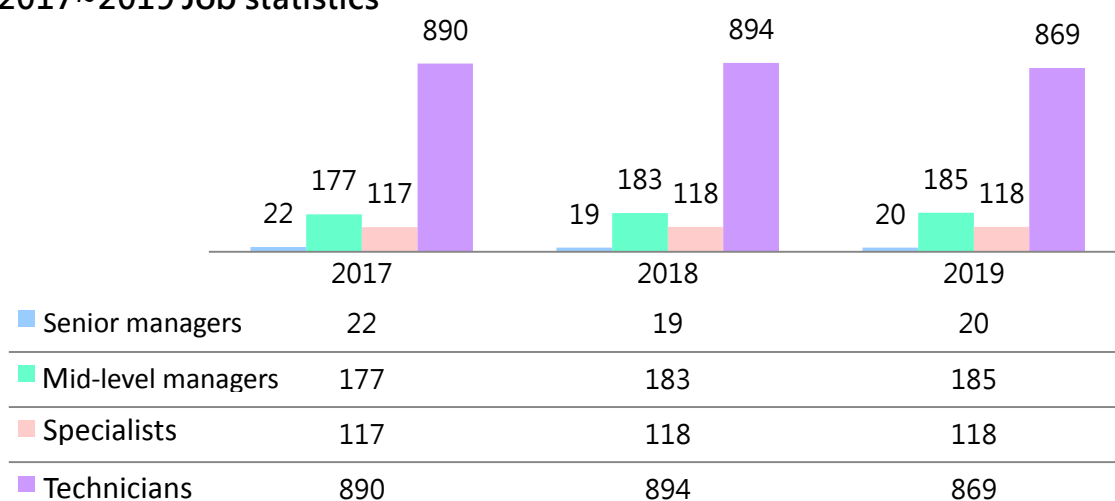
## No. of employees with pay2017~2019



## 2019 Education statistics



## 2017~2019 Job statistics



**Employee Transition** 401-1

As of Dec.31.2019, new female recruits represented 0.17% of existing employees and exhibited an attrition rate of 0.17%;New male recruits represented 6.62% of existing employees and exhibited an attrition rate of 7.63%

| Year      | 2019          |                    |               |                    |
|-----------|---------------|--------------------|---------------|--------------------|
| Age group | Male          |                    | Female        |                    |
|           | New headcount | Resigned headcount | New headcount | Resigned headcount |
| Below 30  | 47            | 29                 | 2             | 1                  |
| 30~50     | 32            | 48                 | 0             | 1                  |
| Above 50  | 0             | 14                 | 0             | 0                  |
| Total     | 79            | 91                 | 2             | 2                  |

**Diversified Governance and Employment**

In terms of diversity in governance, the board of directors is composed of people with different genders, ages, expertise and background. Of the current 10 board members, there is 1 female director and 3 seats of independent directors (account for 30% of all directors). The average age is 65.6, and 2 of the directors are also employees of the company.

In terms of employee hiring, as of the end of December 2019, Ton Yi Industrial hired 22 employees with physical and mental disabilities, 11 more than the the Law, accounting for 1.85% of the total numbers of employees. In addition, the company employs 6 indigenous people, accounting for 0.5% of the total workforce.

**Unpaid parental leave** 401-3

In 2019, a total of 13 male employees and 4 female employees were entitled to apply for unpaid parental leave under the Act of Gender Equality in Employment; 2 male employee applied for unpaid parental leave, and none had applied for or were reinstated from unpaid parental leave during the reporting period.

## 二、Talent Training

404-1~3

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.

### **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.

### **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!

### **Training Achievement**

Employee received 38,298 hours of training in total during 2019, averaging 32.1 hours of training per employee. In addition to organizing internal courses, the Company also assigns employees to undergo external training for skill enhancement and exchange of knowledge with personnel from relevant fields. The hours of training are as follows:

|                        | Male   | Female | Total  |
|------------------------|--------|--------|--------|
| Total training hours   | 36,645 | 1,654  | 38,298 |
| Total participations   | 1,073  | 119    | 1,192  |
| Average training hours | 34.2   | 13.9   | 32.1   |

## ≡ · *Employees' Rights*

401-2

Ton Yi Industrial has been free of major regulatory violation, employment dispute, and violation against Employment Service Act and Act of Gender Equality in Employment for at least 5 years. In 2019, we signed our 3<sup>rd</sup> collective bargaining agreement with the union as a means to establish productive employment communication. We also make pension contributions to employees' pension accounts held with Bank of Taiwan as required by law; we even have a welfare committee that cares for employees by organizing welfare and recreational activities. We pride ourselves for building an enjoyable workplace, and this accomplishment is a testament of how Ton Yi Industrial cares for its employees.

### **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 physical and mental lecture -- emotional awareness and stress management; employee physical and mental health; 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; corporate sustainability; employee participation; human resources and occupational safety and health. In 2019, a total of 1,049 employees attended training sessions related to human rights, accounting for 88% of the total workforce. In 2019, the company organized a total of 1,564 class hours on human rights policies. The total number of attendance was 14,798, totaling 16,736 class hours.

| Course type                | Total people | Hours | Total training hours |
|----------------------------|--------------|-------|----------------------|
| Human Resources            | 14,381       | 1,201 | 15,532               |
| Physical and mental health | 22           | 23    | 32.0                 |
| New staff                  | 235          | 19    | 478.0                |
| total                      | 160          | 321   | 694                  |
| Human Resources            | 14,798       | 1,564 | 16,736               |

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

## 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 2019, 99.91% 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.

## 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. An occupational safety and health management committee is also established, and representatives from the employer and employees engage in negotiations to ensure workers' occupational safety and welfare. Details P.75.

## Collective agreement

102-41

403-4

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.

## End-of-year awards ceremony

The Company holds a year-end awards ceremony for the Company's mid and top-level executives and top-level executives of its affiliates from overseas. Besides praising the performance of outstanding personnel and senior staff during the year, the Company's management also gives it annual speech outlining the Company's current operations, as well as important strategies and direction for the future. In previous years, approximately 120 people have attended.



## Welfare matters

### ● Salary and benefits :

Employees are a company's most precious capital, and in order for them to evaluate their job characteristics and give reasonable salary and remuneration, showcase their talents and abilities, the Company plans various educational training. Not only do the courses enhance their professional capability, we also invite experts in various fields to assist employees in the department of diverse learning. 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 : 202-1 404-3 405-1

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. In 2019, 90% of male employees completed performance appraisal, while female employees completed all performance appraisal.

Besides salary management, Ton Yi Industrial pays attention to the salary level of workers. As of the end of December 2019, the average monthly salary of Taiwanese female technicians of Ton Yi Industrial is 1.64 times more than the statutory basic salary in the current period in Taiwan, whereas the average monthly salary of male technicians is about 2.00 times more than the basic salary. 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 94.01% of the direct labor.

#### Full-time employees who are not in managerial position

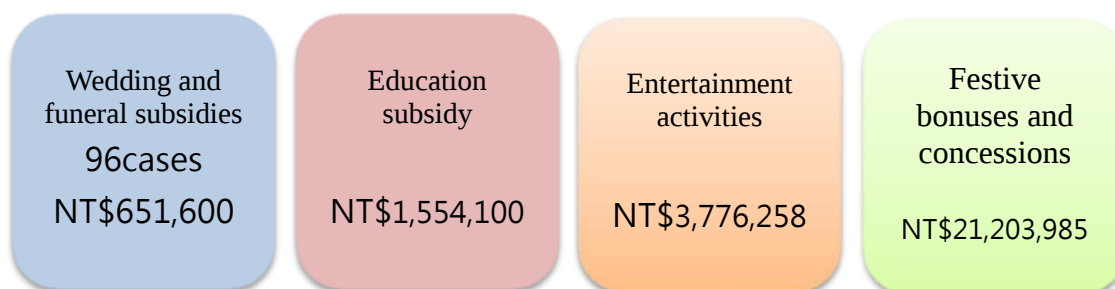
| Year       | No. of people | Average salary(thousands) | Median salary(thousands) |
|------------|---------------|---------------------------|--------------------------|
| 2019       | 1,182         | 676                       | 675                      |
| 2018       | 1,173         | 747                       | -                        |
| Difference | 9             | -71                       | -                        |

#### Equivalent to the multiple of the statutory minimum salary

| Employee gender   | Male | Female |
|-------------------|------|--------|
| Senior managers   | 5.21 | 3.48   |
| Mid-level manager | 2.74 | 2.43   |
| Specialists       | 2.08 | 1.80   |
| Technicians       | 2.00 | 1.64   |

## ● Subsidies :

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, and employees' health examination, a total of 762 people participated in the program. (general health checkups are arranged once every two years, whereas special health checkups are arranged once a year).



## ● Facilities :

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

## ● Pension system :

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.

## ● Activities :

Family barbecue -260 participants; bowling competition-144 participants; sports day- 48 participants; softball competition-108 participants.



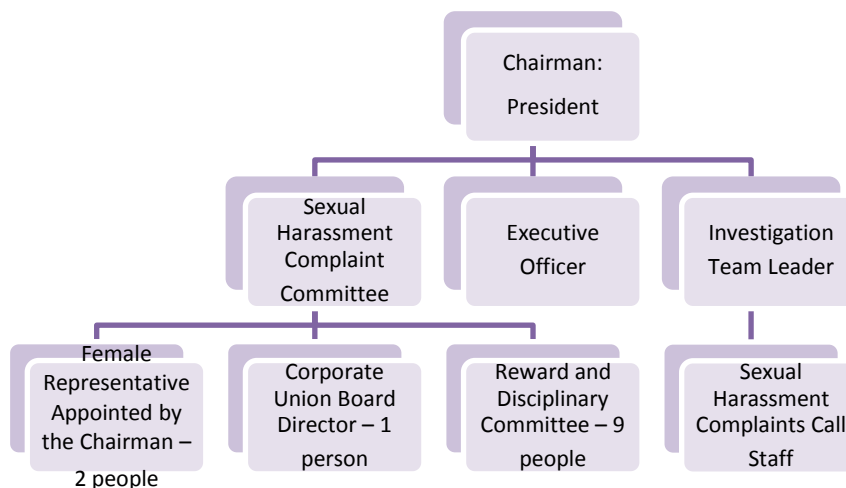
**Grievance (counseling) system** 402-1

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. The Company also has a psychological counselor for employees to express their emotions when needed. In terms of facilitating communication with employees, the company regularly holds employer-employee meetings (representatives from the employer and employee parties make up half of the meeting body, respectively). Senior executives from the company attend meetings held by union representatives and employee welfare committee meetings, and report to employee representatives on the status of the company's operating performance and respond to and resolve proposals from employees. 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 :**

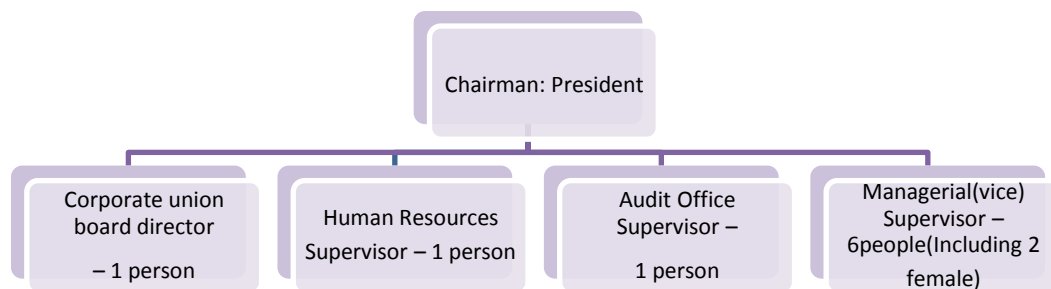
The Company supports the concept of gender equality and announcements of “Sexual Harassment Prevention” are promoted within all the plants. “Sexual Harassment Complaint Measures” have been established in order to actively promote various anti-sexist policies and behaviors. In Ton Yi Industrial, any forms of sexual harassment behavior in the workplace is strictly prohibited. According to Articles 12 and 13 of the Gender Work Equality Act, in order to protect employees’ work rights, we provide a work environment free from sexual harassment. For sexual harassment incidents, we prevent, correct and discipline appropriately, and “Sexual Harassment Prevention in Workplace Measures” and the Sexual Harassment Complaint Committee have been assembled. In 2019, there were no records of any complaints.

**Organization Chart of Sexual Harassment Complaint Committee:**

## Reward and Disciplinary Committee :

- (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 :

- (1) Employees' year-end performance appraisal standard is based on each employee's usual performance appraisal, work performance, conduct and learning at work.
- (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. Fill out "Performance Appraisal Appeal Application Form" to explain the reason for the appeal and list specific work performance during the performance appraisal year. 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.

#### 四、Health and Safety

403-1

The Company uses the health and safety policy “Respect life, health and safety, full participation and continual improvement” as the ultimate guiding principle. We also place employees’ well-being as the top priority and are dedicated to eliminating hazards in the operation environment to provide a safe and healthy work environment. An occupational safety and health committee is established, and the general manager acts as the leader for the company's safety and health practices and is responsible for the management of the practices. Worker representatives account for 33.33% of the total number of the committee members.

In response to internal and external stakeholders' demands and expectations, the company establishes occupational safety and health management plans and conducts internal and external audits on an annual basis to verify the implementation and effectiveness of the management system, ensure the PDCA process and improve the performance in safety and health measures.

##### Health and Safety Policy

Respect life, health and  
safety

Full participation and  
continual improvement

##### 2019 Health and Safety Guidelines

Basic philosophy **Pragmatism**

Action focus

- Follow regulations, implement regulations, eliminate unsafe equipment.
- Observe safely, work honestly, and prevent unsafe behavior.

### ISO 45001:2018 Occupational Health and Safety Management System :

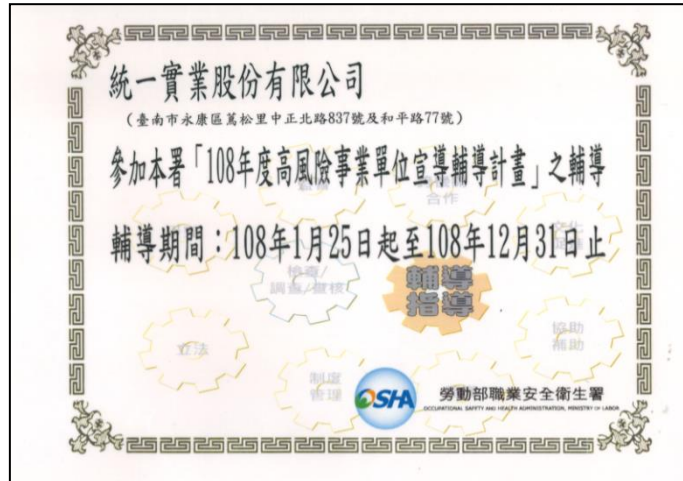
The world’s first international occupational health and safety management system standard ISO 45001: 2018. The goal is to replace OHSAS 18001, and it was officially announced on March 12, 2018.

The company is committed to providing a safe and healthy work environment and improving the performance in occupational safety and health measures. Ton Yi Industrial obtained its ISO45001:2018 certification status in December 2019.



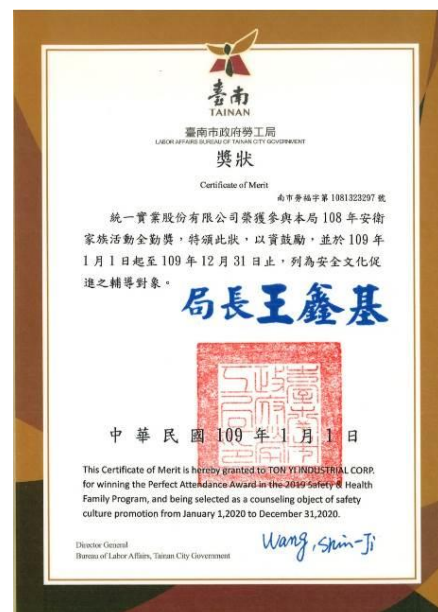
### Project counseling by the Occupational Safety and Health Administration :

1. In 2019, Ton Yi Industrial applies for a project counseling program conducted by the Occupational Safety and Health Administration. The labor inspection this year will be replaced by counseling.
2. Name of project: Project counseling by the Occupational Safety and Health Administration.



### Counseling on promotion of safety culture :

1. Ton Yi Industrial participated in the 2019 Safety and Health Family Activities organized by the Labor Affairs Bureau of the Tainan City Government, and won the full attendance award and was listed as a counseling model for promotion of culture of safety.
2. Name of project: Counseling on promotion of safety culture.



## Regulatory compliance :

The provisions of the ISO 45001 management system require that businesses identify applicable regulations and matters. The company conducts identification of regulations every year and finds the regulations to comply with and implements control measures for business sites. In 2019, the Occupational Safety Center in the Southern Region and the Labor Inspection Office of Kaohsiung conducted a total of 6 on-site inspections, and there was 1 finding of negligence penalized with fines.

| Item/Year             | 2017        | 2018                                       | 2019        |
|-----------------------|-------------|--------------------------------------------|-------------|
| Number of inspections | 4           | 7                                          | 6           |
| Cases of negligence   | 11          | 20                                         | 15          |
| Total amount          | 6(thousand) | 40 (thousand)<br>(Fire fines:80(thousand)) | 6(thousand) |

Of the 15 cases of negligence in 2019, 1 was penalized with fines, 8 were considered "Negligence with contract management," and the others were shortcomings with automatic inspection. Improvement measures are provided after analyzing and reviewing causes:

- Contractor safety, health, and environmental protection seminar  
The Company organizes contractors safety, health and environmental protection seminars and looks forward to preventing the occurrence of occupational disasters, maintaining business sustainability and protecting the safety and health of employees through communication between parties to create a win-win situation for everyone, and a total of 67 companies attended the seminars (76 people).
- Education and training for construction contracting  
Education and training sessions on contracting management were held for supervisors, industrial safety and related operation personnel, specifications of the Occupational Safety and Health Act on contracting, the company's requirements for contracting works and construction supervision and inspection in accordance with Ton Yi's environmental, safety and health counseling items and 2019 occupational safety and health education and training program.
- Increase the frequency of safety and health inspections  
Increase the frequency of irregular inspections and inform responsible departments to conduct improvement of the work environment in accordance with the Safety and Health Inspection Management Procedures (SMP-H0807) to achieve safety and health goals.
- Revise the automatic inspection form and conduct education and training on inspection items  
In order to help operators conduct effective inspection and recording, education and training sessions are held with respect to the inspection items, and forms are revised to prevent personnel from filling out the wrong boxes.

## The statistics on the related occupational disasters : 403-2

There were no deaths due to work in 2019. For the statistics on the related occupational disasters, please refer to the following table:

| Item\Year                                                                         | 2017      | 2018      | 2019      |
|-----------------------------------------------------------------------------------|-----------|-----------|-----------|
| Disabling injury frequency rate(FR)                                               | 2.91      | 5.64      | 3.92      |
| Disabling severity rate(SR)                                                       | 17        | 16        | 26        |
| Frequency severity index(FSI)                                                     | 0.22      | 0.30      | 0.31      |
| Absence rate (AR)                                                                 | 0.32%     | 0.10%     | 0.27%     |
| Average days charged per disabling injury<br>(days charged/injured no. of people) | 6         | 10        | 6         |
| Incidence of occupational diseases                                                | 0         | 0         | 0         |
| Annual total working hours of employees                                           | 2,271,808 | 2,305,032 | 2,298,184 |

Note: 1. System of accident statistics records and notification: 1. Emergency Response Management Procedures (SMP-H0822); 2. Crisis Management Guidelines for Statutory Critical Infectious Diseases (SMP-H0823); 3. Crisis Management Guidelines for Major Industrial Accidents (SMP-H0824); 4. Management Procedures for Accident Investigation (SMP-H1001); 5. The statistics of occupational disasters are compiled on a monthly basis in accordance with Article 38 of the Occupational Safety and Health Act, and are submitted to the inspection agency for reference.

2. FR = Number of disabled persons × 1,000,000 / Annual total working hours of employees

SR = Lost days due to disability injury × 1,000,000 / Annual total working hours of employees

FSI = (FR × SR / 1000) <sup>1/2</sup>

AR = (Conversion of days of absence ÷ Total number of working days (Including days of absence)) × 100% °

Even with the full efforts of all units, the company still experienced a few occupational safety incidents. The severity of disability injury this year is relatively high, and it will be the focus for the company's follow-up improvement measures.

- In order to eliminate unsafe behaviors and prevent occurrence of occupational disasters, the company will continue to promote safety observation activities.
- Implement safety and health assessment plans for job sites, reinforce the frequency of on-site industrial safety inspections and propose management control measures for recurring violations.
- Zero-injury campaign is implemented in the hope that all units can prevent accidents from happening. Monetary awards to those who achieve zero-injury targets

### Work Safety Accidents – 2010

| Category     | Crash | Non-commuting car accident | Cut | Fall over | Pulled/Caught by machinery |
|--------------|-------|----------------------------|-----|-----------|----------------------------|
| No. of cases | 1     | 1                          | 1   | 3         | 3                          |

## 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. Occupational health specialists were invited to provide medical consultation on site, and to follow up on employees who exhibit signs of concern in their checkups these employees are also given related reading materials and advised to visit hospital for regular follow-ups.



Employees receiving checkups



Hearing test

## Organize workplace health promotion activities :

In order to encourage employees to develop habits of exercise, the company collaborates with the Public Health Bureau of the Tainan City Government to organize health promotion activities which introduce body exercises for 30 minutes a day, 5 days a week. It is hoped that incentives will encourage every employee to exercise more often.



Sports instruction activity



Rhythm vitality activity

## 五、Community 413-1

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.

### Feedback to the Community

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.
3. The Company actively assists nearby schools with their campus recruitment and organizes tours to the Company.
4. The Company participates in group charity activities.



Local temple



Neighborhood activities

### Community Engagement and Sustainability

1. 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.
2. 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.



## 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 676 仟元，中位數 675 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」。                              | 70   |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 2      | 截至 2019 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 99.91%。                                                                                                                                                                                                                                                                                                                                                                                                                      | 2019 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。                   | 69   |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 3      | 截至 2019 年 12 月底止，統一實業台籍基層技術人員女性員工平均月薪資為當期台灣地區法定基本工資的 1.64 倍，技術人員男性員工的平均月薪資約為基本工資的 2.00 倍。                                                                                                                                                                                                                                                                                                                                                                                   | 截至 2019 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。 | 70   |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 4      | 2019 年度員工總受訓時數 38,298 小時。                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 2019 年度符合統實教育訓練辦法完成之教育訓練時數總和。                                              | 67   |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 5      | 2019 年總計回收木棧板 6,043 個(回收率 65.1%)，塑膠棧板回收 16,331 個(回收率 100.62%)。                                                                                                                                                                                                                                                                                                                                                                                                              | 2019 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。                                      | 62   |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 6      | <table><tr><th>年度</th><th colspan="4">2019</th></tr><tr><th rowspan="2">年齡層</th><th colspan="2">男</th><th colspan="2">女</th></tr><tr><th>新進人數</th><th>離職人數</th><th>新進人數</th><th>離職人數</th></tr><tr><td>&lt;30歲</td><td>47</td><td>29</td><td>2</td><td>1</td></tr><tr><td>30~50歲</td><td>32</td><td>48</td><td>0</td><td>1</td></tr><tr><td>&gt;50歲</td><td>0</td><td>14</td><td>0</td><td>0</td></tr><tr><td>總計</td><td>79</td><td>91</td><td>2</td><td>2</td></tr></table> | 年度                                                                         | 2019 |      |  |  | 年齡層 | 男 |  | 女 |  | 新進人數 | 離職人數 | 新進人數 | 離職人數 | <30歲 | 47 | 29 | 2 | 1 | 30~50歲 | 32 | 48 | 0 | 1 | >50歲 | 0 | 14 | 0 | 0 | 總計 | 79 | 91 | 2 | 2 | 截至 2019 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。 | 66 |
| 年度     | 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                            |      |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 年齡層    | 男                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                            | 女    |      |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
|        | 新進人數                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 離職人數                                                                       | 新進人數 | 離職人數 |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| <30歲   | 47                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 29                                                                         | 2    | 1    |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 30~50歲 | 32                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 48                                                                         | 0    | 1    |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| >50歲   | 0                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 14                                                                         | 0    | 0    |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |
| 總計     | 79                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 91                                                                         | 2    | 2    |  |  |     |   |  |   |  |      |      |      |      |      |    |    |   |   |        |    |    |   |   |      |   |    |   |   |    |    |    |   |   |                                              |    |

| 編號 | 確信標的資訊                                | 適用基準                                                                                                                                                                                                                                | 頁碼    |
|----|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 7  | 供應商回覆「供應商社會責任承諾書」比率達99.4%。            | 截至2019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。                                                                                                                                                                                             | 36    |
| 8  | 全年度的環保支出為 61,026 仟元，全年度的環保投資共8,490仟元。 | <p>環保支出</p> <p>2019 年環保支出為下列類型支出金額總和。</p> <p>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)</p> <p>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</p> <p>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</p> <p>環保投資</p> <p>為申報至能源局之2019年節能專案投資金額總和。</p> | 55、53 |



## 會計師有限確信報告

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 2019 年度企業社會責任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 2019 年度企業社會責任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 2019 年度企業社會責任報告書第 82 至 83 頁之「確信項目彙總表」。前述確信標的資訊之報導範圍業於企業社會責任報告書第 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企業社會責任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。
- 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。

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此報告不對 2019 年度企業社會責任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。

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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 張瑞婷

張 瑞 婷



中 華 民 國 1 0 9 年 7 月 1 0 日

# GRI Index

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