



2023 Sustainability Report



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About This Report

Organization Boundaries and Disclosure Scope

This report is the third sustainability report issued by Transcend Information, Inc. (hereinafter referred to as "Transcend" or "the Company"). The disclosure primarily includes the Taiwan headquarters and excludes subsidiaries and investment companies. If any relevant information covers areas outside Taiwan, it will be noted in the report. The content of this report mainly covers the period from January 1, 2023, to December 31, 2023. Some content also includes examples before and after 2023. There have been no significant changes in the organizational size, structure, ownership, and supply chain compared to the 2022 report, and any information that has been revised will be noted in each chapter. In the future, the Company will continue to communicate its corporate social responsibility and sustainability-related information to stakeholders through the issuance of sustainability reports. This year's report presents Transcend's efforts and achievements in corporate governance, economy, environment, and social aspects under the chapters of "Operation & Governance," "Social Welfare," "Happy Workplace," and "Environmental Co-prosperity" to stakeholders.

Principles and Guidelines for Report

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards 2021, which provide disclosure requirements for sustainability reporting. It transparently discloses management strategies and performance information related to significant sustainability topics. The report also follows the Sustainability Accounting Standards Board (SASB) industry standards, Task Force on Climate-related Financial Disclosures (TCFD), Taiwan Stock Exchange's "Operating Procedures for Listed Companies to Prepare and Disclose Sustainability Reports," and the United Nations Sustainable Development Goals (SDGs) as reporting principles. Additionally, the report is compiled based on the four principles of the AA1000 Accountability Standards, which are materiality, inclusivity, responsiveness, and impact, aiming to cover major issues that stakeholders concern and demonstrate the company's sustainable practices in its operations.

Data Measurement Criteria

The data and statistics disclosed in this report are derived from Transcend's internal surveys and investigations. The financial figures are publicly available information that has been audited by an accounting firm. Some data is also obtained from government agency websites, and the report presents the information using commonly used numerical descriptions. Any data requiring conversion are specified in the report. Although this report has not been verified by an external third-party entity, Transcend ensures the accuracy of all financial, environmental, and social information through rigorous internal controls and audit mechanisms.

Publication Date

The Company releases its Sustainability Report annually and simultaneously discloses it on the company's website.

2022 Sustainability Report: Released in June 2023

2023 Sustainability Report: Released in August 2024

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Transcend Sustainability Section

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social_responsibility](https://tw.transcend-info.com/about/social_responsibility)



WORDS FROM THE CHAIRMAN

Dear stakeholders,

In this report, we are honored to share Transcend's vision and achievements in promoting corporate sustainability.

Reflecting on 2023, the first half of the year continued to be impacted by the COVID-19 pandemic, the Russia-Ukraine war, and regional trade conflicts, which disrupted the global market supply and demand balance, resulting in a weak market. In the second half of the year, memory manufacturers actively adjusted production capacity, and adopted inventory reduction strategy, leading to a market recovery by the end of the year.

Thanks to good procurement strategies and inventory control, Transcend's net profit margin in the third and fourth quarters of 2023 saw significant growth compared to the first half, maintaining stable operations. Transcend will continue to strengthen product marketing strategies, fully leverage the advantages of diverse and comprehensive products, and is expected to drive revenue and profitability in 2024.

Founded in 1989, Transcend Information Inc. is a leading global brand in consumer electronics and industrial products. Through continuous pursuit of stable quality and innovative R&D technology, Transcend has been recognized with the Taiwan Excellence Award for 19 consecutive years and has been selected as one of Taiwan's Top 25 Global Brands for 17 consecutive years, affirming the innovative value of the Transcend brand and products.

Transcend is committed to advancing its brand and providing consumers with high-quality products and services, showcasing the true strength of Taiwan's brand to the international market. While focusing on business operations, we actively engage in corporate governance, social contributions, and corporate friendliness. We pay attention to overall corporate sustainable development, and fully disclose information in this report.

Since 1997, Transcend has successively obtained ISO 9001, ISO 14001, QC 080000, and ISO/CNS 45001 certifications to ensure effective management and reduce impacts in various aspects. In daily operations, we actively adopt energy-saving measures, enhance production equipment, and reduce product power consumption through new product design. Additionally, we minimize excessive packaging to achieve source reduction. To meet consumer demands and align with international trends, in 2023, we developed energy-efficient designs, utilizing energy-saving electronic components that can reduce power consumption by up to 36%. Manufacturing with environmentally friendly concept in mind, we significantly reduce labor and work hours through automated production testing.

In terms of talent development, Transcend annually organizes talent consensus camps to strengthen team cohesion. Through brainstorming sessions, we stimulate creativity and arrange artistic activities, fostering culture and harmony in the company. We also invest substantial resources in community, aiming to provide more opportunities for rural areas and youth to shine.

In terms of business operation, we strive to enhance infrastructure and management operations to improve products and the working environment, meeting the expectations of employees, customers, and key stakeholders.



Chung-Won Shu, CEO



Sustainable Development Strategy

While pursuing sustainable operations and profitability, Transcend actively implements sustainable development based on the principle of materiality. We strive to align with the international trends of balancing environmental, social, and corporate governance (ESG) development, while prioritizing stakeholders' interests. The principle is integrated into our management strategies and operational activities to achieve the goal of sustainable operation. Therefore, we established the Corporate Social Responsibility Practice Guidelines (revised to Sustainable Development Practice Guidelines in May 4, 2023) to promote corporate governance, environmental sustainability, social welfare, and enhanced disclosure of corporate social responsibility information. Based on the following four principles, we are committed to fulfilling our corporate social responsibility and achieving the vision of promoting a balanced and sustainable development of the economy, society, and environmental ecology.

Implementing corporate governance	Developing sustainable environment	Upholding social welfare	Enhancing information disclosure on corporate social responsibility
<ul style="list-style-type: none"> Establishing an effective corporate governance framework Enhancing the functions of the Board of Directors Respecting stakeholder rights 	<ul style="list-style-type: none"> Supporting energy conservation and carbon reduction Implementing Environmental Co-prosperity and green business practices 	<ul style="list-style-type: none"> Adhering to the Universal Declaration of Human Rights Caring for society and promoting community development 	<ul style="list-style-type: none"> Enhancing transparency of corporate social responsibility information

In 2023, the Administrative Vice President was appointed as the Chief Sustainability Officer, with the General Affairs Department of the Administrative Vice President Office serving as the main unit for sustainable development. Department heads serve as team leaders based on the nature of their responsibilities, driving initiatives within the organization. While focusing on economic development, they also pay attention to social and environmental sustainability issues and actively engage in social contributions.

The Administrative Vice President regularly discusses daily business promotion activities and data collection with the Chairman to review the implementation of sustainable development.

In addition to the quarterly report of GHG inventory timeline, reports are presented to the Board of Directors each year regarding intellectual property management plans, risk management policies, information security management, and business integrity. The Board of Directors evaluates the management strategies, implementation, and future plans, providing advices to the team for adjustment. Transcend holds four Board meetings every year, major issues concerning environment, economy and society are discussed. Issues of 2023 are listed in the table below:

Aspect	Number of cases	Description
Environment	3	<ol style="list-style-type: none"> Greenhouse gas inventory and verification Hazard risks Establish "Operational Procedures for Consolidating and Verifying Sustainability Report"
Society	3	<ol style="list-style-type: none"> Employee Stock Ownership Trust program Amendment to the Internal Handling Procedures for Material Information Employee compensation
Economy (Including corporate governance)	3	<ol style="list-style-type: none"> Operational risk Financial risk Director and manager compensation

The policy of Transcend's ESG refers to the Responsible Business Alliance (RBA) Code of Conduct, national labor laws, relevant industry standards, and international conventions, constantly improving working conditions and employee benefits. It is expected to develop formal human rights policy documents within two years.

The spirit and content of the human rights policy are promoted through internal general education courses, including orientation training for new employees (twice a month), training for new employees (once per quarter), and occupational health and safety education training (once per year).

Communication with Stakeholders

To achieve the goals and vision of sustainable management, the ESG (known as environment, society, and governance) disclosure project was initiated in 2023. It follows the AA1000 SES Stakeholder Engagement Standard for assessment and prioritization. The project focuses on five dimensions: responsibility, influence, tension, diversity of perspectives, and dependency, and takes into account stakeholders identified in the industry. Through internal meetings and discussions with external experts and scholars, the stakeholders for 2023 were identified as employees, shareholders/investors, customers, suppliers, insurance companies, government agencies, and media, comprising seven categories.



Stakeholders Communication and Achievements

Stakeholders	Stakeholders' significance to our company	Issues of concern	Method/frequency	Achievements
Employees	Vital role of productivity and innovation for the company's operations.	<ul style="list-style-type: none"> Occupational safety and health Talent attraction and retention Human right policy 	<ul style="list-style-type: none"> Labor management meeting/quarterly Employee welfare committee meeting/quarterly Occupational safety and health committee meeting/quarterly Suggestion box/as needed Corporate intranet (Transcend Office), emails and Bulletin board/ as needed Training programs, lectures and activities/ as needed Performance interviews/annually 	<ol style="list-style-type: none"> 4 labor-management meetings and welfare committee meetings were held. 41 educational training courses were held, with a total of 2,472 participants. 6 occupational safety and health trainings (internal trainings and certification trainings), with a total of 1,132 participants
Shareholders/ Investors	Their input and feedback can continuously guide the company in adjusting its business direction.	<ul style="list-style-type: none"> Net-zero actions and GHG emission Business integrity 	<ul style="list-style-type: none"> Stakeholders' meeting/annually Investor conference/annually Annual Report/annually Market Observation Post System/as needed Transcend official website/as needed 	<ol style="list-style-type: none"> Held a corporate briefing on November 7. Held a shareholders' meeting on June 16.
Customers	The key to the company's continuous growth; Constant innovation and progress achieved through sales and customer feedback. The issues that matter to customers also influence the company's management policies.	<ul style="list-style-type: none"> Regulatory compliance (intellectual property protection and anti-competitive practices) Customer privacy Green product development 	<ul style="list-style-type: none"> Customer service letters, customer service calls hotlines, major website reviews, APP reviews /routinely Sales calls and meetings/as needed B2B customer satisfaction surveys/annually 	<ol style="list-style-type: none"> 2,777 customer service emails 6,062 customer service calls 123 app reviews 27 reviews on major websites Customer satisfaction survey conducted in 2023 for the year 2022, with a target satisfaction rate of 94.5% achieved
Suppliers	Providing compliant and sustainable raw materials to ensure product quality. This can be achieved through supplier selection that focuses on stable supply, lower costs, and lower social and environmental impact of the raw materials.	<ul style="list-style-type: none"> Supply chain management (non-conflict minerals) Occupational safety and health Green product development 	<ul style="list-style-type: none"> Visit suppliers, meetings about delivery date and supplies/as needed Supplier assessment/annually Vendor communication inbox: vendor-tw@transcend-info.com/as needed GPM (Green Product Management) website disclosure/as needed Phone calls and emails/as needed 	<ol style="list-style-type: none"> We have had transactions with a total of 319 suppliers. We have evaluated 30 suppliers who meet the evaluation criteria. Regular meetings with 8 key component suppliers to discuss product planning and logistics.
Insurance companies	When the company faces risks, a portion of the risks is taken by insurance companies to reduce operational losses.	<ul style="list-style-type: none"> Climate change responses Net-zero actions and GHG emission Regulatory compliance (intellectual property protection and anti-competitive behavior) 	<ul style="list-style-type: none"> Phone calls and emails/as needed Contracts/annually Face-to-face visit/as needed 	<ol style="list-style-type: none"> Signed annual property insurance, STP transportation insurance, product liability insurance, public liability insurance, director and supervisor liability insurance contracts, account receivable insurance contracts Initiated claims for 7 cases of STP transportation insurance.
Government agencies	As a third-party impartial supervisory unit, it ensures the company's legal and reasonable operations and provides technical and resource assistance.	<ul style="list-style-type: none"> Climate change responses Energy management Waste management Regulatory compliance (intellectual property protection and anti-competitive practices) 	<ul style="list-style-type: none"> Government's public disclosure platform, letters and official documents/as needed Market Observation Post System/as needed Transcend's official website/as needed Participation in relevant courses and lectures hold by the competent authority/as needed 	<ol style="list-style-type: none"> 24 documents communication with government regulatory agency correspondence. Participating 6 sessions of occupational safety and health promotion, and environment-related promotion Annual routine reports to government regulatory agencies: (1) occupational accident monthly report - 12 times (2) Environment report (wastes and ground water maintenance fee) - 270 times
Media	It helps stakeholders to receive updates on the company's status and enhances brand exposure and image.	<ul style="list-style-type: none"> Climate change responses Economic performance Corporate governance 	<ul style="list-style-type: none"> Publish press releases covering operations, activities, products, and social impact/monthly Meal gathering with media/as needed 	<ol style="list-style-type: none"> A total 17 press releases have been issued Held a media gathering

Identify Material Topics

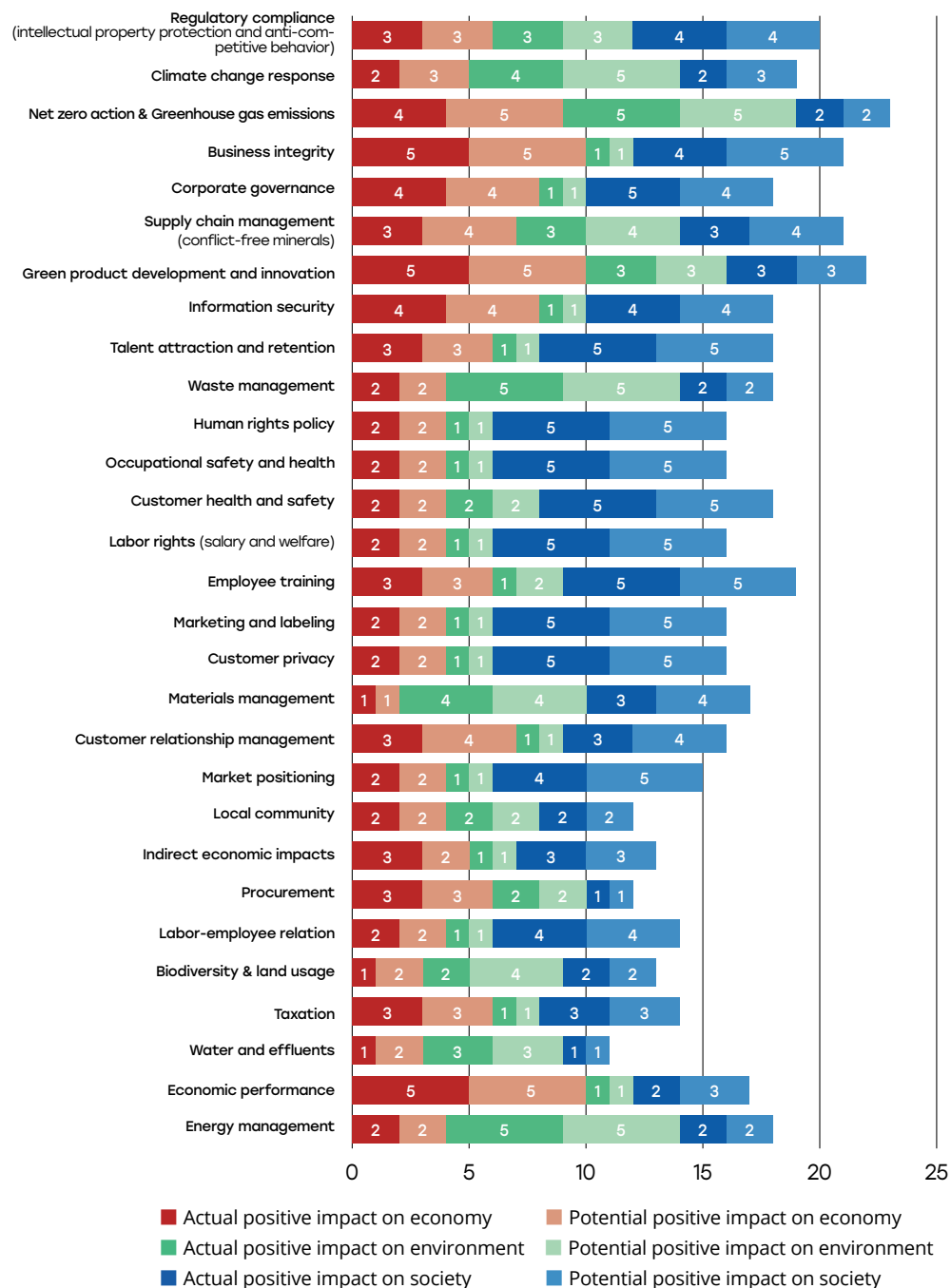
When preparing the sustainability report, Transcend has incorporated materiality analysis, following the semiconductor industry disclosure framework, financial supervisory disclosure regulations, and reference to sustainability practices in the industry. Through discussions with our employees, senior executives, and experts/scholars, we have identified and prioritized significant economic, environmental, and social topics that are of concern to stakeholders and have a major impact on our sustainable operations. These topics serve as the basis for information disclosure in the report.

To ensure that the disclosed information in the sustainability report aligns with international sustainable development trends and meets stakeholder expectations, Transcend follows the five steps of materiality identification in the GRI Standards (2021), including "understand organizational context," "identify impacts," "assess significance," "confirm material topics," and "define materiality boundaries." This process helps establish the framework for analyzing the materiality of sustainability issues.

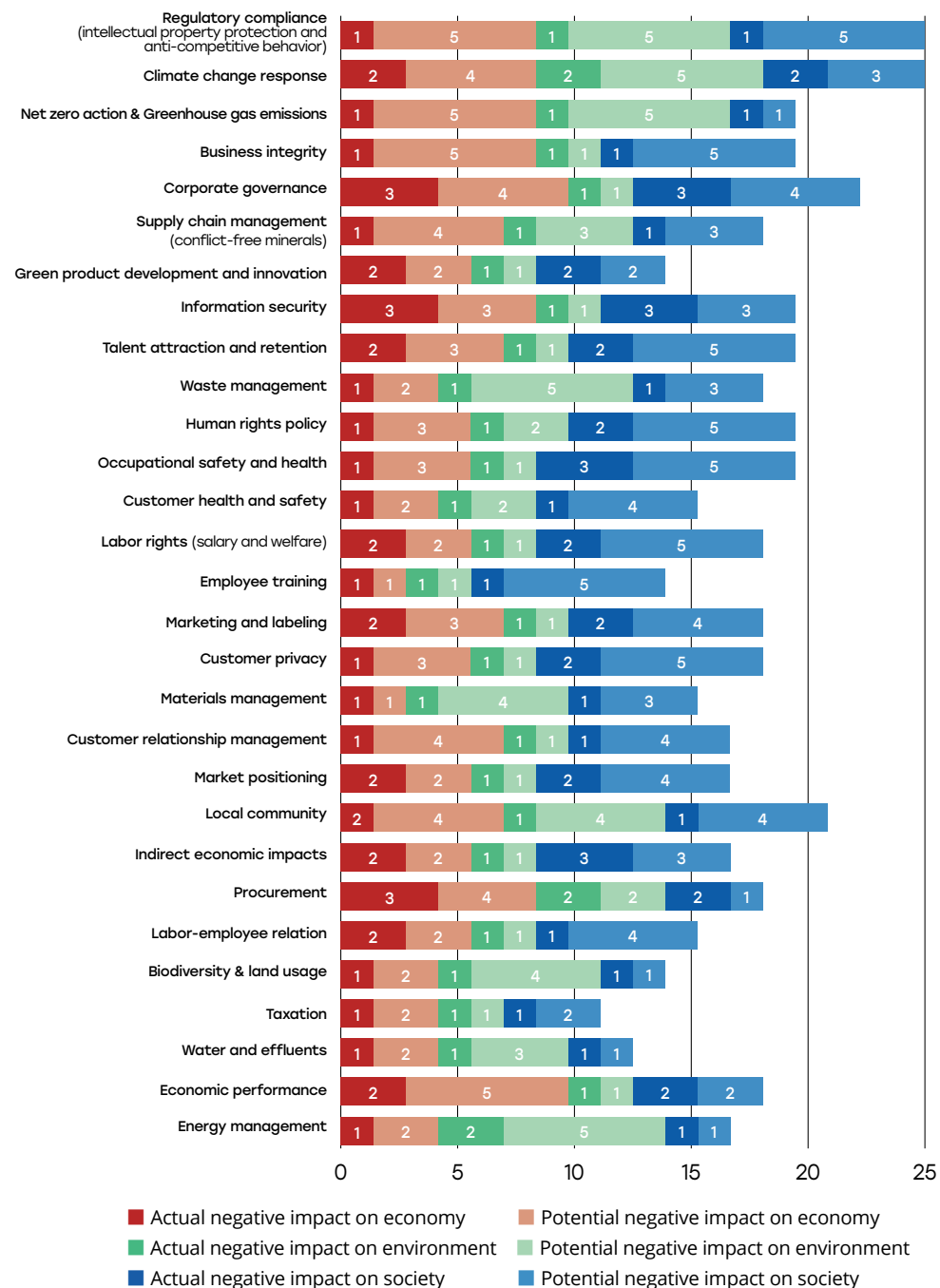
1. Understand the organizational context and collect sustainability issues	To understand the organizational context and collect sustainability issues, Transcend references various guidelines and frameworks, including the Global Reporting Initiative (GRI) Standards, Sustainability Accounting Standards Board (SASB), and United Nations Sustainable Development Goals (SDGs). We also take into account stakeholder opinions. As a result, we have identified a total of 29 sustainability issues, categorized into 3 major dimensions: economy (including corporate governance), environment, and society (including human rights)	3 major sustainability dimensions 29 sustainability issues
2. Identify actual and potential impacts	Evaluate the actual/potential negative/ positive impacts on the economy, environment, and society of the company based on assessments conducted by external ESG experts in the respective areas.	
3. Assess the significance of impacts.	The overall score is determined by summing up the scores of actual negative impacts, potential negative impacts, actual positive impacts, and potential positive impacts in the economic, environmental, and social aspects. Topics with a total score greater than 30 are considered to have significant impacts.	14 material topics
4. Examine and confirm material topics	Transcend first examines whether the potential material topics listed in the GRI Sector Standards for Oil and Gas and Sector Standard for Agriculture, Aquaculture, and Fishing align with the assessed impacts. After internal management meetings, Transcend determines 14 material topics to prioritize the reporting sequence in this sustainability report.	
5. Define the boundaries of material topics	Based on the analysis, the material topics are defined using the value chain as a boundary analysis element. In the future, Transcend will continue to enhance management and disclose relevant information in the sustainability report.	Use the value chain as an element for boundary analysis.

The process of identifying material topics take into account the overall external demands in economy, environment, and society, as well as the requirements and concerns of international sustainable advocacy organizations and potential investors regarding sustainability issues. In response to the net-zero trend around the world, "net-zero actions and GHG emissions" and "green product development" are listed as material topics. These topics are constantly monitored and implemented, serving as the basis for future sustainability reporting. The content of the material topics is confirmed by senior management and reported to the Board of Directors. These topics will be implemented and evaluated, serving as the disclosure for future sustainability report.

Positive Impact Assessment Ranking



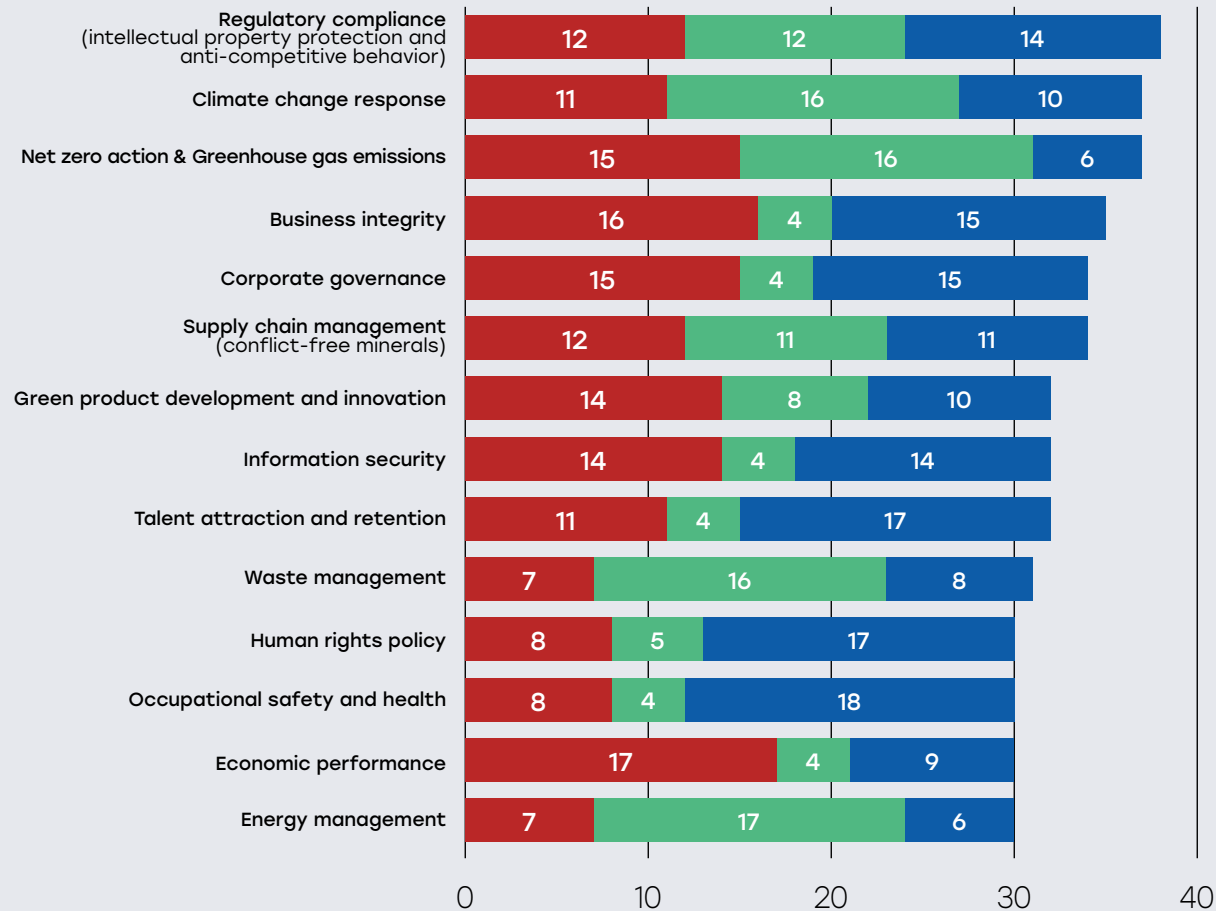
Negative Impact Assessment Ranking



*Topics identified by GRI Standards and SASB, prioritized as material topics after evaluation.

Comprehensive Assessment and Ranking of Material Topic Impacts

■ Economy ■ Environment ■ Society











Value Chain Boundaries of Material Topics

Material topics	Corresponding indicators	Chapter disclosed	Value Chain Boundaries of Material Topics						
			Internal			External			
			Transcend	Employees	Shareholders/ Investors	Customers	Suppliers	Insurance companies	Government agencies
Environment (E)									
Climate change response	GRI 201 FSC	Chapter 1: Operation & Governance	■	■	■			▲	□
Net-zero actions and GHG emissions	GRI 201 GRI 302 SASB	Chapter 1: Operation & Governance	■	■	■		▲		□
Waste management	GRI 306	Chapter 4: Environmental Co-prosperity	■	■					□
Energy management	GRI 302	Chapter 4: Environmental Co-prosperity	■						□
Society (S)									
Supply chain management (conflict-free minerals)	GRI 308 GRI 414 SASB Custom topics	Chapter 2: Social Welfare	■	■		▲	▲		
Occupational safety and health	GRI 403	Chapter 3: Happy Workplace	■	■			▲		□
Talent attraction and retention	SASB Custom topics	Chapter 3: Happy Workplace	■	■					
Human rights policy	Custom topics	Chapter 3: Happy Workplace	■	■			▲		
Information security	Custom topics	Chapter 1: Operation & Governance	■	■		▲	▲		
Economy (G)									
Business integrity	Custom topics	Chapter 1: Operation & Governance	■	■			▲		
Corporate governance	Custom topics	Chapter 1: Operation & Governance	■	■					□
Economic performance	GRI 201	Chapter 1: Operation & Governance	■	■	■	▲	▲	▲	
Regulatory compliance (intellectual property protection and anti-competitive behavior)	SASB Custom topics	Chapter 1: Operation & Governance	■	■		▲		▲	□
Green product development and innovation	SASB Custom topics	Chapter 2: Social Welfare	■	■		▲	▲		

■ : Direct impact ; □ : Induce impact ; ▲ : Impact from business behaviors

Implementation of the United Nations Sustainable Development Goals (SDGs)

The United Nations Sustainable Development Goals (SDGs) consist of 17 goals and 169 targets. They will serve as the core principles from 2016 to 2030. Transcend aligns with 8 goals of the SDGs, emphasizing sustainability.

SDGs		Achievements in 2023
	Ensure healthy lives and promote well-being for all at all ages	In 2023, a total of 855 individuals underwent general health check-ups, costing NT\$1,030,000. In addition to the statutory examination items, the health check-ups for employees also included additional items that exceeded regulatory requirements. Moreover, employees' family were allowed to sign up for the check-ups at discounted rates, similar to those offered to employees.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Transcend initiated the "Baseball Seed Project in Rural Area" to support primary schools in remote areas that have limited resources and lack necessary equipment and funding to develop youth baseball teams. The project also includes organizing baseball camps and coaching. In 2022, a total of 3 elementary schools were sponsored: Wuku Elementary School in New Taipei City, TongXiao Elementary School in Miaoli County, and Yizai Elementary School in Tainan City. The sponsorship benefited a total of 92 players in the youth baseball teams. The total expenditure for this public welfare initiative was NT\$500,000.
	Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> The average percentage of female employees is 50.4%, and the average percentage of female executives is 17%. 2 female directors in the Board (including 1 independent director). The percentage is 22%.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> Transcend prohibits the use of child labor and simultaneously requires suppliers to sign the "Supplier Social Responsibility Commitment": prohibiting the use of child labor and any involuntary labor, with 100% of suppliers being screened using social standards. The company has a diverse and varied workforce, treating all groups equally and fairly, and valuing the rights of all groups. According to the "Recruitment and Employment Management Regulations," recruitment targets are all adults over 18 who voluntarily provide labor or services. The recruitment process and decisions are not influenced by factors such as race, religion, beliefs, gender, marital or parental status, age, political background, nationality, disability, sexual orientation, zodiac sign, blood type, etc. In 2023, we collaborated with the Neihu Employment Service Center to organize a joint recruitment event, receiving a total of 26 resumes through this event, with enthusiastic responses from job seekers. Continuously operating five major plans (ergonomics, abnormal workload, unlawful infringement, labor health services, and maternity protection plan), and through supervision and performance measurement analysis evaluation, as well as regular Safety Committee meetings to review and deliberate, ensuring effective operation of safety and health, providing mental and physical protection for colleagues, and striving for a zero-accident safe and healthy working environment.
	Reduce inequality within and among countries	<ul style="list-style-type: none"> The proportion of local residents employed in senior management positions at the director level and above is 100%. As of the end of 2023, a total of 11 individuals with disabilities were employed.
	Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> The amount of waste produced decreased by 10% compared to 2022. A new chemical review mechanism, incorporating safety, health, and hazard evaluations, was implemented at the initial introduction phase. Priority is given to selecting chemicals with non-high-risk or non-high-hazard components, following the principle of "if it can be avoided, it should be avoided." The company currently uses 100% non-high-risk or non-high-hazard chemicals.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> Transcend engages in continuous communication and dialogue with various stakeholders through diverse communication channels, ensuring transparency and openness. Transcend addresses important issues and responds to stakeholders with tangible operational results. Transcend provides relevant complaint mechanisms and channels, including the company's online platform, for stakeholders to submit their grievances.
	Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development	<ul style="list-style-type: none"> Transcend optimizes the overall supply chain resilience, implements supplier management mechanisms, establishes strategic partnerships, enhances the efficiency of procurement processes, and improves communication with suppliers to control procurement risks. 30 supplier evaluation forms were received in 2023, with qualified rate of 100%.

ESG Performance and Highlights

E

Environment

HQ saved 132,220 kilowatt-hours of electricity (a drop of **8%**) and reduced carbon emissions by 73757 kilograms (a drop of **10%**)

Saved a total of 52,151 sheets of paper (a drop of **45%** compared to 2020)

A total of 111,045 kilograms of resources were recycled. A drop of **10.87%** compared to 2022

Improved DrivePro 10 power consumption by **13.6%**

Adopted a more energy-efficient central air-conditioning chiller system, resulting in a **25%** reduction in electricity consumption in 2023

Purchased a new high-efficiency cooling system, resulting in a **14%** reduction in electricity consumption in 2023

S

Society

100% of senior executives are employed from the local residents

The total training hours for education and training at the Taiwan headquarters is **4,429.25** hours

The customer satisfaction survey results indicate a **94.5%** satisfaction rate

855 individuals underwent general health check-ups costing **NT\$1,030,000**

The "Occupational Health and Safety (OSH Sustainability Performance Self-Assessment Activity)" was rated **A** among industry peers

The proportion of female employees is **50.4%**, and the proportion of female executives is **17%**

A total of **1,132** individuals participated in occupational safety and health education and training, **29** participants attended certification courses

Encouraged sports events and sponsored school sports teams, with a total of **NT\$3,500,000** amount sponsored

Occupational safety and health expenses reaching **NT\$8,700,000**

The total reduction in labor occupational accident insurance premiums amounted to **NT\$53,130**

G

Corporate Governance

A total of **59** hours of director training were completed

A total of **228** participants attended intellectual property-related courses

Supplier evaluation qualification rate is **100%**

Meeting attendance rate of Board members reaching **97%**

The proportion of female directors (including 1 independent director) is **22%**

A total of 26 domestic and international suppliers were added, excluding suppliers that do not need to be evaluated, and the signing rate of the "Supplier Code of Conduct" was **100%**

E

Environmental Column

Green Innovation & Low-Carbon Products

In response to economic crisis and climate change, the low-carbon concept has become one of the essential factors in product design. To meet consumer demands and align with international trends, Transcend RD team completed the development of the environmentally-friendly and energy-saving design for DrivePro 70 in 2023. By utilizing the power-saving components, the DrivePro 70 can reduce power consumption by 36%. This product was officially launched in 2023 and received the prestigious Taiwan Excellence Award.



Product Technology

1. By selecting automated production components, production efficiency can be increased fivefold.
2. By using energy-saving electronic components, power consumption can be reduced by 36%.
3. Automated production testing can reduce labor and production time by 30%.
4. AI inspection of production data can detect defective products in advance and improve product quality.

Product Features

1. Evidence Collection: Equipped with Taiwan and US design patents (TW-D183448, US-D824982), this device is tailored for professionals such as police, firefighters, medical staff, and security personnel. It features a built-in GPS receiver to track duty routes and a high-capacity Li-polymer battery that provides long-lasting power for up to 9 hours.
2. Clear Footage: The detachable lens design allows for convenient everyday wear, providing the most realistic recording angles. The high-sensitivity sensor lens offers 2K QHD 1440P high-definition evidence collection capabilities, ensuring clear playback and zoom-in views.
3. All-weather Protection: Designed from the perspective of professionals, the DrivePro Body 70 is built to withstand various harsh environments. It meets IP68 protection standards and the US military MIL-STD-810G shock resistance standard, offering advanced dust, water, and drop protection.
4. Practical Features: It provides a buffering mode function. By double-pressing the power button, the current recording file and the video segment from the two minutes before the incident are automatically saved, capturing important footage while saving storage space.
5. Exclusive Software for Secure Management: The DrivePro Body Toolbox software offers video and snapshot file management, image encryption, and firmware updates. It also includes AI smart recognition features, allowing users to blur faces automatically detected in videos.
6. Selected Accessories: Users can purchase additional accessories as needed. There is also an exclusive DPD6N multifunctional docking station, which supports simultaneous charging, data management, and backup for six devices.





S Social Column

Art, Culture, and Life

Unlike in 2022, in light of the global impact of Covid-19, Transcend's commitments in social responsibility leaned more towards material support for employees. This included the introduction of an employee stock ownership trust program as an alternative savings plan, a wage adjustment policy reflecting price changes, and talent consensus camps to help employees enhance their professional skills. In 2023, our focus shifted to enriching the physical and mental well-being of our colleagues as the pandemic subsided.

Recently concluded was the "Cello Sextet Christmas Concert" held on Christmas 2023. We specially invited the internationally renowned cellist, Jou-An Hou, along with students from Soochow University's Music Department, to perform soothing Christmas carols. This concert not only brought warmth to Transcend colleagues during the winter with the vibrant music of the cellists but also provided the student musicians with a unique stage performance opportunity.

The aroma of coffee and art often complement each other. One of the most popular facilities among Transcend colleagues is the coffee bars located on the first floor of the headquarters and the second floor of the factory, along with the art paintings visible throughout the workspaces. In 2023, we extended the coffee experience to our colleagues' work areas by installing new automatic coffee machines on each floor, ensuring a continuous supply of coffee beverages during work hours. Additionally, new artworks by emerging Taiwanese artists were introduced, delighting visitors and creating a beautiful artistic atmosphere for employees, allowing them to relax amidst their busy work schedules.

Health and fitness are also core values at Transcend. Besides long-term sponsorship of youth sports events in Taiwan and active social participation, we also encourage exercise within the company. We have dedicated the basement of the headquarters as an exclusive fitness space for employees, and we support the establishment of various clubs focused on physical and mental well-being. We provide subsidies for club activities, assist with equipment and venue renovations, and in 2023, allocated a budget of NT\$400,000 for the renovation of the basketball court, ensuring a safe environment for employees to enjoy sports.

Regarding health care, we conduct annual health check-ups for all employees at a frequency higher than mandated by labor laws, covering all expenses. Special items are also available at discounted rates through partnered medical institutions, extending benefits to employees' families and friends. For post-check-up, we implement tiered management based on health risk levels, with in-plant nurses arranging consultations with in-plant doctors for higher-risk employees and facilitating quick referrals to formal clinics if necessary. In case of serious illnesses, the group insurance covering all employees provides timely support, aiming to reduce stress and minimize life disruptions. We believe in "prevention over cure," so after each annual health check-up, we review common abnormal items and seasonal diseases to create health awareness posters, changing themes monthly to help employees focus on their health.

Lastly, aside from proactively addressing employee needs, we actively respond to their feedback. In previous years, the most popular part of the year-end party was the raffle, where those who didn't win big prizes received a consolation prize of NT\$2,000. This year, the company increased the consolation prize to NT\$5,000, ensuring that everyone could end 2023 joyfully.



BEFORE



AFTER

Renovation of Basketball Court



Corporate Governance Column

Outstanding Performance! Transcend Wins Awards for 17 Consecutive Years!

Transcend has been recognized as one of Taiwan's Top 25 Global Brands for 17 consecutive years, steadily advancing its brand and providing consumers with high-quality products and services, showcasing Taiwan's brand strength to the international market. Despite recent weak terminal demand, Transcend continues to invest in research and development, striving for innovative breakthroughs and enhancing its core competitiveness.

Over the years, Transcend has deeply cultivated its brand and continuously launched new products. In 2023, three of its products were awarded the Taiwan Excellence Award, including the ESD310C portable SSD, the MTE250H PCIe M.2 SSD, and the DrivePro Body 70 body camera. This marks the 19th year Transcend has received this award, further demonstrating the outstanding capabilities of Taiwanese brands and increasing international recognition and trust in Taiwanese manufacturing.

Transcend's ESD310C portable SSD features USB 10Gbps super-fast transfer speeds, equipped with SLC Cache technology to optimize data write speeds, offering up to 1,050MB/s performance, equivalent to SSD transfer speeds. It has a compact design like a flash drive, weighing only 11g, with up to 2TB of storage space. The dual-interface design with USB Type-A and Type-C connectors allows for quick file transfer and sharing across computers, tablets, phones, and gaming consoles without additional cables, making storage expansion effortless.

Additionally, Transcend's MTE250H PCIe M.2 SSD complies with NVMe 1.4 standards and comes with a PCIe Gen4 x4 high-speed interface, built-in 8-channel controller and DRAM cache memory, with sequential read/write speeds of up to 7,500MB/s and 6,700MB/s, and IOPS up to 540K. It features an aluminum heat sink for effective cooling, reducing temperatures by 15%, and a dynamic thermal management mechanism to precisely monitor device temperature. The drive is compatible with desktop computers and next-generation gaming consoles, with up to 4TB of large capacity for easy storage expansion and smooth gaming experiences.

Finally, Transcend's DrivePro Body 70 body camera adopts a separate lens design for convenient wear by professionals on duty, with 2K QHD 1440P high-definition recording capability to fully document on-site conditions, allowing for clear playback and zoom viewing. The camera has a built-in GPS receiver for tracking duty routes and a large-capacity lithium battery providing up to 9 hours of long-lasting power supply. It complies with IP68 protection level and US military anti-shock standards, offering advanced dust, water, and drop protection. Additionally, it is equipped with wireless data transmission, preview, buffering mode, and other practical features to support various frontline tasks.



1

Chapter 1

Operation & Governance

- 1.1 About Transcend
- 1.2 Business Performance
- 1.3 Governance Framework
- 1.4 Risk Management
- 1.5 Cybersecurity and Intellectual Property
- 1.6 Internal Control and Legal Compliance



Material Topic: Economic Performance

Reason of Materiality	Economic performance is an important factor and the sustainable goals of business is to pursue ongoing progress and sable profitability, creating the greatest benefits for shareholders and stakeholders while maintaining technology advantage.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Increase company revenue, promote brand popularity • Positive/Potential: Create brand image and enhance Transcend's added value in memory market • Negative/Potential: Company profitability and investors will be affected if the overall economy turns downward, or the memory market is overly saturated.
Policy/Strategy	<p>Transcend is actively engaging in research and development, innovation, and product improvement. In addition to introducing higher-performance memory modules and diversifying its product lines, Transcend continually improves supply chain management, increase production performance, and remains attentive to international trends and adjusts its operational strategies in response to market conditions, achieving stable and sustainable growth in business.</p> <p>Achieve sustainable operation by pursuing the greatest benefits for shareholders and employees.</p>
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objective - within 3 years : Develop carbon reduction and green energy-related products, and enhance their sales quantity. • Medium to long-term objectives- Over 3 years : The common goal is to achieve sustained growth and profitability. (1) Establish a sustainable supply chain, implement global expansion and localization strategies to enhance competitiveness, maintain global market share. (2) Constantly develop energy-saving products and reduce pollution to fulfill corporate social responsibility.
Management Evaluation	<ul style="list-style-type: none"> • Conduct regular management meetings to track and review the achievement of goals in each department and implement relevant management measures. • The management team is responsible for economic performance planning and execution, reviewed and supervised by the Audit Committee, Board of Directors, and Shareholders' Meeting.
Performance and Adjustment	<ul style="list-style-type: none"> • The eco-friendly design of the DrivePro Body 70 was completed in 2023, and power-efficient components were utilized that reduced 36% of energy.
Precautions or Countermeasures	Transcend quickly adjusted its procurement strategy and actively reduced inventory. With projects implemented, Transcend ensures stable supply, efficient production, and making meticulous pricing strategies. Transcend was able to maintain stable operational results with the collective efforts of all employees.

Material Topic: Corporate Governance

Reason of Materiality	Transcend is committed to promoting and implementing corporate governance, including protecting shareholders' rights and ensuring equitable treatment of shareholders, enhancing the structure and operation of the Board of Directors, increasing information transparency, and moving towards sustainable corporate development. In recent years, the company has actively invested in strengthening and improving its corporate governance mechanisms and is dedicated to compliance with laws and regulations as well as enhancing the functions of the Board of Directors. In the future, Transcend will continue to refine its corporate governance framework to improve and solidify the company's management system.
Impact	<ul style="list-style-type: none"> • Positive/Actual: The directors all possess the necessary leadership, decision-making, and crisis management capabilities required for corporate governance, along with professional backgrounds in finance, technology, and computing. They are able to provide valuable advice to the company while maintaining its operations. • Negative/Actual: The directors have served for four consecutive terms and must place greater emphasis on supervisory functions and the expression of external independent perspectives. • Negative/Potential: Insider trading may occur if corporate governance is not thoroughly implemented.
Policy/Strategy	By taking into account the advices from the supervisory authorities, Transcend has established the "Corporate Governance Best Practice Principles" to fulfill its corporate governance responsibilities and establish a robust corporate governance system. Transcend regularly reviews its business performance and carries out full discussions on important strategic issues, such as the impacts, risks, and opportunities related to the economy, environment, and society, in order to safeguard the rights and interests of all stakeholders.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objectives - within 3 years : <ul style="list-style-type: none"> (1) Continuously improve the ranking in corporate governance evaluations. (2) Arrange comprehensive training for the Board of Directors on net zero sustainability. • Mid-term objective- 3 years to 7 years : <ul style="list-style-type: none"> Continuously improve the ranking in corporate governance evaluations. • Long-term objective - 7 years or more : <ul style="list-style-type: none"> Continue to implement policy transparency.
Management Evaluation	<ul style="list-style-type: none"> • Actively participate in corporate governance evaluations and enhance information disclosure. • Implement board performance assessment methods and discuss how to continuously strengthen performance, track and review goal achievements, and conduct regular performance evaluations annually.
Performance and Adjustment	<ul style="list-style-type: none"> • The internal performance evaluations of the Board of Directors, Board members, Audit Committee, and Remuneration Committee in 2023 all achieved an "Excellent" rating. • The 10th Corporate Governance Evaluation resulted in the company ranking within the top 21% to 35% of listed companies. • The attendance rate of Board members in 2023 reached 97%, demonstrating active participation in meetings and board operations.
Precautions or Countermeasures	<ul style="list-style-type: none"> • The directors have served for four consecutive terms. To encourage board diversity and independence, the directors will be elected during shareholders' meeting in on June 21, 2024.

Material Topic: Business Integrity

Reason of Materiality	Compliance with the law is the minimum baseline for business operations. Violating relevant regulations may damage the company's reputation and even risk shutdown or production interruption, affecting the company's sustainable operation. To enhance the behavior, ethics, and professional capabilities of the company and all employees, Transcend, as an organization committed to integrity, recognizes that each employee's behavior impacts the entire organization and its reputation. Every employee has the obligation to maximize the company's benefits within legal boundaries and the responsibility to prevent the company's interests from being compromised or lost. The company expects all employees to adhere to ethical standards in their daily work and business execution to gain public trust and ensure the company's sustainable growth and development.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Affects suppliers or stakeholders with whom we cooperate, thereby demonstrating a stronger social influence • Positive/Potential: Enhances the brand's added value and image in the market • Negative/Potential: May affect the company's reputation and corporate image, potentially leading to a decline in profitability and stock price
Policy/Strategy	Based on the responsibilities and scope of each unit, including the formulation and revision of the company's code of integrity management, conducting related advocacy and training, ensuring the implementation of the code of integrity management, and reporting the progress of key items to the Board of Directors once a year.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objectives - within 3 years: <ol style="list-style-type: none"> (1) Increase company ranking in corporate governance evaluation (2) Arrange comprehensive training for the Board of Directors on net zero sustainability • Mid-term objective- 3 years to 7 years: <ul style="list-style-type: none"> Increase company ranking in corporate governance evaluation • Long-term objective - 7 years or more: <ul style="list-style-type: none"> Implement transparent policy
Management Evaluation	<ul style="list-style-type: none"> • Comply with local regulations, such as environmental laws, corporate laws, and other relevant government regulations. • Require all suppliers to provide a "Supplier Code of Ethics Commitment" before conducting business, and conduct due diligence according to company policy before interacting with customers. In cases of dishonest behavior, any related contracts and transactions may be terminated, suspended, or dissolved at any time due to violations of this commitment. • The audit unit regularly evaluates the effectiveness of the internal control system and compiles annual audit reports to assist the Board of Directors in reviewing the legality and implementation status of the company's internal regulations, followed by adjustments to the relevant systems.
Performance and Adjustment	<ul style="list-style-type: none"> • The company regularly reports on matters related to corporate integrity management to the Board of Directors in the fourth quarter of each year, tracking and reviewing the achievement of targets by various units and taking related management measures. The most recent report date was November 6, 2023. • To promote a culture of corporate integrity, the company provides training for new employees. In 2023, a total of 63 participants received training, with each session lasting approximately 30 minutes. • The company arranges for directors and managers to participate in courses on corporate governance and insider trading prevention to continuously promote a culture of corporate integrity. Six directors participated in the "Cathay Sustainable Finance and Climate Change Summit," and five directors participated in the "Taishin Net Zero Power Summit," with each session lasting about three hours. Two directors participated in the "2023 Insider Trading Prevention Seminar," with each session also lasting about three hours. • The company promotes that insiders are prohibited from trading company stocks during the closed period, which is thirty days before the announcement of the annual financial report and fifteen days before the announcement of each quarterly financial report, by sending monthly internal equity reporting notifications. • For new suppliers, the company requires them to sign a "Supplier Code of Ethics Commitment" before placing orders. As of 2023, twelve new commitment letters were obtained. If a supplier violates the relevant terms after signing, the contract and transactions can be terminated at any time.
Precautions or Countermeasures	<ul style="list-style-type: none"> • Establish reporting mechanism and reward/penalty system • Disclose implementation status • Advocate and promote integrity policy • Report to the Board of Directors regularly to ensure effective implementation

Material Topic: Climate Change Response

Reason of Materiality	As the greenhouse effect becomes increasingly severe, the impact of climate change on human survival is becoming more significant. With growing demands from policies, regulations, and customers for green energy products each year, the company is committed to developing higher-performance products (such as more energy-efficient and longer-lasting ones). This effort will not only improve product quality but also generate related green benefits.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Reduce power consumption, extend power supply, and enhance overall product quality • Positive/Potential: Higher trust for green products, and higher acceptance in the market • Negative/Actual: Higher technology requirement in green product development, resulting in higher cost • Negative/Potential: Less vendors to choose when procuring green components, leading to supply shortage risk
Policy/Strategy	Our emission principle is “law compliance, full participation, ongoing improvement, complete communication, performance enhancement”
Objectives and Goals	<p>Our R&D team is developing green products to realize the goal of power and carbon reduction.</p> <ul style="list-style-type: none"> • Short-term objectives - within 3 years : <ul style="list-style-type: none"> (1) Utilize halogen-free (HF) PCBs, the utilization rate will reach 50% by 2025, and 100% by 2027. • Mid-term objectives - 3 years to 7 years : <ul style="list-style-type: none"> (1) Reduce plastic and paper in product packaging and adopt integrated packaging designs to achieve the goal of reducing plastic for environmental protection. Target packaging reduction rates: 10% by 2026 and 30% by 2028. • Long-term objective - 7 years or more : <ul style="list-style-type: none"> Utilize power-efficient components to reduce product power consumption and extend lifespan. It is hoped that products can reduce 10% of power by 2030. Meanwhile, AI production is adopted to enhance manufacturing efficiency and product quality. It is expected that AI production can reach 5% by 2034.
Management Evaluation	To develop green energy products, Transcend has established green energy production processes and set environmental, safety, and health management objectives. We have invested funds and equipment in relevant research and development, regularly evaluate expected goals and benefits, and track the progress of these initiatives.
Performance and Adjustment	Compared to 2015, products using halogen-free (HF) PCBs have reached 50%, which exceeds our original short-term goal. We will track the fulfillment status in the future.
Precautions or Countermeasures	Transcend reviews the progress of our objectives annually and adjusts our green energy strategy on a rolling basis, continually developing innovative products that meet green standards. If development progress is not as expected, we will proactively implement mid- to long-term goals ahead of schedule and actively seek cooperation and assistance from relevant units.

Material Topic: Net Zero Action & GHG Emissions

Reason of Materiality	Facing the challenges of global climate change, governments worldwide have successively announced net-zero carbon emission targets for 2050. Climate change may lead to extreme weather events, affecting the stability of production and supply chains, thereby negatively impacting business operations and finances. Additionally, increasingly stringent regulations require companies to adopt proactive emission reduction measures to achieve global carbon neutrality targets. This ensures sustainable business operations, compliance with regulatory requirements, reduction of greenhouse gas emissions, and the promotion of net-zero goals.
Impact	<ul style="list-style-type: none"> • Positive/Actual: By reducing GHG emission, Transcend has alleviated climate change, reduce ecosystem damage, and maintain ecosystem balance. • Positive/Potential: Encourage sustainable development and improve life quality of local people • Negative/Actual: Facing rising carbon prices and emission restrictions, Transcend may encounter additional costs. Moreover, extreme weather events triggered by climate change could lead to production disruptions and asset losses. • Negative/Potential: Climate change leads to more severe social inequality, affecting minority groups. For instance, communities affected by extreme weather events may carry bigger economic and social burdens
Policy/Strategy	<ul style="list-style-type: none"> • Transcend has established an environmental sustainability policy and continuously promotes and implements it. The company is committed to the efficient use of various energies and resources and to reducing pollutant emissions during operations. It incorporates energy conservation and environmental protection into daily life, continuously contributing to environmental protection and sustainable development. • According to the "Sustainable Development Roadmap for Listed Companies" released by the Financial Supervisory Commission in March 2022, Transcend's individual entity (i.e., the parent company) should complete a greenhouse gas inventory by 2026 and achieve verification by 2028. Subsidiaries should complete the inventory by 2027 and achieve verification by 2029. The company will conduct the greenhouse gas inventory and verification in accordance with the ISO 14064-1 standard and will continuously manage and monitor the completion of the greenhouse gas inventory and verification disclosure schedule according to the guidelines and relevant regulations issued by the competent authorities.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objectives - within 3 years: <ol style="list-style-type: none"> (1) Continue to replace old equipment with green energy-saving equipment to reduce environmental impact. (2) Process improvement: Build an intelligent energy monitoring system to enhance energy efficiency. (3) Participate in sustainability and net-zero action advocacy meetings with customers and stakeholders. • Mid-term objective- 3 years to 7 years: <ol style="list-style-type: none"> (1) Using 2020 as the base year, set a goal to achieve a 7% reduction in carbon emissions by 2026. The parent company will complete the greenhouse gas inventory by 2026 and achieve verification by 2028; subsidiaries will complete the inventory by 2027 and achieve verification by 2029. (2) Reduce greenhouse gas emissions by 24% by 2030. • Long-term objective - 7 years or more: <ol style="list-style-type: none"> (1) Achieve zero greenhouse gas emissions at all operational sites by 2050. (2) Actively participate in global net-zero actions and promote broader sustainable development.
Management Evaluation	<ul style="list-style-type: none"> • Transcend uses ISO 14001 as the management evaluation mechanism. • The implementation progress of the greenhouse gas inventory and verification schedule is reported to the Board of Directors quarterly, as required by the Financial Supervisory Commission.
Performance and Adjustment	<ul style="list-style-type: none"> • In September 2023, electric vehicle charging stations were installed in response to the energy transition goal, providing 692.5 kWh of charging in 2023. • Participated in the 2023 Inventec Group Sustainable Supply Chain Conference. • Attended the Inventec Group 2023 Sustainable Supply Chain Partner Day event on December 1, held at the GIS NTU Convention Center Socrates Hall. • Participated in the 2023 "E.SUN Bank ESG Sustainability Initiative." • Company ESG Advocacy Brief: Active innovation and continuous improvement are the driving forces behind Transcend's growth, aiming to bring positive impacts to the global society on the path of promoting ESG sustainable development.
Precautions or Countermeasures	Continue to follow global/domestic policies as well as client expectation, and implement net-zero initiatives.

Material Topic: Information Security

Reason of Materiality	Information security problems can lead to risks such as data breaches, cyber attacks, and identity theft, which may cause significant financial losses and damaging the company's reputation. Therefore, establishing information security measures ensures the confidentiality, integrity, availability, and legality of information assets, while preventing intentional or accidental threats from internal or external sources. This helps the company manage risks, ensure compliance, protect stakeholders' privacy and security information, and enhance investor trust.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Establish a cybersecurity incident response and recovery process to quickly address information security incidents, reducing the scope and impact. • Positive/Potential: To protect the security of information assets managed by Transcend and avoid risks such as disclosure, damage, or loss of information and business systems due to various internal or external intentional or accidental cybersecurity incidents. This ensures the continuous operation of the company's business and systems and compliance with internal regulations and relevant government requirements. • Negative/Potential: Through daily maintenance and backup drills, it is possible to avoid information system downtime and damage to the company's image caused by cybersecurity incidents, thereby preventing financial losses.
Policy/Strategy	Information Security Execution Team is established as the highest authority for information security management, based on the ISMS (Information Security Management System), to formulate information security policies and future development directions. The team is supervised by the Audit Department on the annual information cycle and regularly reports on the overview of information security governance to the Board of Directors. It is responsible for documenting and reviewing information security incidents and accidents. The goal is to strengthen employees' awareness of information security and build a comprehensive information security defense mechanism to mitigate information risks.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objectives - within 3 years : <ol style="list-style-type: none"> (1) Review existing information security measures, follow the ISO 27001 guidelines to examine and establish relevant documents and processes, and carry out updates and improvements. (2) Enhance employee awareness of information security and implement a training program to mitigate the risk of internal information security incidents. (3) Implement information zone segmentation by setting the company's internal and external areas, office areas, and manufacturing areas as secure zones, and continually update firewalls for information security defense. • Mid-term objectives - 3 years to 7 years : <ol style="list-style-type: none"> (1) Zero major information security incidents. (2) Comply with the ISO 27001 standards to ensure that information security management controls can continuously meet the company's information security requirements. (3) Conduct risk assessments and security vulnerability assessments on information systems to identify information security issues and risk levels, and make necessary adjustments and improvements to mitigate the risk of external information security incidents. • Long-term objective - 7 years or more : Increase investment on information security, apply the latest technologies to ensure the effectiveness and sustainability of information security measures, and enhance the information security awareness of employees and stakeholders.
Management Evaluation	<ul style="list-style-type: none"> • Evaluate whether the company's information security management system can address different environmental conditions, such as identifying and assessing various threats and risks and incorporating them into its information security management strategy. Evaluation criteria include the reliability, stability, and flexibility of the ISMS. • Review if the company has a robust information security risk management mechanism, including risk classification, reporting, handling, and monitoring. • Assess whether the company's information security policies and procedures comply with relevant laws and industry standards to protect sensitive information of customers, employees, and other stakeholders, such as GDPR. • Examine if the company has appropriate information security policies and procedures in place to safeguard sensitive information of customers, employees, and other stakeholders. • Review whether the company proactively discloses its information security performance through transparent reporting and public disclosure. • Evaluate the company's information security training programs to ensure that employees understand and comply with the company's information security policies and procedures. • Regularly conduct risk assessments to identify high-risk items and allocate appropriate resources to mitigate or transfer them. • Perform annual system recovery drills to ensure their effectiveness. • Conduct annual internal audits to review information-related content, ensuring proper operation and continuous improvement. • The Information Security Team holds annual meetings to review incident reports, assess information security policies, and discuss future development directions.
Performance and Adjustment	<ul style="list-style-type: none"> • In 2023, 5 cybersecurity education and training sessions were conducted with a total of 249 participants. • No serious cybersecurity events occurred in 2023. • Completed the annual audit of information system permissions. • Completed the annual recovery plan drills. • Completed the annual information audit and internal audit. • Continuously updated/reviewed firewall policies. • Upgraded firewall equipment at the South Korea office.
Precautions or Countermeasures	<ul style="list-style-type: none"> • Employees are required to participate in cybersecurity education and training to enhance their awareness and understanding of cybersecurity. Regular training is conducted to advocate security precautions. • Confidential servers are set up in independent network, with established access permissions for database and files and regular off-site backups. • The cybersecurity incident management protocols and reporting procedures are established, regularly inspecting information assets and system anomaly drills to maintain system reliability. • Employees are responsible for safeguarding their company account, password, and permissions. The company continuously updates its firewall and requires regular password updates, as well as implementing a two-factor authentication mechanism to strengthen account security.

Material Topic: Regulatory Compliance (Intellectual Property Protection and Anti-competitive Practices)

Reason of Materiality	In case of situations involving anti-competitive behavior or violating regulations, the litigation costs, subsequent remedial measures, and liability for damages can be substantial, and it can also severely damage the company's reputation.
Impact	<ul style="list-style-type: none"> Negative/Potential: In case of violations, the litigation costs, subsequent remedial measures, and liability for damages can be substantial, and it can also severely damage the company's reputation.
Policy/Strategy	<ul style="list-style-type: none"> Transcend advocates the concepts by organizing topic sharing sessions. In terms of intellectual property protection, guidelines such as "Patent Management Regulations" and "Intellectual Property Rights Management and Control Procedures" have been established as operational standards.
Objectives and Goals	<ul style="list-style-type: none"> Short-term objectives - within 3 years : <ol style="list-style-type: none"> Periodically attend seminars and lectures held by domestic and international organizations. Conduct thematic advocating sessions at least twice a year to raise awareness of relevant laws and internal procedures. Fulfill zero illegal incidents. Mid-term objective - 3 years to 7 years : Revise management rules related to anti-competitive behavior as a standard for daily operations among company employees. (Intellectual property rights regulations already existed) Long-term objective - 7 years or more : Through frequent thematic promotion, employees familiarize regulations and company procedural rules, cultivating a strong awareness of legal compliance and developing sensitivity in judging whether behaviors are unlawful.
Management Evaluation	Pursuant to "Regulations Governing Establishment of Internal Control Systems by Public Companies" and Transcend's internal control system, the Audit Department conducts compliance audits on significant regulations related to key operations under annual audit items to ensure the company's adherence to regulatory compliance across various operational aspects. The Department provides advices for subsequent improvements as necessary, and reports the self-assessment results to the Audit Committee and Board of Directors.
Performance and Adjustment	The Legal Department does presentation on a quarterly basis to share various legal knowledge. In 2023, they organized a total of 5 sessions of sharing related to intellectual property protection and anti-competitive behavior.
Precautions or Countermeasures	The Legal Department serves as the coordinating unit to collect data, conduct content analysis and comparisons, and present corresponding strategies and recommendations to the highest management level of Transcend.

1.1 About Transcend

Established in Taiwan in 1989, Transcend was listed on the Taiwan Stock Exchange in 2001 (stock code: 2451). Today, it has become a leading global manufacturer of consumer electronics and industrial storage products, with professional teams dedicated to research and development, manufacturing, sales, and marketing. Transcend has a global presence with 12 locations worldwide. Our own factory is set in Taipei, with 15 high-speed SMT production lines and high-quality equipment to meet the manufacturing capacity that exceeds others, satisfying customization requests and flexible production in industrial applications. Transcend's products can be divided into two categories

Consumer products: Internal SSDs, portable SSDs, HDDs, personal cloud storage, dashcams, body cameras, memory cards, USB flash drives, DRAM memory modules, card readers, DVD writers and accessories. Product number exceeds 2,000, which is able to support a variety of electronic devices and satisfy customers' demand of "one-stop shopping."

To ensure the stability of product quality, Transcend has established a comprehensive production testing system. From product development to mass production, all products must pass rigorous quality control plans, including reliability tests, compatibility tests, high and low-temperature environment tests, high-intensity read/write tests, and dynamic burn-in tests. All industrial products undergo 100% real-machine testing, and every production line employee receives professional training to ensure that all products meet the company's stringent quality standards.



Company Name	Transcend Information, Inc.	Industry Category	Semiconductor Industry
Headquarters Address	No. 70, Xingzhong Road, Neihu District, Taipei City	Date of Establishment	1989/08/30
Company Type	Listed company	Date of Listing	2001/05/03
Stock Code	2451	Paid-In Capital	NT\$ 4,290,616,750
Chairman	Chung-Won Shu	Revenue (in NT\$ thousand)	NT\$ 10,496,172,000
President	Chung-Won Shu	Total Employee Number	1,180

Global Presence

In addition to the Taipei headquarters, our subsidiaries are located in Los Angeles, Maryland, Hamburg, Rotterdam, London, Tokyo, Seoul, Shanghai, Beijing, Shenzhen, and Hong Kong. Transcend adopts a proactive, enthusiastic, and friendly approach to ensure customers receive prompt, efficient, and satisfactory service. Quality is a consistent commitment for Transcend, and we implement comprehensive quality management throughout every aspect of its operations. We are the first memory brand in Taiwan and the second in the world to achieve ISO 9001, ISO 14001, and QC 080000 certifications.

Asia/Pacific Region



Asia/Pacific Region

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Europe



United Kingdom



The Netherlands



Germany

United States



Los Angeles



Maryland

Transcend Philosophy and Objectives

Guided by the spirit of innovation and self-transcendence, Transcend has developed 4 intertwined business philosophies: Quality First, Excellent Service, Effective management, and Win-Win Cooperation.

Quality First

Only high quality can create value. Since its establishment, Transcend has prided itself on being a high-quality company. Starting with hiring professional talents, Transcend maintains strict control over every production process. In addition to producing high-quality products, Transcend requires all employees to embed high quality in their daily operations and processes. As a result, in 1997, Transcend became the first professional memory card manufacturer in the country to receive ISO 9001 international quality assurance certification, further proving its position as a leading brand.

Effective Management

Effective management is the core of Transcend's business philosophy, and it is a concept pioneered by Mr. Chung-Won Shu. Its essence lies in the idea that if a company cannot continually explore new opportunities during prosperous times and cannot overcome challenges during difficult times, then the notion of "sustainable business" becomes merely a slogan. A responsible company should be able to continually create value. If a company fails to effectively manage its operations and experiences a continuous decline in profits, or even losses, clinging to the slogan of "sustainable business" would be a negative reflection on both employees and society. It is by no means a responsible approach to management.

Excellent Service

Transcend is a customer-oriented company, constantly striving to meet the needs of its customers. While providing high-quality products and comprehensive solutions, we also aim to promptly respond to customers' technical issues and application inquiries and assist them in reducing operational risks. This is the essence of excellent service. In the highly competitive computer and information technology industry, hardware manufacturing companies often face declining profits due to standardization. In such an environment, it is only through exceptional service that we can create added value and establish a prominent position in the industry.

Win-Win Cooperation

In industrial division, upstream suppliers provide necessary production materials, and downstream customers purchase products and services. In the meantime, there are many peer companies in the same industry. For Transcend, the relationships with upstream and downstream manufacturers are not just simple supply-demand relationships; they are partnerships within a shared ecosystem. The path to corporate development lies in growing together and sharing profits. Similarly, the relationships with competitors are not solely based on competition. In order to serve the common interests and development of the industry, mutual support and encouragement should be fostered under conditions of healthy competition, driving the progress and growth of the company. Within Transcend, the relationship of the company and the employees is more than just labor-capital relations. Transcend should provide a good working environment, living conditions, and opportunities for learning and development, while anticipating contributions from employees. Transcend aims to create mutually beneficial outcomes with its suppliers, customers, industry peers, and employees, realizing the concept of "win-win cooperation."



Company Culture

Integrity is the highest moral standard. Transcend embeds integrity in its culture through the establishment and revision of integrity-related codes, continuous improvement, supervisory enforcement, advocacy, and educational training. Integrity is deeply rooted in our corporate culture.

Main Products and Services

Transcend's product categories mainly fall into two major types: 'Consumer Products' and 'Embedded Solutions.' The primary target customers for our sales include system integrators, distributors, channel partners, and end consumers. In 2023, there were no products produced that were prohibited from selling or required to be called back according to legal requirements.

Category	Product Application
DRAM modules	U-DIMM, SO-DIMM, ECC U-DIMM, ECC SO-DIMM, R-DIMM. The applications include desktop/laptop computer memory modules, server/workstation memory modules, as well as memory modules for commercial, industrial, and other specific requirements.
Flash products	Solid-state drives (SSDs) with SATA III/PCIe interfaces, including 2.5", M.2, mSATA, mSATA mini, and half-slim form factors, as well as portable SSDs. For memory cards, we offer SD, microSD, CF, CFast, and CFexpress memory cards. We also provide flash memory modules with PATA/SATA/USB interface for special industrial application platforms, as well as USB 2.0, USB 3.1 and USB 3.2 USB flash drives.
Multimedia products	Dashcams, Body Cameras.
Hard disk drives (HDDs)	Various types of HDDs and personal cloud storage devices.
Card readers and accessories	Various types of card readers, hubs, adapter and DVD writers.

Product or service categories	Global sales quantity (in thousands of units)
Flash+DRAM products	18,459
Others (Multimedia products + hard disk drives + card readers and accessories)	1,285

Consumer Products Launched in 2023

With enhancing life experiences in mind, we are dedicated to developing high-performance, high-value strategic products to meet consumer demands.

Portable SSDs



ESD410C



ESD360C



ESD330C



ESD320A

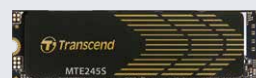


ESD310



ESD300

Internal SSDs



PCIe M.2 SSD MTE245S



PCIe M.2 SSD MTE400S



PCIe M.2 SSD MTE300S

Body Cameras



DrivePro Body 70

CFexpress Card



CFexpress 860

Memory Modules



DDR5-5600

Embedded Solution Applications

Embedded solutions are widely applied across various industries.



Transportation

- In-vehicle infotainment systems (IVI)
- GPS navigation
- Road surveillance



Medical Healthcare

- Da Vinci surgical systems
- MRI/Ultrasound systems
- Medical carts



Network Communications

- Cloud service & data centers
- Network nodes/edge computing
- Switches & firewalls



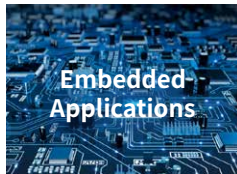
Automation

- Industrial automation control
- Automated surveillance
- Automated inspection & testing



Military Defense

- Rugged computers/laptops
- Military communication devices
- Intelligence systems/integrated combat platforms



Embedded Applications

- Industrial tablets
- IoV navigation systems
- Remote surveillance



Digital Entertainment

- Electronic table games
- VR games
- Arcade games



AIoT

- Automated manufacturing control
- IoT monitoring
- Data analysis
- Smart retail & logistics

Embedded Software Solutions

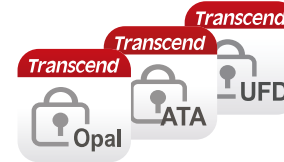
Management



Control Center

The SaaS solution, whether applied to servers, edge devices, or IoT devices, can assist users in connecting, monitoring, and managing storage devices.

Safety



TCG Opal Toolbox ATA Security Toolbox UFD Security Toolbox

Develop high-security encryption software to enhance data storage safety for enterprise clients, preventing data theft or damage and ensuring information security.

Rescue



One Touch Recovery

Designed specifically for embedded solutions to quickly recover lost data. The recovery process is conducted internally, with strict security providing users exceptional convenience and reliability.

Monitoring



Scope Pro

Assist enterprises in easily monitoring and managing the status of SSDs, memory cards, and memory modules.

Embedded Products Launched in 2023

U.2 SSD



UTE210T

Enterprise SSD



SSD910T

Memory Modules



DDR5-5600

SLC Mode SSDs



MTE560I



MTS250I



MTS200I

PLP SSDs



MTS970P



MTS400P



SSD470P



MSA470P

Industrial-Grade Memory Cards and USB Flash Drives



SDC400I



USD240I



JF282T

Protecting Shareholders' Rights

Transcend adheres to the spirit of corporate governance and adjusts relevant systems in accordance with relevant regulations. These revisions include implementing electronic voting, adopting case-by-case voting for shareholder meetings, establishing a shareholder section and an investor information section on the official website to provide real-time disclosure of the latest information (e.g. shareholder meeting data, dividend distribution, stock prices, revenues, financial reports, etc.) in order to safeguard shareholders' rights. Additionally, to maintain a bilateral communication, a public relations mailbox has been set up for shareholders and investors to express their opinions.

Transcend Shareholders' Structure

Data Date (Record Date): 2024/04/23.

Quantity \ Shareholder Structure	Government Agency	Financial Institution	Other Corporations	Individual	Foreign Institutions and Foreigners	Total
Number of People	-	19	117	23,032	236	23,404
Shareholding Quantity	-	19,802,818	259,330,809	93,552,856	56,375,192	429,061,675
Shareholding Ratio	0.00%	4.62%	60.44%	21.80%	13.14%	100.00%

Company Culture

In order to promote the sustainable development of the industry and enhance product quality, Transcend actively participates in industry-related associations and professional societies.



Association	Membership Status
Intelligent Computer & AIoT Association	Class A member
Taipei Computer Association	Member
PCI-SIG	Member
NVM Express	Member
SD Association	Member
SD-3C, LLC	Member
USB Implementers Forum	Member
CompactFlash Association (CFA)	Member
JEDEC Solid State Technology Association	Member

1.2 Business Performance

In 2023, the operating revenue was NT\$10,496,172,000, and Transcend will continue to enhance overall operational performance.

Unit: NT\$ thousand (unless otherwise specified).

Item \ Year	2021	2022	2023
Operating revenue	14,314,815	12,122,350	10,496,172
Gross profit	4,175,686	2,722,743	3,044,605
Operating profit/loss	2,891,794	1,506,705	1,889,646
Non-operating income and expenses	236,860	1,849,572	581,188
Profit before tax	3,128,654	3,356,277	2,470,834
Net profit for the period	2,533,294	2,454,344	1,984,835
Comprehensive income for the period	2,471,371	2,289,955	2,120,832
Earnings per share	5.90	5.72	4.63

Government Subsidies

In recent years, Transcend has been dedicated to process optimization, digitalization, and manufacturing automation. In accordance with Article 10-1 of the Statute for Industrial Innovation, we have applied for smart machinery investment tax credit for profit-seeking enterprise tax deduction. We evaluated the investment in relevant equipment to improve production efficiency and enhance product quality, thereby increasing our competitiveness in the industry.

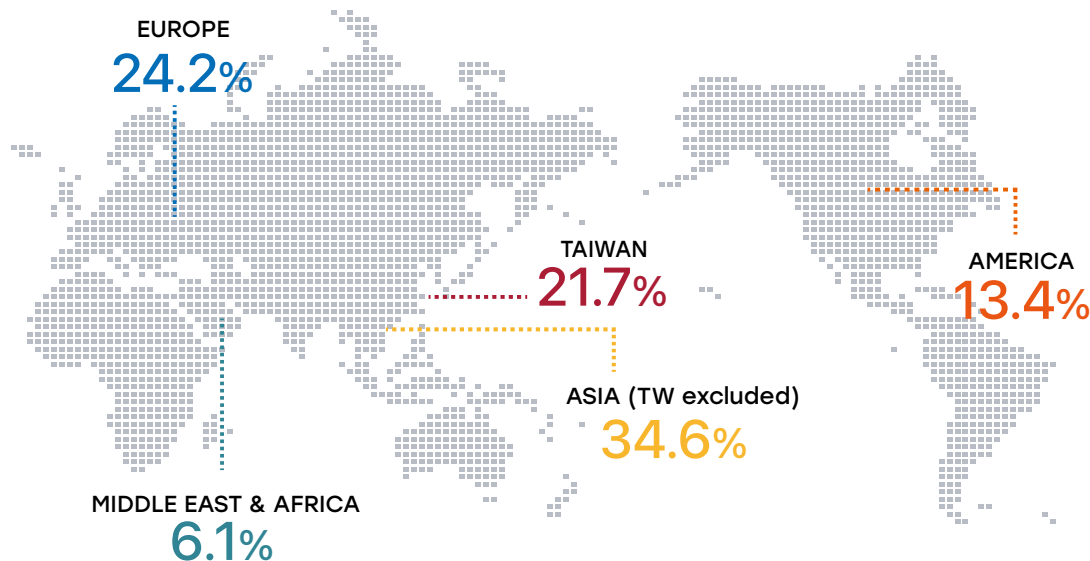
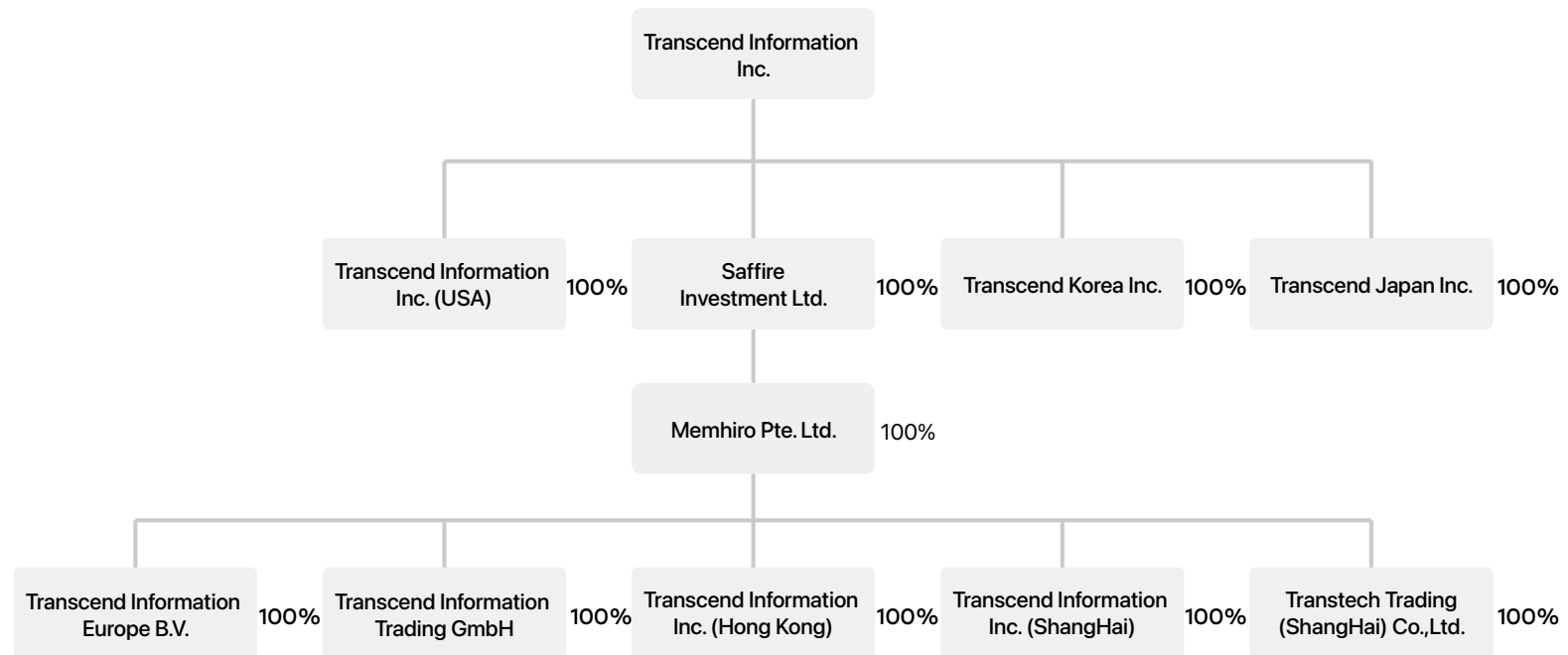
Unit: NT\$

Item	Subsidizing Authority	Subsidy Amount (NT\$)
Smart Machinery Investment tax credit	Industrial Development Bureau, Ministry of Economic Affairs	1,825,496
Total		1,825,496

Note: The figures for 2023 are subject to verification.



Investment and Other Affiliated Companies

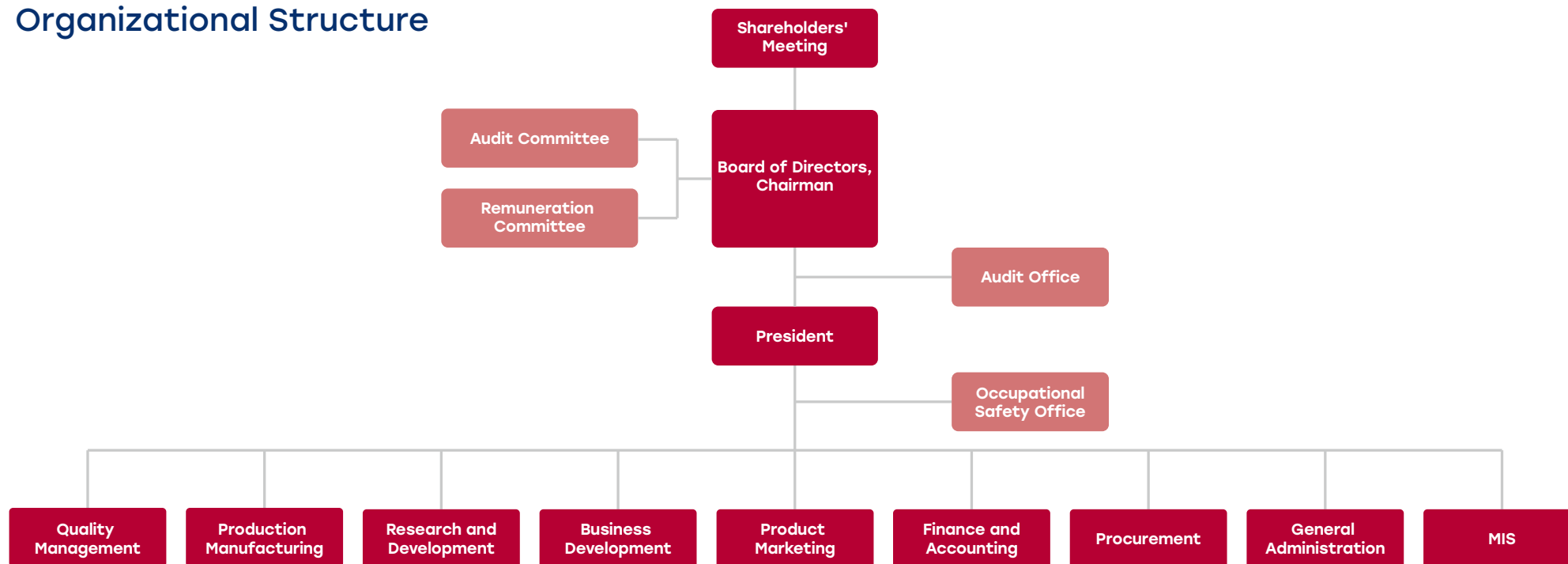


Global Operations & Distribution

Transcend's customers include system integrators, channel partners, distributors, and end-users from around the world. With a comprehensive global presence, the distribution of global operations is as follows: Taiwan 21.7%, Asia 34.6%, Americas 13.4%, Europe 24.2%, and other area 6.1%.

1.3 Governance Framework

Organizational Structure



1.3.1 Board of Directors

The Board of Directors of Transcend is the highest governing unit responsible for the company's operations and supervision.

Election and Nomination

The election of Board members follows the procedures outlined in the "Regulations Governing the Election of Directors and Supervisors" and Transcend's Articles of Incorporation to adopt a candidate nomination system. The qualifications of the nominated individuals are carefully assessed, and the final selection is made in the shareholders' meeting. In 2021, 9 directors were elected (including 3 independent directors) for a term of 3 years, from August 26, 2021 to August 25, 2024. 9 directors will be re-elected in the shareholders' meeting in June 2024 (including 4 independent directors).

Board Diversity

All directors of Transcend possess diverse capabilities, including leadership, decision making, operational judgment, management abilities, crisis management skills, industry knowledge, and international market perspectives. Independent directors Yi-Liang Chen, Lo-Min Chen, and Yi-Xin Wang have accounting and financial analysis background, providing different professional advices for the company.

The current Board of Directors consists of 9 members, all of whom are nationals of the country. The composition of the Board is as follows: 3 independent directors, accounting for 33%; 3 directors with employee status, accounting for 33%; and 2 female directors (including 1 independent director), accounting for 22%. In terms of age distribution, 1 director is aged 71 or above, 6 directors are aged 61-70, and 2 directors are below 60 years old. In addition, pursuant to the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," the Chairman and CEO of the company are the same person. By the end of 2023, Transcend is required to appoint at least 4 independent directors to enhance the diversity and independence of the Board. The current Board of Directors of Transcend implements policies and practices to promote diversity as follows:

Board of Directors Information

Title	Name	Gender	Age	Initial (Election) Date of Assumption	Education and Experience	Current Positions in the Company and Other Companies	Industry Experience				Professional Abilities		
							Banking/ Finance	Business Manage- ment	Sales and Marketing	Research and Development	Accounting and Financial Analysis	Information Technology	Risk Manage- ment
Chairman	Chung-Wan Shu	Male	50 years old and above	2003/06/03	1. Department of Electrical Engineering, National Cheng Kung University 2. Project Manager at HP Inc.	1. CEO, Transcend Information Co., Ltd. 2. Chairman, Taiwan IPC Packaging Corporation, Inc. 3. Director, C-Tech Corporation; Transcend Information Trading GmbH 4. President, Transcend Information, Inc.; Transcend Information Trading GmbH 5. Independent Director, Sports Gear Co., Ltd.		√	√			√	√
Director	Chung-Cheng Shu	Male	50 years old and above	2004/06/11	1. Department of Civil Engineering, Taipei College of Technology 2. President, Transcend Information Inc.	1. Chairman, C-Tech Corporation; Cheng Chuan Technology Development Inc. ; Shu Min Investment Inc. 2. Executive Director, Transcend Information (Shanghai) Co., Ltd.; Chuangxin Trading (Shanghai) Co., Ltd. 3. Director, Wan An Technology Inc., Ltd.; Won Ching Investment Inc., Ltd.; Wan Min Investment Inc., Ltd.; Wan Chuan Investment Inc.; Saffire Investment Ltd.; Memhiro Pte. Ltd. 4. Consultant, Transcend Information Co., Ltd.		√	√				√
Director	Li-Ju Choi	Female	50 years old and above	2015/06/12	1. Department of French, Tamkang University 2. Administrative Executive, Ho Cheng Investment Inc.	Supervisor, Won Chin Investment Inc.		√					√
Director	Chia-Hsiang Hsu	Male	50 years old and above	2003/06 /03 (Not reappointed after the completion of two consecutive terms on 2009/06/13)	1. Department of Automatic Control Engineering, Feng Chia University 2. General Manager, Greater China Region, Transcend Information Inc.	Consultant, Transteck Trading (Shanghai) Co., Ltd.		√		√		√	√
Director	Po-Shou Chen	Male	30~50 years old	2021/08/26	1. San Jose State University Economics 2. Director of Sales Department, Transcend Information Inc.	Vice President of Business Development at Transcend Information Inc. Director, Transcend Information (Hong Kong) Co., Ltd.		√	√				√

Title	Name	Gender	Age	Initial (Election) Date of Assumption	Education and Experience	Current Positions in the Company and Other Companies	Industry Experience				Professional Abilities		
							Banking/ Finance	Business Manage- ment	Sales and Marketing	Research and Development	Accounting and Financial Analysis	Information Technology	Risk Manage- ment
Director	Kuan-Te Wu	Male	30~50 years old	2021/08/26	1. Master of Mechanical Engineering, National Taiwan University 2. Director of Research and Development, Transcend Information Inc.	Factory Chief, Transcend Information Inc.		√		√		√	√
Independent Director	Yi-Xin Wang	Female	50 years old and above	2012/06/15	1. Ph.D. in Accounting, University of Kentucky, USA 2. Professor, Department of Accounting, Chung Hsing University 3. Vice President and Library Director, Taipei University 4. Independent Director, Bestcom Infotech Corp. 5. Independent Director, United BioPharma Inc. 6. President and Professional Development Committee Chairperson, Institute of Internal Auditors-Chinese Taiwan 7. Director of International Internal Audit Association, and member of the Professional Ethics Committee and International Relationship Committee, 8. Financial Officer of Asian Alliance, International Internal Audit Association 9. Member, Park Operation Fund Supervisory Management Committee, Executive Yuan 10. Member, Committee for Government Accounting Standards, Directorate-General of Budget, Accounting and Statistics, Executive Yuan 11. Director, First Financial Holding Co., Ltd.	1. Professor, Department of Accounting, National Taipei University 2. Chairman, Accounting Research and Development Foundation 3. Chairman, Taipei Trend Research Foundation 4. Supervisor, Telecom Technology Center 5. Director, Yuda University, Guang Ya School Foundation 6. Consultant, Professional Development Committee, Institute of Internal Auditors-Chinese Taiwan	√	√		√		√	
Independent Director	Yi-Liang Chen	Male	50 years old and above	2012/06/15	1. MBA, University of California, Los Angeles 2. President, China area of HewlettPackard Development Company, L.P. 3. Financial Vice President, Taiwan area of Hewlett-Packard Development Company, L.P. 4. Independent Director, Nano-Op Co., Ltd. 5. Independent Director of Lextar Electronics Corp.	Director of Tai Hwa Oil Industrial Co., Ltd.		√			√		√
Independent Director	Lo-Min Chen	Male	50 years old and above	2012/06/15	1. Department of Business Administration, National Chengchi University 2. Global Executive Vice President, Diebold Inc. 3. President, Asia-Pacific Region, Diebold Inc. 4. President, Great China Business division of Royal Philips 5. President, NCR Co., Ltd. (China) 6. Vice President, NCR Co., Ltd. (Taiwan)	Independent Director, Hitron Technologies Inc.		√			√		√

Director Continuing Education Status

To enhance the professional competence of directors, at least 6 hours of continuing education courses are arranged for directors annually. In 2023, the total number of continuing education hours was 59.

Title	Name	Training Date	Organizer	Course Name	Training Hours	Total Hours
Director	Chung-Wan Shu	2023/06/02	Taiwan Corporate Governance Association	Legacy Project Launched - Employee reward plan and equity inheritance	3	9
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainability Finance and Climate Change Summit	6	
Director	Chung-Cheng Shu	2023/06/02	Taiwan Corporate Governance Association	Legacy Project Launched - Employee reward plan and equity inheritance	3	6
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainability Finance and Climate Change Summit	3	
Director	Li-Ju Choi	2023/06/02	Taiwan Corporate Governance Association	Legacy Project Launched - Employee reward plan and equity inheritance	3	6
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainability Finance and Climate Change Summit	3	
Director	Chia-Hsiang Hsu	2023/06/02	Chinese National Association of Industry & Commerce	2023 Taishin Net Zero Summit Go Towards Green Energy	3	6
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainability Finance and Climate Change Summit	3	
Director	Po-Shou Chen	2023/06/02	Chinese National Association of Industry & Commerce	2023 Taishin Net Zero Summit Go Towards Green Energy	3	6
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainability Finance and Climate Change Summit	3	
Director	Kuan-Te Wu	2023/06/02	Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Summit Go Towards Green Energy	3	6
		2023/07/04	Taiwan Stock Exchange	2023 Cathay Sustainability Finance and Climate Change Summit	3	
Independent Director	Yi-Xin Wang	2023/01/11	Accounting Research and Development Foundation	Continuing Education for Internal Auditors in the Banking Industry	1	8
		2023/02/16	Accounting Research and Development Foundation	Reading TCFD Reports: Key Information Highlights	1	
		2023/06/07	Accounting Research and Development Foundation	Basics of Preparing and Disclosing Sustainability Reports – Key Points of IFRS ISSB S1 and S2 Standards	1	
		2023/07/13	Accounting Research and Development Foundation	Corporate Governance and Securities Regulations: Understanding ESG - Environmental, Social, and Governance	1	
		2023/07/18	Accounting Research and Development Foundation	2023 Transition Finance and Sustainability Disclosure	3	
		2023/09/20	Accounting Research and Development Foundation	International Trends in Sustainable Development and Responses	1	
Independent Director	Yi-Liang Chen	2023/06/02	Chinese National Association of Industry & Commerce	2023 Taishin Net Zero Summit Go Towards Green Energy	3	6
		2023/10/20	Securities & Futures Institute	2023 Annual Insider Trading Prevention Awareness Seminar	3	
Independent Director	Lo-Min Chen	2023/06/02	Chinese National Association of Industry & Commerce	2023 Taishin Net Zero Summit Go Towards Green Energy	3	6
		2023/10/20	Securities & Futures Institute	2023 Annual Insider Trading Prevention Awareness Seminar	3	

Board Operation Status

The Board of Directors held 4 meetings in 2023, with an average attendance rate of 97% among the directors, surpassing the requirement of the Board's performance evaluation, which mandates a minimum attendance rate of 80%. The attendance record of the directors is as follows:

Title	Name	Actual Attendance Count	Actual Attendance Rate (%)	Note
Chairman	Chung-Wan Shu	4	100%	Re-elected on August 26, 2021
Director	Chung-Cheng Shu	3	75%	Re-elected on August 26, 2021
Director	Li-Ju Choi	4	100%	Re-elected on August 26, 2021
Director	Chia-Hsiang Hsu	4	100%	Re-elected on August 26, 2021
Director	Po-Shou Chen	4	100%	Re-elected on August 26, 2021
Director	Kuan-Te Wu	4	100%	Re-elected on August 26, 2021
Independent Director	Yi-Liang Chen	4	100%	Re-elected on August 26, 2021
Independent Director	Lo-Min Chen	4	100%	Re-elected on August 26, 2021
Independent Director	Yi-Xin Wang	4	100%	Re-elected on August 26, 2021



Please refer to the Transcend official website for the detailed results of the 2023 Board of Directors Performance Evaluation. :
https://tw.transcend-info.com/about/board_of_directors

Board of Directors Performance Evaluation

To enhance corporate governance and improve the Board functionality, Transcend has established performance goals to strengthen the efficiency of the Board's operations. On March 5, 2020, Transcend approved the "Board of Directors Performance Evaluation Guidelines," which has been implemented since 2021. The following information outlines titles, names, attendance number, attendance rate (%), evaluation cycle, duration, scope, and methods, as well as the evaluation content:

Evaluation Cycle	Once a year
Evaluation Period	From January 1st to December 31st
Evaluation Scope	Performance evaluation of the Board of Directors, individual directors, and functional committees
Evaluation Method	Self-assessment of directors, self-assessment within the Board of Directors, and self-assessment within functional committees
Evaluation Content	<ol style="list-style-type: none">1.Board performance evaluation: Participation in company operations, enhancement of board decision-making quality, board composition and structure, board election and continuous education, internal controls. The evaluation includes 5 aspects and 45 items. The 2023 evaluation score was 4.40 out of 5.2.Individual director performance evaluation: Understanding of company goals and tasks, awareness of director responsibilities, participation in company operations, internal relationship management and communication, director expertise and continuous education, internal controls. The evaluation includes 6 aspects and 23 items. The 2023 evaluation score was 4.76 out of 5.3.Audit Committee performance evaluation: Participation in company operations, awareness of audit committee responsibilities, enhancement of audit committee decision-making quality, audit committee composition and member selection, internal controls. The evaluation includes 5 aspects and 22 items. The 2023 evaluation score was 4.77 out of 5.4.Remuneration Committee performance evaluation: Participation in company operations, awareness of compensation committee responsibilities, enhancement of compensation committee decision-making quality, compensation committee composition and member selection. The evaluation includes 4 aspects and 19 items. The 2023 evaluation score was 4.68 out of 5.

1.3.2 Audit Committee

The Audit Committee of Transcend was established in June 2012 and consists of all independent directors, totaling 3 members. It operates in accordance with the Company's "Audit Committee Organization Regulations" and aims to oversee the adequacy of the company's financial statements, the selection and independence of the auditors, the effective implementation of internal controls, compliance with relevant laws and regulations, and the management of existing or potential risks.

The key responsibilities of the Audit Committee in 2023 included reviewing quarterly and annual financial reports, reviewing annual profit distribution plans, assessing the effectiveness of internal control systems, scrutinizing significant asset transactions, addressing corporate governance matters, managing risk-related issues, and approving auditor appointment and compensation.

In 2023, the Audit Committee held 4 meetings, and the attendance rate of independent directors was 100%. The attendance record is as follows:

Title	Name	Actual Attendance Count	Actual Attendance Rate (%)	Note
Independent Director	Yi-Liang Chen	4	100%	Re-elected on August 26, 2021
Independent Director	Lo-Min Chen	4	100%	Re-elected on August 26, 2021
Independent Director and Convener	Yi-Xin Wang	4	100%	Re-elected on August 26, 2021



The functions of Transcend's Remuneration Committee are to establish and periodically review the policies, systems, standards, and structures for compensation of directors and executives from a professional and objective perspective. The committee also conducts regular evaluations of the compensation of directors and executives. The determination of director remuneration takes into account the overall operational performance of the company, future business risks and trends in the industry, as well as the contributions of each director to the company's operations based on the annual board (including individual directors) performance evaluations, ensuring reasonable remuneration. Additionally, according to Article 22 of the Articles of Incorporation, when the company generates profits, an amount not exceeding 0.2% of the profits is allocated as director remuneration, subject to approval by the Remuneration Committee and the Board of Directors.

For the CEO, President, Vice Presidents, and other executives, their compensation is determined by industry standards, market trends, professional capabilities, and responsibilities. In accordance with Article 22 of the Articles of Incorporation, when the company generates profits, an

1.3.3 Remuneration Committee

To enhance corporate governance and strengthen the management of remuneration, Transcend established the Remuneration Committee in October 2011. In accordance with the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange," we have formulated this organizational charter for compliance. The committee consists of 3 members appointed by the Board of Directors. They are external experts who possess the required professional qualifications and independence. Among them, 1 member is designated as the convener and chair of the meetings, representing the committee externally. The term of office for committee members is the same as the term of the Board of Directors.

In 2023, the Remuneration Committee held 2 meetings with an attendance rate of 100%. The attendance record is as follows:

Title	Name	Actual Attendance Count	Actual Attendance Rate (%)	Note
Convener	Yi-Liang Chen	2	100%	Re-elected on August 26, 2021
Member	Lo-Min Chen	2	100%	Re-elected on August 26, 2021
Member	Yi-Xin Wang	2	100%	Re-elected on August 26, 2021

amount not less than 1% of the employee remuneration is allocated. The amount is distributed based on individual annual performance, including overall company and departmental revenue and profit achievement rates, individual goal attainment rates, operational management abilities, and any special contributions or negative events.

The remuneration and performance evaluations of directors and executives are reviewed and approved by the Remuneration Committee and the Board of Directors. The remuneration system is subject to periodic reviews based on actual business conditions and relevant laws. The proposal for directors' remuneration will be reviewed and approved by the Remuneration Committee before being submitted to the Board of Directors for discussion. The 2023 directors' remuneration proposal was unanimously approved by the attending members of the Remuneration Committee on November 6, 2022, and was subsequently submitted to the Board of Directors for discussion, where it was also unanimously approved by all attending directors on the same day. As of the first Remuneration Committee meeting in 2024, there have been no incidents of mismanagement by the board members.

Explanation of Director Remuneration Structure

Directors and independent directors of Transcend are provided with attendance fees based on their meeting attendance. The determination of director remuneration takes into account the overall operational performance and development trends of the company, as well as the contributions of each director to the company's operations based on the annual board performance evaluations, providing reasonable compensation. Additionally, in accordance with the Articles of Incorporation, when the company generates profits, an amount not exceeding 0.2% is allocated as director remuneration, which will be distributed to each director after board approval.

1.3.4 Recusal Mechanism of Interest Conflicts

The mechanism for handling conflicts of interest is stipulated in the "Board of Directors Meeting Regulations," "Audit Committee Organization Regulations," and "Remuneration Committee Organization Regulations." Directors who have conflicts of interest with agenda items should disclose the significant details of their interests at the board meeting. If there is a potential harm to the company's interests, they are not allowed to participate in the discussion and voting. They should abstain from the discussion and voting and are not permitted to act as proxies for other directors in exercising their voting rights.

Although Mr. Chung-Wan Shu, the Chairman of Transcend, also serves as the President, if a director's spouse, blood relatives within the second degree of kinship, or a company controlled or affiliated with a director has an interest in a meeting agenda, the director is considered to have a personal interest in that matter. According to the resolutions of the Board of Directors, directors who are prohibited from exercising voting rights due to conflicts of interest must comply with Article 206, Paragraph 4, in conjunction with Article 180, Paragraph 2 of the Company Act. In 2023, there were no instances requiring conflict of interest avoidance during board discussions.

Our company has established the "Code of Conduct for Ethical Business Operation," "Code of Ethics for Directors and Executives," and "Code of Ethics for Employees," which clearly define the avoidance of conflicts of interest. The formulation and revision of the aforementioned codes have been approved by the Audit Committee and the Board of Directors, and they have been submitted to the shareholders' meeting. We also provide channels for reporting violations. In cases where directors, executives, or employees are found to have violated the code of ethics, appropriate disciplinary measures will be taken in accordance with the established guidelines.



For detailed provisions regarding the recusal mechanism of interest conflicts, please refer to company website:
<https://tw.transcend-info.com/about/policies>

1.4 Risk Management

To comply with the 7th Corporate Governance Evaluation and FSC's New Corporate Governance Roadmap, while strengthening Board of Directors' ability to identify major risks, the Risk Management Policy was approved in the 4th Board meeting in 2020. This policy provides guidance for all units of the company to effectively identify, assess, monitor, and control various risks associated with their business operations. The objective is to manage risks within acceptable limits while achieving a reasonable balance between risk and profits, and ensuring the sustainable operation of the company.

The Risk Management Policy covers risk identification and measurement, risk monitoring, regular reports, and information disclosure, etc, which are executed by the management team and assessed by the Audit Division. Improvements and tracking status were proposed to reduce potential risks, ensuring company goals can be achieved. Transcend regularly reports risk management execution in the 4th Board meeting every year. The most recent report was November 6, 2023. Risk identification based on each function (operational risks/financial risks/hazard risks) was conducted, and corresponding management strategies and approaches were proposed.

Scope of Risk Management

The risks involved in Transcend's business activities include operational risks, financial risks, strategic risks, hazard risks, legal risks, and other risks. To ensure that these risks are kept under control, Transcend continuously monitors risks during its operations. It assesses the exposure to various risks and ensures that appropriate measures are taken under the supervision of senior management. Every year, the status of risk management procedures is reported to the Board of Directors on a regular basis.

The organizational structure of Transcend's risk management is as follows :

Name of the Organization	Authority and Responsibility
The Board of Directors (including the Audit Committee and Remuneration Committee)	<ul style="list-style-type: none">Establishing risk management policies, frameworks, and cultureEnsuring the effectiveness of risk management mechanisms
Senior Management	<ul style="list-style-type: none">Making risk management decisionsCoordinating cross-unit interaction and communication in risk managementMonitoring early warning of significant risks, assessing potential losses, tracking implementation of corresponding strategies, or reporting risk mitigation and summarizing the outcomes of significant risk events
Audit Office	<ul style="list-style-type: none">Monitoring and periodically evaluating the effective implementation of risk controls in each departmentIssuing audit reports based on the audit results, and providing improvement recommendations and progress tracking
Departments of the Headquarter	<ul style="list-style-type: none">Executing day-to-day risk management activitiesImplementing risk management decisions made by the companyConducting assessments of risk control activities

Risk Assessment

Transcend conducts risk assessments related to the environment, society, and corporate governance in accordance with materiality principles. Based on the assessed risks, relevant risk management policies or strategies are formulated as follows:

Material topics	Risk assessment items	Risk management policies or strategies
Environment	Environmental Protection	<p>Transcend adopts product lifecycle management and has obtained ISO 14001:2015 certification for environmental management system, considering the characteristics of our industry. We continuously reduce our negative impact on the environment and improve our environmental performance.</p> <ul style="list-style-type: none"> Product: During the product manufacturing process, we use components that comply with the RoHS EU environmental standards. Our products are QC 080000 (Hazardous Substance Process Management) certified, reducing environmental burdens. Energy Conservation: Using 2020 as the baseline, this year the two plants saved a total of 162,000 kilowatt-hours of electricity (a 2% reduction), reduced carbon emissions by 168,639 kilograms (a 4% reduction), and decreased paper usage by 556,900 sheets (a 48% reduction). Relevant Certifications: ISO 14001(2021/07/16~2024/05/19) and QC 080000 (2021/10/25~2024/10/24) Annual implementation plans are established, and progress towards objectives is regularly tracked and reviewed to ensure their achievement. Annual internal audit plans are made to ensure compliance with relevant environmental regulations and to verify that Transcend's operational processes adhere to the requirements.
	Talent Training and Management	<ul style="list-style-type: none"> Every year, we establish an annual training plan to provide employees with the knowledge required for their work. Department managers also provide training plans to support the career development and capabilities of their team members. Transcend is committed to complying with national labor laws, the "Business Social Compliance Initiative (BSCI)," the "Responsible Business Alliance (RBA)," as well as other applicable industry standards and international conventions. We constantly improve working conditions and welfare for all employees.
Society	Occupational Health and Safety	<ul style="list-style-type: none"> In order to fulfill our corporate responsibility in improving the workplace, ensuring the safety and health of our employee preventing occupational injuries and illnesses, and reducing environmental and occupational health and safety risks, Transcend has established an Environment, Health, and Safety (EHS) policy. We have obtained certifications such as ISO 45001 (Occupational Health and Safety Management System) and CNS 45001 (TOSHMS) (Taiwan Occupational Safety and Health Management System), demonstrating our commitment to providing employees with a safe and healthy working environment. Obtained the following certifications: ISO 45001 (2022/05/23~2024/05/19) and CNS 45001 (TOSHMS) (2022/05/23~2024/05/19) In addition to implementing comprehensive hazard prevention plans within our factories, we conduct health promotion campaigns on a monthly basis and perform working environment monitoring every six months. Furthermore, we provide one hour of On-the-job Safety and Health training to all employees annually.
	Product Safety	<ul style="list-style-type: none"> Transcend is a leading manufacturer of consumer electronics and industrial products worldwide. We value consumer feedback as the most important basis for product improvement. Therefore, we have established a Technical Support Department dedicated to addressing product inquiries from consumers. We have also implemented the "Customer Service Satisfaction Survey Operation Procedure" to provide consumers with timely, professional services on issue resolution. Our products comply with various government regulations, and adhere to the EU RoHS standards. Through rigorous quality management systems, we ensure stable product quality for our customers. To further enhance customer satisfaction and service quality, we have established a dedicated customer service hotline and communication website.
Corporate Governance	Socioeconomic Compliance	<ul style="list-style-type: none"> By establishing a governance structure and implementing internal control mechanisms, we ensure that all personnel and operations adhere to relevant legal and regulatory requirements.
	Strengthening Director's Competencies and Responsibilities	<ul style="list-style-type: none"> In order to safeguard the rights and understand the legal responsibilities of directors, we plan relevant training for directors and provide them with updates on the latest regulations, institutional developments, and policies on an annual basis. We have directors' liability insurance in place to protect directors in the event of lawsuits or claims, provided they have fulfilled their duties as responsible and diligent executives.

Risk Management Operations

To safeguard and enhance the overall interests of Transcend, we have established internal audit procedures and related systems. We constantly follow the trend of risk management both domestically and internationally, which allows us to review and improve the risk management policies implemented by Transcend. This continuous monitoring of risks during the operational activities helps us promptly identify risk factors, assess various risk exposures, and provide appropriate reports. This enables us to take necessary measures to address risks and serves as a reference for improving relevant operational processes. We also provide regular reports to the Board of Directors on the execution of risk management.

Since 2020, we have been actively promoting the implementation of risk management mechanisms. We have formulated Transcend's risk management policy, which has been approved by the Board of Directors. We report its operations to the Board of Directors on an annual basis.

As of 2023, the status is as follows:

- During the Board of Directors meeting on November 6, 2023, various business risks were identified. Corresponding control strategies and measures were proposed.
- The fluctuation in exchange rates due to global economic conditions affects profit and loss. In addition to natural hedging through daily purchasing and sales activities, our company also closely monitors global economic and exchange rate trends, making timely adjustments to foreign currency holdings to reduce exchange rate risk.
- Considering the abnormal global climate and the frequent occurrence of typhoons and earthquakes in Taiwan, which increase the risk of asset loss, our company has long invested in global property insurance to transfer risk and reduce potential economic losses caused by natural disasters. Transcend has proactively invested in long-term accounts receivable credit insurance and implemented customer credit assessment procedures. These measures effectively manage accounts receivable and reduce credit risk.

1.4.1 Climate Change Risk Management

Climate change is a significant factor affecting a company's operations and has a profound impact on sustainable development. We recognize the precious value of our planet and believe in the urgent and significant responsibility of environmental protection. We have invested considerable effort in waste management, energy-saving measures, and hazardous substance reviews. Providing high-quality, environmentally friendly products have always been our mission. Our products not only comply with external regulations but also undergo internal testing, aiming to promote environmental consciousness and create a better world for present and future generations. To face the impacts of climate change, we have formulated relevant policies in response to the global trend of low-carbon transition. We will continue to monitor and implement climate actions and fulfill stakeholder objectives, gradually incorporating them into our sustainable development strategy. To this end, internal meetings are held periodically to discuss how to address climate change risks and opportunities, and actions are taken based on the assessment results. Our goal is to reduce energy consumption, lower carbon emissions, and enhance carbon management performance, thereby realizing our commitment to corporate sustainability.

Key Elements of Disclosure on Climate-Related Financial Information



- Governance**
The organization's governance of climate-related risks and opportunities
- Strategy**
The actual and potential impacts of climate-related risks and opportunities on the organization's business, strategy, and financial planning
- Risk Management**
The process by which the organization identifies, assesses, and manages climate-related risks
- Indicators and Goals**
Indicators and goals that assess and manage climate-related risks and opportunities

Transcend's TCFD (Task Force on Climate-Related Financial Disclosures) Framework	
Governance	<ul style="list-style-type: none">Transcend has established a part-time unit to promote sustainable development—the General Affairs Office under the Vice President of Administration. On May 4, 2023, during the second board meeting, the board authorized this unit and the Vice President of Administration to be responsible for sustainable development matters (such as management policies, specific promotion plans, and execution) and to report regularly to the board of directors.The promotion of climate action issues and goal management is regularly reported to the board of directors on an annual basis. The relevant departments such as General Affairs, Finance and Accounting, Engineering, and Quality Assurance hold annual and ad-hoc discussions on sustainable climate change risk indicators, and report them to the Board of Directors in the annual report and sustainability report.
Strategy	<p>After identifying climate risks and opportunities, discussions are held with relevant units to develop response strategies and assess their impact on the finance of Transcend. For example:</p> <ul style="list-style-type: none">Equipment replacement can reduce energy costs and qualify for government energy-saving incentives.Natural disasters cannot be avoided, but purchasing insurance can help mitigate the costs of damages.Develop various green energy products, including low-power DRAM modules, high-performance SSDs/UFDs/SD storage devices, dashcams, and body cameras for law enforcement. It is expected that, under the green wave, these products will create more sales opportunities and new market prospects in the renewable energy sector.
Risk Types	<ul style="list-style-type: none">Transition Risk - Government carbon levy: By replacing equipment to reduce energy costs and carbon emissions, Transcend aims to minimize the carbon levy imposed by the government. The related equipment expenditure is approximately NT\$9 million.Physical Risk - Extreme weather conditions (typhoon, drought, flood): Make full preparation, establish emergency measures, and carry out regular drill practices. Transcend spends around NT\$3 million on purchasing insurance coverage.Supplier Risk - Choose environmental-friendly components, leading to fewer vendor options and higher costs.
Opportunity Categories	<ul style="list-style-type: none">Developing/ expanding low-carbon products and services: In response to stakeholders' demands for ESG, Transcend enhances the environmental sustainability of its products by incorporating green production practices to minimize the impact on the environment and climate, and increasing sales volume and enhancing product quality. In 2023, Transcend invested in the development of energy-saving memory modules and revised products to reduce power consumption and improve efficiency, with research and development expenses accounting for only 1% to 1.5% of the annual revenue.
Risk Management	<ul style="list-style-type: none">Transcend has established a 'Risk Management Policy,' which was reported and management strategies and practices were presented at the fourth board meeting on November 6, 2023. Considering global climate anomalies and the frequent occurrence of typhoons and earthquakes in Taiwan, which increase the risk of asset loss, our company has long been investing in global property insurance to transfer most of the risk to third parties, thereby reducing potential losses caused by climate change.From an environmental perspective, Transcend is committed to developing green energy products, establishing green energy production processes, and setting environmental, safety, and health management goals. We have invested in related research and development expenses and equipment, regularly evaluating the expected goals and benefits, and tracking the progress of these proposals.
Indicators and Goals	<ul style="list-style-type: none">Energy conservation: We have set a target to achieve a 5% reduction in electricity consumption by 2026, with 2020 as base year.Carbon reduction: We have set a target to achieve a 7% reduction in carbon emissions by 2026, with 2020 as base year.Go green: Packaging reduction rate 30% by 2028Product: Energy reduction 10% by 2030
Financial Impacts	<ul style="list-style-type: none">Transcend has long been investing in global property insurance. In 2023, we purchased property insurance, which increased insurance expenses by approximately NT\$3 million, accounting for only 0.2% of operating expenses, with a relatively minor impact on overall finances.To meet energy-saving and carbon-reduction goals, our products utilize integrated packaging designs to reduce the use of plastic and paper in product packaging. Although this increases costs by about 5%, leading to an estimated annual increase of approximately NT\$450,000 in packaging expenses, it reduces paper usage by 20% and eliminates plastic packaging.In 2023, our company spent NT\$340,000 to purchase two energy-efficient oscilloscopes for signal measurement in new product development while phasing out older, less energy-efficient models. This is expected to save approximately 900 kWh of electricity annually.

1.5

Cybersecaurity and Intellectual Property

1.5.1 Cybersecaurity Governance

To maintain the confidentiality, integrity, and availability of information, and to create an environment that constantly improves its information & communication security, Transcend established the "Information Security Execution Team" in May 2019, responsible for documenting and reviewing information & communication security events. The team is also audited by the Audit Office as part of the annual information security cycle, establishing a comprehensive security mechanism while enhancing employees' awareness.

2023 implementation: The Vice President of General Affairs, who also serves as the Information Officer, acts as the convener of the team and conducts regular meetings every year. The team reviews reporting documents and relevant strategies and future plans, and provides periodic reports on information security status to the Board of Directors. The most recent report to the Board of Directors was November 6, 2023.

Cybersecaurity Policy

In order to ensure the confidentiality, legality, reliability, and integrity of company information, personnel, assets, and software/hardware, an information & communication security policy has been established based on the internal needs of Transcend. The objective of this policy is to enhance Transcend's information & communication security risk management.

Cybersecaurity Control Measures

- Establish an inventory list of information and assets to implement classification control according to information security risk assessment.
- All new employees are required to participate in information security education and training to enhance their awareness and concepts of information security. Regular awareness campaigns are conducted to promote information security best practices.
- Firewalls are deployed on both internal and external networks. Employees are strictly prohibited from connecting personal devices to external or internal networks without authorization.
- Hosts with confidential information are isolated in separate network environments. Access to databases and files should be controlled through user permissions. Regular off-site backups should be performed.
- Regular information asset inspections and system abnormality drills are conducted to maintain system reliability.
- Establish guidelines for information security incident management and incident reporting procedures.
- All employees, vendors, or visitors who use information provided by Transcend or engage in related information business have a responsibility and obligation to protect acquired or used information assets. Unauthorized access, alteration, or improper disclosure is strictly prohibited.
- Personal computers should have antivirus software installed and keep virus pattern up to date. A software management policy should be established, and the use of unauthorized software should be prohibited.
- Employees who possess company accounts, passwords, and access permissions should responsibly safeguard them and regularly update their passwords.
- All employees are required to comply with legal requirements and the company's information security policy. Supervisors have the responsibility to supervise and enforce the implementation of the policy, strengthening employees' awareness of information security and compliance with laws and regulations.



Information & Communication Security Incident Management

Definition

Information security event: Refers to violations, failures, or unexpected abnormalities that occur in systems, services, or networks.

Information security incident: Refers to a single or series of information security events that actually result in harm or damage.

Categorize Information Security Incidents

Information security incidents are divided into two levels, "Level 1" and "Level 2," based on the severity of their impact. When assessing the impact level of a security incident, we consider the overall impact on confidentiality, integrity, and availability. If the impact level reaches "Level 2," it is classified as an incident.

Level 1 Incidents	Level 2 Incidents
<ol style="list-style-type: none">1. Non-core business data is leaked2. Non-core business data or systems are tampered with3. Non-core business is affected or suspended	<ol style="list-style-type: none">1. Core business data is leaked2. Core business data or systems are tampered with3. Core business is affected or suspended

Report Information Events

When discovering or observing abnormal events, it is important to report them to the information management personnel for incident handling and tracking.

- Immediately document all important details, such as the occurrence of the incident, error messages, unusual phenomena, etc.
- Do not take any actions on your own and promptly report to the MIS Department.
- Under no circumstances should you attempt to prove suspicious vulnerabilities.

Handle Information Events

- Information personnel determine the incident level based on the actual impact and fill out the "Information Security Incident Report" for recording and reference.
- During the process of handling incidents, if it is discovered that the impact of the incident is greater than the initially determined level, the incident classification should be corrected immediately. The following operations should be carried out when a security incident appears:
 - (1) Level 1 incidents should be resolved or damage control should be completed within 12 hours of discovering the security incident, while Level 2 incidents should be resolved or damage control should be completed within 24 hours.
 - (2) In cases where Information security incidents endanger human life or result in equipment damage and involve civil or criminal matters, the MIS Department should report to the investigative authorities for further handling.
- When dealing with security incidents, the supervisor of the MIS Department is responsible for coordinating with relevant units to provide necessary resources.

Tangible Management Plans For Information Security

- Identify the root causes of information security incidents and take effective measures. Based on the classification of security incidents, develop methods and procedures to improve incident handling.
- The Information & Communication Security Execution Team shall submit statistical data on security incidents annually in accordance with the internal audit information cycle, to facilitate the continuous improvement of the information security management system.
- The results of significant Information & Communication security incidents should be regularly compiled and, in situations where personal privacy and business confidentiality are not involved, can be announced in monthly reports or on internal websites. The announcement should describe the causes, process, handling methods, improvement measures, and suggestions for precautions, serving as reference information for information security promotion and prevention of security incidents.
- Considering that information security insurance is an emerging type of insurance, Transcend is currently in the evaluation stage. In the future, Transcend will continue to improve the information security system management and conduct regular security assessments. Through repeated drills and continuous review and improvement, Transcend will enhance employees' awareness of information security crises and the ability of information security personnel to respond, in order to prevent the occurrence of security incidents.

Resources Allocated to Information Security Management

- Resources Allocated to Information Security Management
- Endpoint hardware and software devices such as firewalls, antivirus software for computers, email antivirus, spam filtering, and network management equipment.
- Software systems such as remote backup software and VPN connection authentication.
- Telecommunications services such as multiple lines, intrusion prevention services, and point-to-point VPN trust between branches.
- Human resources involved, such as daily system status checks, abnormal device alert notifications, weekly regular backups, at least one annual information security awareness training session, annual system disaster recovery drills, and annual internal audits of the information lifecycle, as well as audits by accountants.
- Information security personnel: One information security manager and two security staff responsible for designing the security architecture, maintaining and monitoring security operations, responding to and investigating security incidents, and reviewing and revising security policies. The information security manager reports to the board at least once a year.

1.5.2 Intellectual Property Management

In order to protect R&D resources, maintain innovative capability, strengthen competitive advantages, enhance corporate profitability, achieve business goals, solidify market leadership, and ensure sustainable operations, Transcend continually promotes intellectual property management by implementing a series of protection measures for patents, trademarks, copyrights, and trade secrets.

Patent

- **Regular Patent Monitoring:** Fully grasp the recent patent application status in the industry and understand market development trends.
- **Patent Mapping:** List patents that are related to specific technologies to gain insights into the industry status.
- **Regular Patent Sharing:** Share patents recently granted to stimulate design ideas among R&D personnel and increase sensitivity to patentable concepts.
- **Regular Maintenance Review:** Periodically evaluate the usage and relevance of granted patents to products to assess the need for ongoing maintenance.
- **Patent Review Meetings:** Adopt a case-by-case approach. Each patent proposal undergoes multiple layers of internal review before official application procedures, including prior art search, patent eligibility assessment, initial review meeting, final review meeting, etc., to effectively ensure patent quality.
- **Patent Awareness Promotion:** Adopt a thematic approach. Enhance R&D personnel's understanding of patents and respect for patent rights to learn the legal boundaries of product development.

Trademark

- **Global Brand Expansion:** Transcend's trademark applications can be traced back to as early as 1991. After years of effort, our brand presence has gradually become comprehensive, covering various important products and major countries/regions worldwide.
- **Regular Maintenance and Review:** The usage of registered trademarks is regularly reviewed to assess the need for ongoing maintenance. Additionally, we closely observe Transcend's future business plans and development to proactively initiate new trademark registration applications.

Transcend regularly presents intellectual property matters to the Board of Directors, typically during the fourth quarter of each year. The reporting date for 2023 was on November 6. In addition to that, intellectual property training sessions are conducted. In 2023, a total of 228 participants received training.

Copyright

- **Internal Management System:** Transcend has established an information team that develops an exclusive management system for internal use, which is designed to meet the specific needs of our operations more closely.
- **Product Application Software:** Transcend has a software development team that creates application software tailored for various products. This helps effectively address compatibility problems.
- **Brand Marketing Planning:** Transcend has a marketing team that produces marketing materials and develops marketing strategies to shape a consistent brand image and style.
- **Regular Maintenance and Review:** We regularly evaluate the usage and future plans for authorized copyrighted works to assess the necessity for licensing.

Trade Secret Protection

- **Access Control Security Management:** All employees of Transcend are equipped with access control cards, and their access privileges are granted based on their duties. Non-employees entering the premises for visits are required to register their identities and are limited to the public spaces on the ground floor, accompanied by a company employee throughout the visit.
- **Information Security Management:** All computer equipment within the company requires login identification using individual employee accounts and passwords, which must be regularly changed.
- **Department-specific Spaces:** Transcend provides each department with dedicated physical and virtual file storage spaces, allowing independent planning and usage by each department. For physical spaces, keys must be securely managed, while virtual spaces have designated read and write permissions.
- **Confidentiality Awareness Promotion:** Adopt a thematic approach. We ensure that all personnel are aware of trade secrets, effectively promoting a culture of legal consciousness.

Date	Participants	Courses	Number of Trainees (people)
2023/1/11 、 2023/3/8	R&D personnel	The Evolution of Design Patent Infringement Determination	111
2023/6/7 、 2023/10/12	R&D personnel	2023 World Intellectual Property Right Day	53
2023/7/10	Managerial personnel	Measures for Dealing with Counterfeit Products and Trademark Infringement	64

Transcend regularly reports intellectual property-related matters to the Board of Directors in the fourth quarter of each year. For 2023, the report is scheduled for November 6. In addition, we have conducted five sessions in 2023 on topics related to intellectual property protection and anti-competitive behavior.

1.6 Internal Control and Legal Compliance

1.6.1 Internal Audit

Internal Audit is an independent unit that reports directly to the Board of Directors. The head of Internal Audit not only reports during regular board meetings but also provides updates to the Chairman and the Audit Committee on a monthly basis or as needed. Internal Audit examines and evaluates the company's operational procedures and internal controls, reporting on whether the design and routine implementation of these controls are appropriate, effective, and efficient. The scope of Internal Audit covers all operations of the company and its subsidiaries.

The audit work is primarily carried out based on the annual audit plan approved by the Board of Directors. This audit plan is developed based on identified risk assessments, and additional special audits or reviews are conducted as needed. The execution of these general and special audits provides management with an understanding of the operational status of internal controls and any existing or potential deficiencies.

Internal Audit also reviews the self-assessments of internal controls conducted by each unit and subsidiary to ensure the quality of implementation. The results of these self-assessments are compiled and reported to the Board of Directors as a basis for issuing the Internal Control Statement.

The appointment, evaluation, and remuneration of internal audit personnel are handled in accordance with the "Recruitment and Employment Management Regulations," "Salary Management Regulations," "Performance Evaluation Management Regulations," and "Resignation Management Regulations." Performance evaluations are conducted annually. The aforementioned appointments, evaluations, and remuneration are submitted by the head of Internal Audit to the Chairman of the Board for approval following the company's approval process.



1.6.2 Legal Compliance

Transcend adheres to the principle of integrity in its operations and has established guidelines such as the "Corporate Social Responsibility Code of Practice," "Code of Conduct for Ethical Business Operation," "Code of Conduct for Employee Ethical Behavior," "Code of Conduct for Directors and Executives," and "Procedures for Handling Cases of Illegal, Unethical, or Dishonest Conduct Reporting." These guidelines ensure compliance with government laws and demonstrate Transcend's commitment to following government policies and fulfilling its responsibilities to society. Through internal control and auditing procedures, all departments and subsidiaries conduct self-examinations of their operational activities, including legal compliance. They make timely adjustments to the design and implementation of internal control mechanism and implement self-supervision. In 2023, there were no significant fines imposed on Transcend's operational sites in relation to economic, environmental, and social matters. However, there was one environment-related incident and one labor dispute.

Disposition	Type	Content	Violation of Regulations Explanation	Improvement Measures
Fine	Environment	NT\$1,000	Violation of Article 40, Paragraph 3 of the Air Pollution Control Act: A diesel vehicle without a valid premium or equivalent self-management label entered the air quality maintenance area of this city (Taipei City).	Transcend completed the regular inspection and passed in late November 2023. Regular inspections are scheduled for every November in the future, which will help avoid further penalties for environmental pollution.
	Society	NT\$120,000	Violation of Article 24, Paragraph 1 and Article 30, Paragraph 6 of the Labor Standards Act: Failure to pay wages for overtime work and failure to record daily attendance to the minute as required by regulations.	Transcend's system settings notify each employee of their current working hours to check if they have reached 8 hours, and promotes timely clocking out for employees.
Total	Number of incident: 2; Total fine: NT\$121,000			



Anti-Corruption

Transcend has established the "Code of Conduct for Ethical Business Operation," the "Code of Conduct and Rewards and Punishments Management Measures for Employees," and the "Transcend Information Inc. Corporate Governance Practices Code," which clearly prohibit dishonest behavior, insider trading, conflicts of interest, and self-serving actions. The Finance and Accounting Department and the General Affairs Department are responsible for formulating and overseeing the implementation of integrity management policies. Their responsibilities include developing and revising the company's integrity management code, organizing related awareness and training programs, and ensuring the effective implementation of the integrity code. They also report on the progress of key issues to the Board of Directors once a year.

Transcend regularly promotes the Code of Conduct during orientation and training for new employees, and it also has an employee suggestion box where individuals can anonymously or openly report any abnormal situations. Transcend requires external partners to sign a "Commitment of Supplier for Business Integrity". In cases where external entities violate the anti-bribery and anti-corruption principles, causing harm to the company, Transcend will seek compensation according to the provisions of the signed agreement and take necessary legal actions.

For employees and external parties who cause damage to the company by violating anti-bribery and anti-corruption policies, Transcend will seek compensation according to the signed commitments or relevant regulations and take necessary legal action. In 2023, Transcend did not experience any corruption incidents.

Transcend has established the "Recruitment and Employment Management Regulations" to ensure compliance with corporate social responsibility and ethical standards in recruitment. According to the regulations, Transcend recruits individuals who are 18 years old or above and voluntarily provide labor or services. In the event of unintentional hiring of individuals who do not meet the above criteria, appropriate remedial actions or corrective measures will be taken to ensure the fulfillment of this objective. Job applicants who meet the aforementioned criteria are not affected in the recruitment process and decision-making by any factors such as race, religion, beliefs, gender, marital or reproductive status, age, political background, nationality, disability, sexual orientation, zodiac sign, blood type, or any other reasons.

In addition to the company's commitment to non-discrimination and fair treatment of every employee, various internal campaigns are conducted periodically to prevent discriminatory incidents. The company has also established multiple communication channels, such as the "Workplace Misconduct Complaint Mailbox," "Chairman's Mailbox," and "Employee Suggestion Box." The company is also committed to fostering a culture of internal communication. In addition to conducting regular employee interviews after annual performance evaluations to ensure colleagues can fully express their opinions, employees are encouraged to engage with department supervisors and share their thoughts at any time.

Reporting Channel

Transcend has established the "Procedures for Handling Cases of Illegal, Unethical, or Dishonest Conduct Reporting" to address any violations of the Code of Ethics and Integrity Management Guidelines, encouraging the reporting of any illegal or unethical behavior that violates the code of conduct or integrity management standards. Transcend also establishes internal and external reporting channels and handling procedures, and ensures the legal rights of both whistleblowers and those reported. The reporting channels are managed by a designated person appointed by the Chairman of the Board. Transcend will ensure confidentiality of the whistleblower's identity and the contents of the report, and will actively investigate and address the issues. Reporting can be done through the following methods.

(1) Reporting Email:

External: ceo@transcend-info.com

Internal: suggest@transcend-info.com

(2) Reporting in written form: Submissions can be made in hard copy format and delivered to the physical employee suggestion boxes located at Transcend's Factory 1 and Factory 2.

2

Chapter 2 Social Welfare

2.1 Customer Relationship Management

2.2 Green Production

2.3 Sustainable Supply Chain Partners

2.4 Social Participation



Material Topic: Green Product Development and Innovation

Reason of Materiality	As policies, regulations, and customer demands for green products increase year by year, developing higher-efficiency products (such as those with lower power consumption and longer lifespan) not only enhances product quality but also creates related green benefits and synergies.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Reduce power consumption, increase battery life, and enhance product quality • Positive/Potential: Increase the price of green products to test market acceptance • Negative/Actual: Green product development requires higher skills, leading to increased cost • Negative/Potential: Fewer vendors who provide green components, leading to material shortage
Policy/Strategy	Transcend's green policy: Green Oriented, Product Creative, Follow Regulation, Over Expectation.
Objectives and Goals	<p>Transcend's RD team has been developing a variety of green products, including low power consumption DRAM modules, high-performance SSD/UFD/SD products, dashcams, and body cameras.</p> <ul style="list-style-type: none"> • Short-term objective - within 3 years: Use halogen-free PCB. 2025 goal: 50%, 2027 goal: 100%. • Mid-term objective - 3 years to 7 years: Reduce the use of plastic and paper in product packaging and adopt an integrated packaging design to achieve the goal of reducing plastic waste and promoting environmental sustainability. 2026 goal for packaging reduction: 10%, 2028 goal: 30%. • Long-term objective - 7 years or more: Use power-saving components to reduce power consumption and prolong product lifespan. 2030 power-saving goal: 10%. Adopt AI process to increase production efficiency, product quality, and product performance. 2024 AI adoption goal: 5%.
Management Evaluation	Transcend is committed to developing green energy products, establishing green energy production processes, and setting environmental, safety, and health management objectives. We invest in related R&D funding and equipment, regularly evaluate the expected goals and benefits, and track the progress of these initiatives.
Performance and Adjustment	Compared to the baseline year of 2015, in 2023, the proportion of our products using halogen-free (HF) PCBs has exceeded 50%, surpassing the company's short-term goal. We will continue to monitor the progress toward this objective in the future.
Precautions or Countermeasures	Transcend reviews the progress of our strategic proposals annually and makes flexible adjustments to our green energy strategy, continuously developing innovative products that meet green standards. If development progress falls short of expectations, we proactively implement mid- to long-term goals ahead of schedule and actively seek collaboration and support from relevant organizations.

Material Topic: Supply Chain Management (Conflict-Free Minerals)

Reason of Materiality	To achieve the goal of sustainable operations, we require our key supply chain partners to use conflict-free minerals in the materials they provide, creating a win-win situation for corporate value.
Impact	<ul style="list-style-type: none"> • Positive/Potential: Conflict-affected and high-risk areas face many social and environmental issues due to metal extraction and trade, including human rights violations and armed violence. By using conflict-free minerals in product manufacturing, we aim to reduce the occurrence of these issues and help improve human rights, environmental, and economic conditions in these regions.
Policy/Strategy	Transcend continues to actively innovate and improve its products, launching higher-performance memory modules and diversifying its product lines. Transcend remains attentive to international trends and adjusts its operational strategies in response to market conditions, aiming to achieve economic growth while maintaining stability.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objective - within 3 years: <ol style="list-style-type: none"> (1) Maintain a fulfillment rate of signing Commitment of Supplier for Business Integrity above 95% (excluding non-cooperative suppliers). (2) Collect technologies related to plastic reduction, carbon reduction, and green energy from suppliers, collaborate with them on research and development, and work together to enhance the sales of these products. • Mid- to Long-term objective - above 3 years: <p>continual growth and profitability is the main goal</p> <ol style="list-style-type: none"> (1) Establish a sustainable supply chain, implement a global layout, and focus on localized operations to enhance competitiveness and strengthen global market share. (2) Continuously develop energy-saving products and reduce pollution to fulfill corporate social responsibility.
Management Evaluation	<ul style="list-style-type: none"> • Hold regular management meetings to track and review the achievement of objectives by each department and implement relevant management measures. • The management team is responsible for economic performance planning and execution, with oversight and auditing by the Audit Committee, the Board of Directors, and the Shareholders' Meeting.
Performance and Adjustment	In 2023, a total of 26 new suppliers were added. Excluding those whose transactions were service-based or not related to products, all suppliers signed the 'Environmental Compliance Guarantee'.
Precautions or Countermeasures	Transcend swiftly adjusted its procurement strategy, actively reducing inventory, and introduced stable supply, efficient production performance, and a meticulous pricing strategy as part of its projects. With the efforts of all employees, the company maintained stable operational results.

2.1

Customer Relationship Management

2.1.1 Sustainable Service Management

As a global leader in memory and multimedia products, Transcend recognizes the need to meet the high environmental standards and expectations of its global customers. Therefore, product quality control and environmental considerations are integrated into all aspects of Transcend's daily operations. In 1997, Transcend established a Quality Management System and obtained ISO 9001 certification. Subsequently, Transcend received other widely recognized international certifications, including ISO 14001 for Environmental Management Systems (EMS), ISO 45001 for Occupational Health and Safety Management Systems, TOSHMS for the Taiwan Occupational Safety and Health Management System, and QC 080000 for Hazardous Substance Process Management System (HSPM). Upholding the spirit of continuous improvement, Transcend strives to provide greater assurance to its customers and constantly optimize its quality management system.

In 2019, starting from product design, development, and production, Transcend successfully obtained the IATF 16949:2016 certificate for Automotive Quality Management System issued by SGS. This achievement laid a crucial foundation for entering the automotive supply chain and further promoting Transcend's products in the global automotive market.

In a rapidly changing market and highly competitive industry environment, Transcend has consistently made breakthroughs. For 17 consecutive years, we have been listed among the top 25 international brands in the "Taiwan International Brand Value Survey" organized by the Ministry of Economic Affairs. As the global market becomes more competitive, we continue to demonstrate a stable brand direction and strong management capabilities.

Transcend's Milestone For Management Systems Certification



Regulatory Compliance of Transcend Products

Transcend actively collaborates with other electronics companies to produce lead-free components and products. Since July 1, 2006, all of our product lines have been compliant with the RoHS (Restriction of Hazardous Substances) directive, and the product packaging is labeled with the statement "RoHS Compliant." However, it should be noted that a portion of our products contains substances listed in the IEC 62474 material declaration list, accounting for approximately 11.2%* of all products. Other substances are disclosed in accordance with European Union regulations.

*Note: According to the IEC 62474 standard, some of our products contain substances regulated by IEC 62474. The calculation is based on the total revenue of products containing regulated substances/the consolidated revenue.

To ensure full compliance with the RoHS directive, Transcend also uses eco-friendly packaging and lead-free standardized processes. Our environmental procurement team purchases recyclable materials from suppliers for product manufacturing, ensuring compliance with the restrictions outlined in the European Union's directive on hazardous substances and other government regulations.

Transcend complies with various international regulatory standards, voluntary guidelines, and environmental labels, such as CE, UKCA, FCC, BSMI, NCC, MIC, KC, and EAC, etc. We disclose relevant information and labels on our products, user manuals, and official website, ensuring that 100% of new products are certified for product safety standards.

To help consumers quickly understand our products, we have established a 24-hour AI online customer service on our website, providing users with answers to product-related questions. For further assistance, users are directed to leave feedback via email or are attended to by specialized customer service representatives during business hours. In 2023, our company had no incidents of penalties for violating product and service safety information labeling and marketing regulations.

Categories	Products	Certification
Dashcams	DP250/DP550	BSMI/NCC/KCC/MIC
Body Cameras	DPB30/DPB10C	CE/UKCA/FCC
Internal SSDs	SSD470P/MSA460T/MSA220S/MTE115S/ MTE245S/MTE370T/MTE300S/MTE400S/ MTE460T/ MTE712A/MTE712P	BSMI/CE/UKCA/FCC/ICES/CB/UL
Portable SSDs	ESD260C/ESD265C/ESD270C/ ESD300C/ESD310C	BSMI/CE/UKCA/FCC/ICES
USB Flash Drives	TS256GJF890S	BSMI



CB



KC



MIC



NCC

Registered Trademarks of Transcend

Transcend's company trademark, along with other trademarks, registrations, brands, product or service names, slogans, or logos, are owned by the parent company or used under legal authorization.



T logo & Transcend



T logo



Transcend



DrivePro



good memories start here



JetDrive



JetFlash



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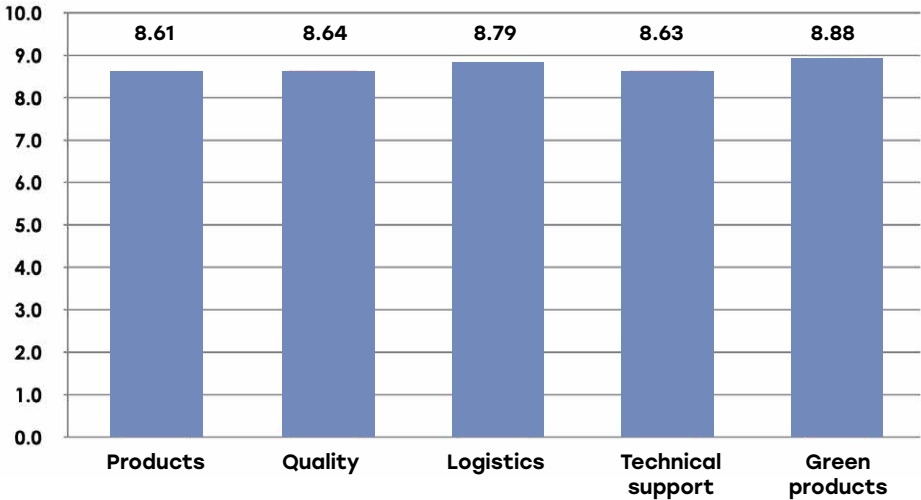
JetMemory

2.1.2 Customer Satisfaction

We guarantee that all our products, aligned with announced specifications, have undergone thorough testing to avoid any defects in raw materials or flaws during manufacturing processes. To provide customers with a strong assurance of quality, we have established terms of use, product warranty terms, and warranty periods, including instructions for returns, exchanges, and repairs. We conduct regular customer satisfaction surveys each year to address customer needs and correct deficiency, aiming to achieve customer satisfaction. The results of the major customer satisfaction survey in 2023 showed a satisfaction rate of 94.5%, with particularly high satisfaction in terms of product delivery.

Survey Period	June 2023 (once per year)
Participants	In 2023, there were a total of 38 domestic/foreign customers doing the survey: (1) Key customers: Customers whose transaction amount accounted for 60% of the total revenue in the previous year.
Content in the Survey	Products, quality, logistics, technical support, and green products
Results	(1) The total number of valid questionnaires for this survey is 33, with a response rate of 87%. (2) Customer feedback satisfaction result is 94.5%.

Average Score In Each Category of Customer Satisfaction Survey



Note: "Very satisfied" is rated as 10 points, "Satisfied" as 8 points, "Average" as 6 points, "Dissatisfied" as 4 points, and "Very dissatisfied" as 2 points. The questionnaire consists of 10 questions, with a total score of 100 points.

2.1.3 Customer Privacy

Transcend has established a "Privacy Policy" to manage the collection, use, processing, and retention of customer data/ corporate customer data. The key points of the policy are as follows:

1. Transcend will only request necessary information from customers when they request certain services (e.g., purchasing products, seeking warranty) for the purpose of contacting and confirming their identity. Transcend will not use customer data for purposes other than providing services to customers unless required by law or government authorities.
2. Customers can choose not to provide their data to Transcend, and they can also request Transcend to provide, correct, or delete their data at any time after providing the data.
3. If Transcend obtains customer data from distributors, retailers, or other sources, it will provide the same level of protection to that data in accordance with the Privacy Policy and relevant management practices.

In addition, to protect customer privacy and ensure that customer data is not lost or leaked, Transcend has established specific management measures as follows:

1. Transcend sets data retention periods in accordance with laws, ISO regulations, and rules set by other standard organizations. Customer data will be actively deleted upon expiration of the retention period or when the purpose of collection no longer exists. However, this does not apply to data necessary for providing specific services or with the customer's written consent.
2. Transcend retains usage records and traces of customer data for future tracking, inquiries, and evidence collection.
3. Transcend maintains the accuracy of customer data and takes effective measures to ensure the security of data storage and transmission.
4. The Information Unit implement measures to prevent unauthorized access to electronic files containing customer data.
5. The Audit Unit periodically reviews the management of customer data within the company to ensure compliance with relevant domestic and international laws, regulations, and company policies.

In 2023, Transcend did not experience any complaints or incidents related to privacy breaches or loss of customer data.

Note:
The responsibility for protecting the data of end consumers lies with the Customer Service Department, while the responsibility for protecting the data of corporate customers (agents, distributors, etc.) lies with the Business Development Department.

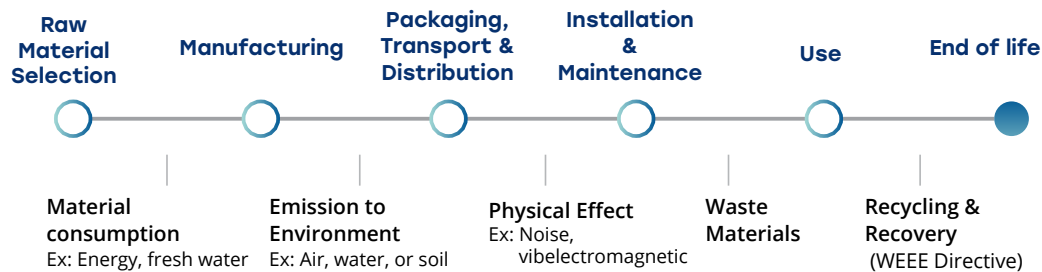
2.2

Green Production

Green & Energy-Efficient Design

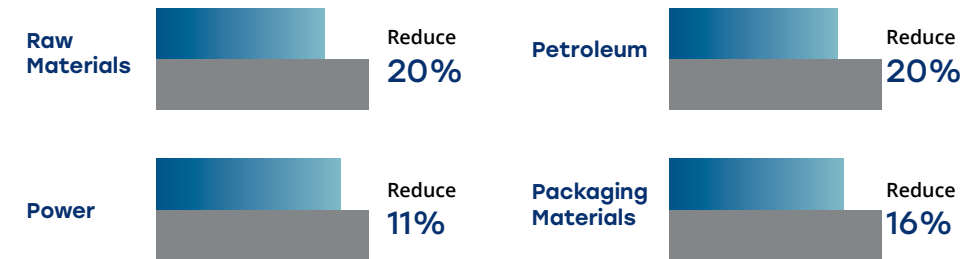
All products have their lifecycles. The lifecycle refers to the period from the selection of raw materials until its final withdrawal. In fact, any environmental impacts may happen in each stage, ranging from material selection, manufacturing process, packaging transport distribution, to end of life. Our goal is to minimize any possible impacts, no matter how hard it would be. To reduce the environmental impact of product lifecycle, Transcend has developed environmentally beneficial technologies, including very low-profile PCBs and new packaging materials.

Transcend's research and development team foresees the green energy trend and continuously strives towards developing new methods to make the product manufacturing process more environmentally friendly. Our goal is to create a low-carbon future.



VLP (Very Low Profile) PCB

Today's semiconductor manufacturing processes are becoming increasingly refined and miniaturized, not only reducing greenhouse gas emissions but also lowering the amount of chemicals and energy used during product manufacturing and transportation. This is certainly a positive development for the environment. Our Very Low Profile memory modules, for instance, reduce approximately 20% of raw material consumption, including 15% of copper, 1.5% of gold and 3.5% of others. They also diminish power consumption by 11% in production process, and reduce 20% of petroleum during shipping process. Even when the products are in the end of their product lifetime, the modules produce far less pollution than ever before.

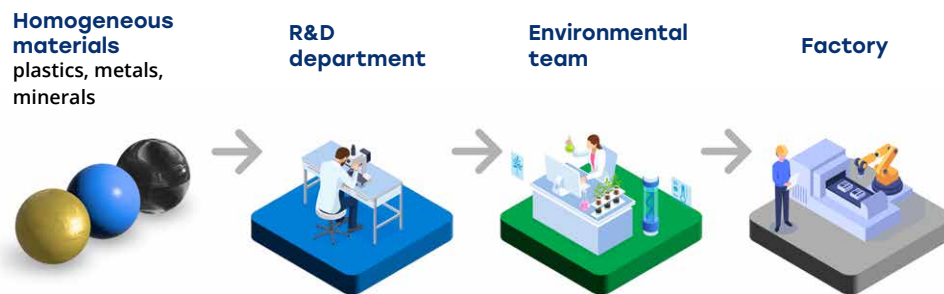


Energy-saving DRAM

By tracking the upstream production process and asking our front-end manufacturing facilities to control the usage of electricity, natural gas, technical gases, and fossil fuels, we have significantly reduced the power consumption of DRAM modules.

Hazardous Substances Free (HSF)

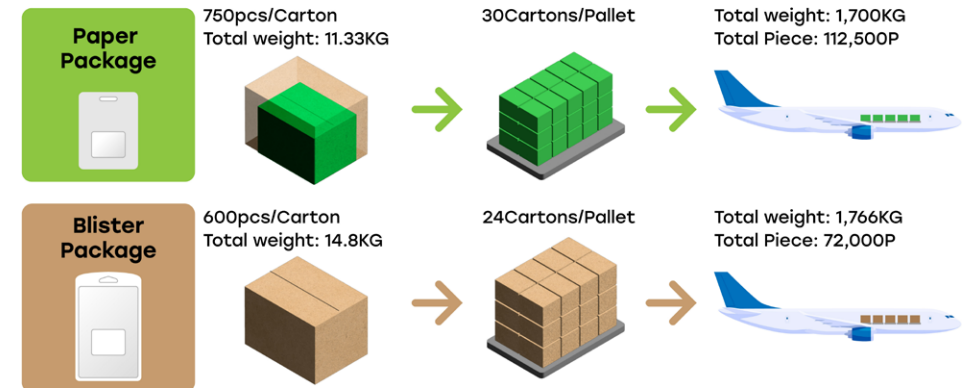
To create environmentally friendly products, careful selection of raw materials is essential. To make sure our products are as harmless as possible to our environment, we always take the potential inclusion of recycled materials and all substances present in raw materials into consideration. Every component is selected by the R&D Department, and every homogeneous material is approved by our Green Team before use. For example, thermoplastic molding compounds, the primary material of ICs, are required to be made from non-toxic epoxy resin. Only products that meet the technical specifications and comply with Transcend's Hazardous Substance Standard can be included on the purchase list. Additionally, any remaining precious metals used in the manufacturing process are returned to the metal recycling loop through intermediaries to prevent waste.



Reduction in Packaging Materials

Transcend creates not only high-quality products, but also eco-friendly packages. Since the beginning of 2010, we have shipped our flash cards in paperboard packaging instead of the former blister packaging. As far as manufacturer is concerned, more products can be transported at the same time while less energy is needed. As for customers, paperboard packaging is easy to use, and absolutely easy to recycle. It is not doubt greener, and allows users to deal with recycling electronic goods more easily and quickly than ever before.

Overall, recycled cardboard is much lighter compared to traditional blister packaging. By reducing packaging materials, the total volume of goods that can be carried on an airplane or a ship significantly increases (from 72,000 items per pallet to 112,500 items), thus minimizing greenhouse gas emissions during transportation.



Material Management

Transcend regularly meets with suppliers regarding key materials and updates their product plans, providing long-term forecasted demand (FCST) to help reduce the risk of raw material shortages. We have implemented the following measures for risk management:

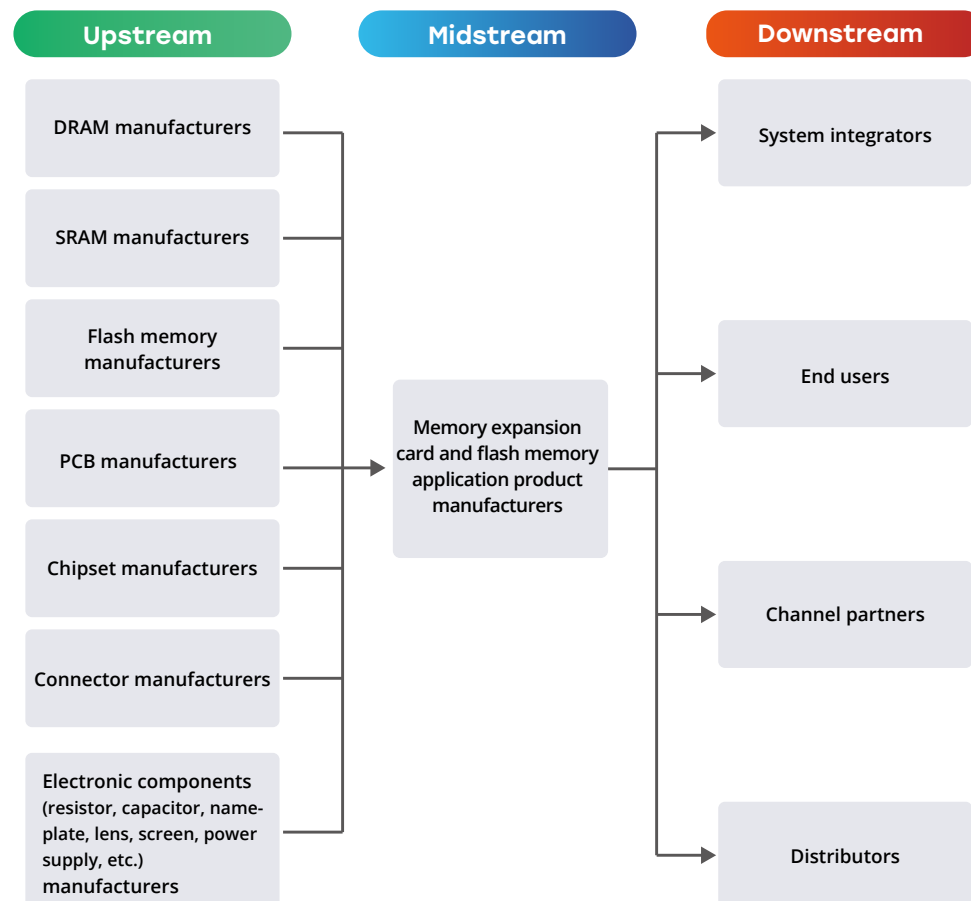
- For general materials, we have at least two suppliers.
- Maintain at least three months of stocks for special components (non-memory components).
- Long-term supply contracts are signed with key material suppliers to ensure stable supply (memory components).
- Suppliers are required to provide end-of-life (EOL) plans for raw materials one year before discontinuation and notify Last Time Buy (LTB) decisions at least six months in advance.
- Emergency response management procedures are established for production.



2.3

Sustainable Supply Chain Partners

Transcend adheres to the principles of sustainable business practices and establishes long-term partnerships with suppliers. We strive to fulfill corporate social responsibilities together with our suppliers, following the principle of sourcing from Taiwan for products made in Taiwan. We carefully select suppliers and partners to ensure the stability of our supply chain. The relationships in Transcend's supply chain involve upstream, midstream, and downstream entities as follows:



Local Procurement

Transcend procures raw material mainly in Taiwan, accounting for 57.9% of the total, including DRAM, SRAM, flash memory, PCBs, chipsets, connectors, and electronic components. In 2023, we had transactions with 319 suppliers.

		2021		2022		2023	
Contract types	procurement regions	Number of suppliers	Ratio of the purchasing amount to the total amount (%)	Number of suppliers	Ratio of the purchasing amount to the total amount (%)	Number of suppliers	Ratio of the purchasing amount to the total amount (%)
Raw materials	Domestic	153	60.40%	169	57.80%	146	57.90%
	Overseas	5	39.20%	12	39.90%	7	40.90%
Non-raw materials	Domestic	137	0.40%	142	1.90%	163	1.20%
	Overseas	3	0.00%	5	0.30%	3	0.00%
Total		298	100%	328	100%	319	100%



Supplier Evaluation

In the economic aspect, we carefully select well-known industry vendors with sustainable business capabilities as our partners. We regularly review suppliers' product quality, delivery time, pricing, service, and financial stability to ensure their compliance with our requirements and ensure a stable supply.

In terms of labor rights, we require suppliers to sign the 'Supplier Social Responsibility Commitment' to ensure their adherence to BSCI (Business Social Compliance Initiative). All new suppliers are required to sign the 'Supplier Social Responsibility Commitment,' so the percentage of new suppliers selected using social standards is 100%.

Supplier Social Responsibility Commitment

- Prohibition of child labor and any form of forced labor
- Compliance with wage and working hour regulations
- Non-discrimination based on gender, race, religion, or political orientation
- Ensuring freedom of association and collective bargaining for employees
- Providing a safe and healthy working environment for employees

In terms of environmental safety and health, suppliers are required to sign an "Environmental Compliance Certificate" to ensure that all products provided to Transcend (including but not limited to raw materials, components, semi-finished products, finished products, accessories, packaging, etc.) comply with the following requirements:

- RoHS substances: Third-party testing reports are required when selecting raw materials.
- EU REACH Substances of Very High Concern: Monitoring is conducted through the GPM management system to ensure compliance with international standards. Suppliers are also notified through the management system about the latest hazardous substance standards and relevant environmental regulations.

In addition, the following requirements must be met:

- Suppliers must sign the "Commitment of Supplier for Business Integrity" to avoid any disruptions to procurement and maintain a healthy working relationship.
- Prohibition of using conflict minerals derived from illegal armed activities.
- Preference is given to suppliers who have obtained relevant management system certifications, such as ISO 9001 Quality Management Systems, IATF 16949 Automotive Quality Management Systems, ISO 14001 Environmental Management Systems, QC 080000 Hazardous Substance Process Management System, ISO 45001 Occupational Health and Safety Management Systems, etc.

Conflict Minerals Procurement Policy

Transcend values the safety and legality of the products and accessories it sells. Due to the involvement or even control of armed groups in extracting certain minerals, which leads to issues such as child labor, sexual abuse, and other human rights concerns, the following four minerals mined in the Democratic Republic of the Congo and its neighboring countries, including Angola, Burundi, Central African Republic, Republic of the Congo, Rwanda, Sudan, Tanzania, Uganda, and Zambia, namely gold (Au), tantalites (Ta), wolframite (W), and tin (Sn), are defined as "Conflict Minerals."

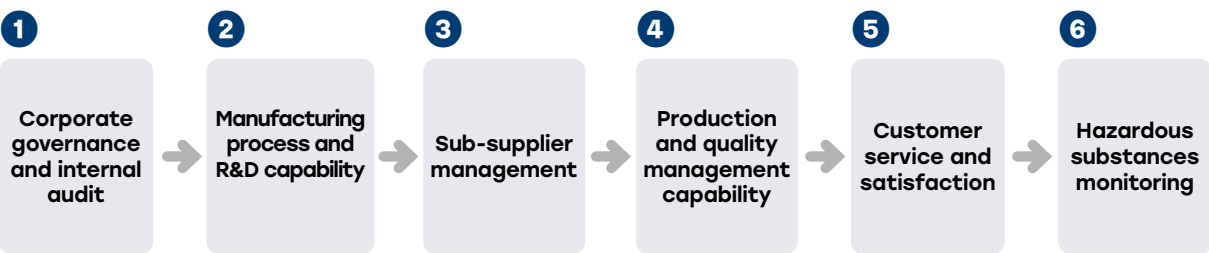
Transcend does not actively engage in trading with suppliers who are involved in conflict mineral transactions or use conflict minerals in its products. We will continue to monitor and improve our supply chain to ensure the absence of conflict minerals, and we require suppliers to take corresponding actions as well. In the event of any notification, whether suspected or confirmed, of using the mentioned minerals, Transcend will immediately cease using those products.

Supplier Management

In 2023, Transcend had transactions with 319 suppliers: 30 of them met the evaluation criteria and underwent evaluation, while 289 suppliers did not need to be evaluated.

Transcend has established the "Supplier Application and Evaluation Procedure". Through document review and on-site audits, Transcend ensures that suppliers comply with the required systems, management, and quality standards. Monitoring is conducted in seven major categories, and supplier evaluations are conducted regularly each year. Suppliers that do not meet the standards will no longer have transactions with Transcend in the following year.

Transcend Supplier Review Items



Supplier Evaluation Results

According to Transcend's "Supplier Selection and Management Guidelines," suppliers must sign the 'Environmental Compliance Guarantee' to qualify as approved suppliers. In 2023, a total of 26 new suppliers were added, all of whom signed the 'Environmental Compliance Guarantee,' excluding those whose transactions were service-based or not related to products, resulting in a 100% qualification rate.

For suppliers who had more than five transactions and a total transaction amount exceeding NT\$10 million in the previous year, a supplier evaluation was conducted. In 2023, 30 suppliers met the evaluation criteria, assessed based on seven categories: quality, cost, delivery, service, technology, environment, and corporate governance. Of these, 27 were rated as excellent suppliers with scores of 85 or above, and 3 were rated as qualified suppliers with scores between 70 and 84, resulting in a 100% qualification rate. There were no unqualified suppliers in 2023.

Standard	2021		2022		2023	
	Number of suppliers	Percentage	Number of suppliers	Percentage	Number of suppliers	Percentage
85 points and above	17	54.8%	17	70.8%	27	90.0%
70-84 points	14	45.2%	7	29.2%	3	10.0%
below 69 points	0	0%	0	0%	0	0%
Total	31	100%	24	100%	30	100%

- Notes:
- Suppliers with a score below 69 are considered non-compliant and Transcend will not engage in transactions with them in the following year. Suppliers with a score between 70~84 are qualified suppliers. Suppliers above 85 are excellent suppliers. Procurement ratio may increase if needed.
 - In 2023, Transcend had transactions with 319 suppliers. Among them, 30 suppliers (accounting for 85% or more of the total transaction amount) met the evaluation criteria and underwent evaluation, while 289 suppliers did not need to be evaluated.

2.4 Social Participation

2.4.1 Arts & Sports

With a commitment to creating greater value for society, Transcend has deeply understood the needs of the community and actively engaged in social participation, aiming to leverage corporate resources to fulfill its social responsibilities. Through long-term sports sponsorships and support of youth development activities both domestically and internationally, Transcend drives the growth of Taiwanese youth and sports, making a positive impact on society. Over the years, Transcend has consistently invested resources in youth sports events, advocating sports activities nationwide. Starting from an educational perspective, Transcend nurtures long-term talent for society. This series of sponsorship activities is collectively known as the "Transcend Campus Sports Seed Project," aiming to attract more attention to youth sports events and contribute to the physical and mental well-being of the next generation.

Since 2011, Transcend has sponsored the "HBL High School Basketball League" to enhance the quality of student competitions, encourage student athletes to strive for greater honors, and foster a strong foundation for youth sports. Starting in 2012, Transcend has collaborated with the High School Sports Federation and University Sports Federation, providing both financial and product sponsorships to support nationwide high school and university sports events throughout the year. These events include the High School Volleyball League (HVL), National High School Soccer League, National Junior and Elementary School Girls' Softball League, National High School Cheerleading Championship, National High School Dance Competition, and the World School Badminton Championships, injecting new energy into Taiwan's sports scene.

Since 2015, Transcend has continuously sponsored the "Rural Baseball Seed Program," targeting elementary schools with limited resources and insufficient supplies that are interested in developing youth baseball. The sponsorship includes providing equipment and financial support, as well as organizing baseball camps where Taiwan national team players are invited to teach young players proper baseball techniques. This initiative encourages young athletes to bravely pursue their dreams, spreading the seeds of baseball across Taiwan. Now in its eighth year, the program has expanded to 13 counties and cities, involving 23 elementary schools and benefiting over 600 participants. In 2023, Transcend sponsored three elementary schools (Wugu Elementary School in New Taipei City, Tongxiao Elementary School in Miaoli County, and Yizai Elementary School in Tainan City), supporting a total of 92 players on the school baseball teams. The total sponsorship amount for the High School Sports Federation and the Rural Baseball Seed Program in 2023 was NT\$3.5 million.

In 2023, Transcend sponsored the One Song Orchestra for the first time, joining hands with the Intelligent Computer & AIoT Association to host a music sharing event. Nearly 350 company employees and association members were invited to participate and immerse themselves in an artistic and emotional musical experience. The One Song Orchestra is Taiwan's only professional orchestra that values Taiwanese music culture, using the universal language of classical music to profoundly interpret local culture and introduce Taiwan's classical music to the world. This sponsorship not only supports the performances of a local Taiwanese orchestra but also provides a rich and meaningful cultural experience for the company's employees and association members.

Transcend has long viewed corporate social responsibility as a vital mission, from supporting sports-related sponsorships and nurturing youth to engaging in local education and cultural activities. These initiatives not only contribute to the development of Taiwan's youth and sports but also bring about tangible changes in Taiwan.





Charity Event	Amount (NT\$)	Description
High School Athletics Association	3,000,000	Transcend has been a long-term sponsor of youth sports events, including HBL and HVL.
Rural Baseball Seed Project	500,000	Since 2015, we have initiated the "Rural Baseball Seeds Project" to create a dream platform for young baseball players in rural areas.
Transcend Information X Intelligent Computer & AIoT Association Music Sharing Event	583,000	Transcend sponsored One Song Orchestra concert and invited 350 employees and association members to participate. This sponsorship not only supports the performances of a local Taiwanese orchestra but also provides a rich and meaningful cultural experience for the company's employees and association members.

2.4.2 Industry-Academia Education Into The Campus

In addition to providing material support, Transcend also organizes baseball training camps, where young students are led through basic drills and skill development in preparation for official competitions. The program began in 2015 at Wufeng Elementary School, with Zhudong Township's Zhongshan Elementary School baseball team also invited to participate. The training was led by Coach Zheng Xingsheng, known as the "Shark," who provided instruction in running, hitting, pitching, and catching. Since 2022, the program has expanded to include girls' baseball, with national women's team players serving as coaches. They designed specialized training courses for girls, personally teaching pitching, hitting, defense, and base running, helping young athletes maintain their passion for baseball and encouraging them to aspire to bring honor to the nation in the future.

Inviting Players to Attend Live Games

To give rural youth baseball players the opportunity to witness a formal national baseball game, Transcend invited players from the sponsored schools to attend the Black Panther Flag High School Baseball Tournament. Representatives from each school were also invited to serve as ceremonial first pitchers, allowing young pitchers to experience the thrill and sense of accomplishment of standing on the pitcher's mound.



3

Chapter 3

Happy Workplace



3.1 Talent Overview

3.2 Employee Benefits

3.3 Talent Training

3.4 Occupational Safety and Health



Material Topic: Talent Attraction and Retention, Human Rights Policy

Reason of Materiality	<p>With the development of globalization and AI, traditional approaches to corporate management have gradually become less applicable in contemporary society, particularly in the field of human resource management. As younger generations join the workforce, their distinct individual perspectives and work values differ from previous generations. Conflicts among different generations of employees or disagreement with the company's management models has become common, making it a significant challenge for businesses to create an inclusive workplace where talents from different generations can collaborate effectively.</p> <p>For Transcend, "talent" has always been a vital foundation of corporate development. Only when competent professionals contributing expertise and skills can sustainable business operations and growth be achieved. Therefore, we pay attention to the needs of employees from different generations and continually stay abreast of the external environment and industry standards in terms of compensation and benefits. We are gradually establishing a comprehensive and competitive salary and benefits system, embracing employee diversity, in order to create an ideal working environment for multi-generational talents.</p>
Impact	<ul style="list-style-type: none"> • Positive/Actual: Reducing employee turnover helps preserve experience and expertise, which in turn enhances the company's competitiveness. • Negative/Potential: If not properly managed, incidents of human rights violations could damage the company's image and reputation.
Policy/Strategy	<p>In addition to valuing the professional development of employees, Transcend also pays attention to their suggestions and opinions. Every individual's views can be conveyed to the management through internal channels. Transcend actively welcomes employee feedback and adjusts internal policies accordingly. Furthermore, the Human Resources Management department is responsible for providing appropriate strategies for talent selection, training, utilization, and retention. This includes efficient recruitment processes to promptly fulfill the manpower needs of each department, monitoring industry-standard compensation levels to enhance employee retention, establishing clear promotion opportunities aligned with organizational development, offering opportunities for internal transfers, and providing diverse welfare measures and subsidies. Our aim is to cultivate a corporate culture and workplace atmosphere that aligns with the spirit of sustainable development.</p>
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objectives - within 3 years: <ol style="list-style-type: none"> (1) Promote the existing internal communication channels within the company in different occasions at least twice a year to ensure that employees are aware of Transcend's commitment to providing a supportive work environment for expressing opinions freely. Examples of such occasions include new employee training, annual training for current employees, quarterly meetings, or routine meetings within the departments. (2) Conduct at least two audits annually on contractors to ensure their compliance with the same human rights values. (3) Strengthen existing educational training materials and internal communication channels related to "human rights" to deepen employees' awareness of human rights. (4) Establish a formal "Human Rights Policy" document and take actions consistent with the "Responsible Business Alliance (RBA) Code of Conduct" to ensure that stakeholders of Transcend understand the company's stance and policies regarding human rights. • Mid-term objectives - 3 years to 7 years: <ol style="list-style-type: none"> (1) Develop online courses that align with physical courses to ensure that employees have access to the company's human rights policy without being limited by time and space. (2) Embrace human rights issues such as gender equality, workplace misconduct, and zero tolerance for sexual harassment. Organize relevant seminars or training courses to create a respectful and friendly workplace where employees can thrive. These activities are planned to be held at least three times per year or organize them with training programs. • Long-term objective - 7 years or more: Continuously adjust the aforementioned policy guidelines in accordance with international human rights conventions such as the "Universal Declaration of Human Rights" and the "Responsible Business Alliance Code of Conduct" (RBA CoC).
Management Evaluation	<ul style="list-style-type: none"> • Through the "Recruitment and Employment Management Regulations," "Measures for Preventing and Controlling Workplace Misconduct," and "Complaint and Disciplinary Management Regulations," relevant policy management is carried out. In the future, a "Human Rights Policy" will also be consolidated.
Performance and Adjustment	<ul style="list-style-type: none"> • Provide excellent office environment and comprehensive employee benefits, and establish an Employee Welfare Committee to plan and provide various benefits for employees. • In 2023, the total number of employees trained at the Taiwan headquarters was 1,028, with a total training time of 4,479.25 hours, averaging 4.3 hours of training per employee. • Regularly arrange training courses for new employees covering human right issues like anti-discrimination and prevention of unlawful violation at workplace. In 2023, a total of 60 employees were trained, with each session lasting approximately 30 minutes. • No incidents of forced overtime or excessive working hours were reported in 2023. Measures were taken to prevent such occurrences through relevant management practices.
Precautions or Countermeasures	<ul style="list-style-type: none"> • Support international labor rights norms and comply with national labor laws, the "Business Social Compliance Initiative(BSCI) Code of Conduct," the "Responsible Business Alliance(RBA) Code of Conduct," and other applicable industry standards and international conventions. We continuously improve the working conditions and employee benefits for all staff. • We have implemented the "Measures for Preventing and Dealing with Workplace Misconduct, Complaints, and Disciplinary Actions" to enforce relevant management measures. • During new employee training, we advocate the prohibition of forced labor, child labor, discrimination, harassment, implementation of working hour management, ensuring humane treatment, and providing a healthy and safe working environment. • Through public advocacy and announcements, we ensure that employees understand their responsibility to prevent workplace misconduct and reporting channels are disclosed to create a friendly work environment. • Regular occupational safety training is conducted, including health promotion, labor safety and health, and fire safety training, as well as first aid training.

Material Topic: Occupational Safety and Health

Reason of Materiality	Transcend places great importance on the safety and health of all employees, recognizing them as our most valuable assets. We are committed to creating a safe, healthy, and friendly work environment, striving towards a sustainable workplace.
Impact	<ul style="list-style-type: none"> Positive Impact Assessment: <ol style="list-style-type: none"> Through continuous improvement of the ISO 45001 and CNS 45001 management systems, including internal and external audits and various management mechanisms, Transcend ensures comprehensive protection of employees' safety and health. Transcend conducts employee health checks and health promotion activities at a frequency and scope exceeding legal requirements. Monthly health awareness campaigns are conducted, and regular on-site physician services are provided to implement health protection plans, fostering a healthy workplace. With a zero-accident goal, Transcend not only conducts regular work environment monitoring as required by law but also provides sufficient soft and hardware facilities. Safety acceptance standards for machinery and equipment, as well as management mechanisms for the preliminary review of chemicals, raw materials, and machinery, are established to manage and control exposure risks. Transcend continuously optimizes production equipment, striving to provide employees with a safe and healthy work environment. Negative Impact Assessment: If a workplace safety incident occurs, it will have direct impacts on the organization and may also lead to indirect repercussions.
Policy/Strategy	<ul style="list-style-type: none"> To fulfill our commitment to promoting various handling/control measures, fulfilling our corporate responsibility to protect the safety and health of employees, preventing occupational injuries and illnesses, reducing occupational health and safety risks, maintaining competitiveness, enhancing the company's image, and communicating these principles to all employees and stakeholders involved, which are the foundation of sustainable development for Transcend. Transcend's ESH policy: Legal Compliance, Employee Involvement, Continuous Improvement, Effective Communication, and Performance Enhancement.
Objectives and Goals	<ul style="list-style-type: none"> Short-term objective - within 3 years: <ol style="list-style-type: none"> Zero major occupational accidents Zero cases of occupational diseases caused by chemical exposure Company's total injury rate lower than the industry average for the past 3 years 100% compliance with occupational health and safety regulations Conducting 1 health promotion program per year Participation in or receipt of at least one safety and health award Mid-term objective - 3 years to 7 years: <ol style="list-style-type: none"> Maintain zero major occupational accidents Maintain zero cases of occupational diseases caused by chemical exposure Maintain a company's total injury rate lower than the industry average for the past 3 years. Provide mental and physical counseling services, 3 times per month. Organize sports competitions at least once per year. Participate in sports and wellness activities and provide incentive programs Participation in or receipt of at least one safety and health award Long-term objective - 7 years or more: <ol style="list-style-type: none"> Promote workplace health promotion and enhance the culture of workplace safety and health Encourage employees to engage in self-health management Move towards sustainable occupational health and safety practices.
Management Evaluation	<ul style="list-style-type: none"> Transcend has established the "ISO Audit Management Procedure" and the "Safety and Health Operations Control Procedure." Each year, internal and external audits under ISO/CNS 45001 are conducted to ensure the proper functioning of the system and to mitigate safety risks. <ol style="list-style-type: none"> External Audit: A certified verification company is commissioned to conduct regular audits once a year. Internal Audit: Qualified internal auditors perform regular audits within the facility, also once a year. The internal management review procedures for ISO 45001 and TOSHMS are carried out according to the "Management Review Procedure." Each year, the effectiveness of the PDCA (Plan-Do-Check-Act) cycle in occupational safety and health management is evaluated. Annual management review meetings are held to ensure that the management system remains appropriate, adequate, and effective.
Performance and Adjustment	<p>Aligned with Transcend's short-term goals, continuous improvements have been made:</p> <ul style="list-style-type: none"> In 2023, there were no major occupational accidents or incidents of occupational diseases caused by chemical exposure. The total injury rate remained below the industry average for the past three years. All incidents were thoroughly investigated, analyzed, and corrective actions were implemented to prevent recurrence. This included reassessing hazard identification and risk opportunity evaluations, prioritizing engineering improvements, revising procedural documents, and enhancing awareness among employees. Regular occupational safety and health training was conducted to improve employees' safety knowledge. In 2023, five internal training courses were offered with a total of 1,103 participants. Additionally, five certification training courses were conducted with a total of 29 participants. The expenditure on occupational safety and health-related initiatives was approximately NT\$8.7 million. All facilities in Taiwan have obtained dual certification for ISO 45001 and CNS 45001 (TOSHMS). In 2023, Transcend continued to be recognized as a "Healthy Workplace" by the Health Promotion Administration and participated in the Occupational Safety and Health Administration's "2023 National Workplace Safety and Health Week" and the "Occupational Health and Safety (OSH) Sustainability Performance Self-Assessment Activity," achieving an A-grade among peers. This demonstrates that the company has largely met the leading indicators outlined in the GRI 403 standards.
Precautions or Countermeasures	<ul style="list-style-type: none"> By conducting hazard identification and risk assessment, effective controls are implemented to manage hazards and reduce risks, thereby enhancing safety and health performance. Relevant operational controls are established to ensure compliance with legal requirements and management system standards. The five major programs (human factors and ergonomics, abnormal workloads, workplace misconduct, employee health services, and maternity protection) continue to be implemented. Supervision, performance measurement, analysis, and evaluation are conducted, while regular safety committee meetings are held to review and discuss the effectiveness of safety and health measures. This ensures the operation of a safe and healthy work environment that protects the physical, mental, and emotional well-being of employees, with the ultimate goal of achieving zero accidents.

3.1

Talent Overview

As of the end of 2023, the total number of Transcend employees was 987, all of whom were full-time employees. There were no part-time, dispatched, or temporary workers. The workforce is stable and robust. Among them, employees aged between 30 and 50 with professional knowledge and experience are a key part of the workforce. The non-employee workers consist of contracted personnel, such as security guards, cafeteria staff, and gardeners, totaling 23 individuals.

Number of employees				
Region/Type		Female	Male	Total
Taiwan	Number of employees	498	489	987
	Number of full-time employees	498	489	987

Non-employee Workers

Type	Relation with Transcend	Number of workers
Security guards	Contracting	11
Catering	Contracting	8
Gardening	Contracting	4

In all regions, Transcend mainly employs local residents. Taking Taiwan's senior executives as an example, male senior executives account for 82.6% and female senior executives account for 17.4%, totaling 100% of local residents.

Item	Senior Executives	
Number of senior executives who are local residents	Male	Female
	19	4
Total number of senior executives	23	
Proportion	82.6%	17.4%

- Note:
- Proportion of senior executives who are local residents (Taiwan) = Number of senior executives of that gender/Total number of senior executives in the company at the end of the year
 - Director-level and above positions are considered senior executives in the company.
 - This statistic is based solely on data from our Taiwan headquarters.

Transcend promotes employees to managerial positions based on individual's performance and abilities, while actively cultivating employees who demonstrate outstanding performance and management capabilities. With the goal of promoting equal pay and equal opportunities for both genders, the average representation of female employees in 2023 was 50.5%, and the average representation of female managers was 17%

Year			2021	2022	2023
Item/Gender		Age	Headcount	Headcount	Headcount
Managerial position	Male	Below 30 years old	0	0	0
		30-50 years old	77	75	71
		Above 51 years old	2	3	2
	Female	Below 30 years old	0	0	0
		30-50 years old	14	14	15
		Above 51 years old	0	0	0
Total number of managerial personnel			93	92	88
Non-managerial position	Male	Below 30 years old	54	41	44
		30-50 years old	386	372	366
		Above 51 years old	6	6	6
	Female	Below 30 years old	72	63	61
		30-50 years old	376	365	361
		Above 51 years old	40	53	61
Total number of non-managerial personnel			934	900	899
Total number of full-time personnel			1,027	992	987

- Explanation:
- The positions of department managers and above are considered as managerial position in our company.
 - This statistic is based solely on data from our Taiwan headquarters.

3.1.1 Diverse Workforce

Transcend embraces a diverse and inclusive workforce, treating all ethnic groups with equal respect and fairness. We value the rights of all ethnic groups and, in accordance with our established "Recruitment and Employment Management Regulations," we recruit individuals who are 18 years of age or older and willing to provide labor or services. The recruitment process and decisions are not influenced by any factors such as race, religion, belief, gender, marital or reproductive status, age, political background, nationality, disability, sexual orientation, zodiac sign, blood type, or any other reasons. In compliance with the "People with Disabilities Rights Protection Act," Transcend also employs individuals with disabilities, and the current number of employees with disabilities is 11.

The employment status of employees from diverse ethnic groups in the past three years is shown in the following table:

Year			2021	2022	2023
Item/Gender	Age	Headcount	Headcount	Headcount	
International employees	Male	Below 30 years old	0	0	1
		30-50 years old	4	4	5
		Above 51 years old	1	1	0
	Female	Below 30 years old	0	1	0
		30-50 years old	0	1	0
		Above 51 years old	0	0	0
Disability	Male	Below 30 years old	0	0	0
		30-50 years old	6	7	7
		Above 51 years old	0	0	0
	Female	Below 30 years old	1	0	0
		30-50 years old	4	4	3
		Above 51 years old	1	1	1

Note: This statistic is based solely on data from our Taiwan headquarters.

New Hires

To attract outstanding talents from home and abroad while enhancing Transcend's competitiveness, we not only recruit talents from external channels but also accept employee referrals. Transcend's hiring criteria are based on knowledge, character, ability, experience, and suitability for the position. By the end of 2023, we had a total of 76 new hires (42 males and 34 females), accounting for 7.70% of the total workforce.



Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Age/ Item	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)
Below 30 years old	28	2.73	21	2.04	14	1.41	32	3.23	26	2.63	23	2.33
30-50 years old	15	1.46	18	1.75	15	1.51	6	0.6	16	1.62	11	1.11
Above 51 years old	0	0	0	0	0	0	0	0	0	0	0	0
Total number of new hires	82		67		76							
Total number of employees	1,027		992		987							
Total new hire percentage (%)	7.98		6.75		7.70							

- Notes:
- 1. The number of new employees does not exclude employees who left during the year.
 - 2. The new hire ratio for male (female) employees in a specific age group = Number of new male (female) employees in that age group in the year/Total number of employees at the end of the year.
 - 3. Overall new hire employment rate = Number of new hires in the year/Total number of employees at the end of the year.
 - 4. This statistic is based solely on data from our Taiwan headquarters.

Departing Employees

The official employee turnover rate at Transcend in 2023 was 8.4%. When employees submit their resignation, they will undergo individual interviews conducted by their department supervisor and the HR department. These interviews aim to understand the true reasons for their departure and gather feedback on the company, colleagues, and supervisors, which will serve as references for future improvements to reduce human capital loss.

Year	2021				2022				2023			
Gender	Male		Female		Male		Female		Male		Female	
Age/ Item	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)	Head-count	New hire ratio (%)
Below 30 years old	18	1.75	18	1.75	17	1.71	24	2.42	11	1.11	13	1.32
30-50 years old	37	3.6	43	4.19	40	4.03	21	2.12	39	3.95	17	1.72
Above 51 years old	0	0	2	0.19	0	0	0	0	0	0	3	0.30
Total number of resignations	118				102				83			
Total number of employees	1,027				992				987			
Overall turnover rate (%)	11.49				10.28				8.41			

- Notes:
1. Classify the types of employee departures, such as resignation, dismissal, retirement, voluntary retirement, or death in service.
 2. The turnover rate for male (female) employees in a specific age group = Number of male (female) employees in that age group who left during the year/Total number of employees at the end of the year
 3. Overall employee turnover rate = Number of departures in the year/Total number of employees at the end of the year
 4. This statistic is based solely on data from our Taiwan headquarters.

3.1.2 Minimum Notice Period for Operational Changes

In order to safeguard the rights and interests of employees and comply with relevant labor regulations, Transcend adheres to the provisions of the Labor Standards Act.
In the event of significant operational changes or termination of employment, the following notice periods shall apply:

1. Employees who have worked continuously for more than three months but less than one year shall be given a ten-day advance notice.
2. Employees who have worked continuously for more than one year but less than three years shall be given a twenty-day advance notice.
3. Employees who have worked continuously for three years or more shall be given a thirty-day advance notice.



3.2

Employee Benefits

3.2.1 Competitive Compensation

In addition to good working environment and complete employee welfare, Transcend provides a diverse and competitive compensation system. Transcend's compensation includes monthly salaries, extra year-end bonuses, and performance bonuses based on quarterly business profitability. The amount of performance bonuses is determined by the overall performance of Transcend, achievement of department goals, and individual performance. Employee compensation is calculated based on the company's profits for the year, in accordance with the company's bylaws, with a minimum allocation of 1% of the annual profit. Individual annual work performance is also taken into consideration. This system aims to motivate departments and employees to continuously make improvements, enhance work efficiency, and maintain a fair and competitive compensation structure, creating operating revenue and growth among colleagues, units, and company.

Transcend's base salaries are gender-neutral and higher than the basic wages announced under the Labor Standards Act. Each year, adjustments and promotions are made based on employee's job performance, expertise, and skills, resulting in variations in salary and job rank. When hiring employees of the same position and rank, the base salary ratio between genders is 1:1, and the average ratio compared to the local minimum wage is 1.1. The ratio between the total annual compensation of the highest-paid individual and the median total annual compensation of other employees is 10.25%.



3.2.2 Retirement System

Transcend has implemented a retirement system according to regulations since 2005. For new employees and existing employees who choose to adopt the new retirement pension regulations, 6% of their monthly salary is contributed to their personal retirement accounts at the Bureau of Labor Insurance. For existing employees who continue to opt for the old retirement pension system and still have seniority under the old system, an appropriate amount of retirement reserves is allocated monthly to a designated account at Bank of Taiwan. The Supervisory Committee is responsible for overseeing retirement reserve matters.

Salary ratio by job category	Headcount		Total annual salary (NT\$)		Salary ratio	
	Female	Male	Female	Male	Female	Male
Managerial role	15	73	21,360,000	116,017,500	0.90	1
Non-managerial role	483	416	276,994,500	273,987,000	0.87	1
Direct personnel	321	288	163,284,000	159,898,500	0.92	1
Indirect personnel	177	201	135,070,500	230,106,000	0.67	1

Notes:

1. The female-to-male salary ratio (annual salary ratio) = Average annual salary of females in the category/Average annual salary of males in the category
2. In 2022, the ratio of the highest individual annual total compensation to the median annual total compensation of other employees in the company was 12.43%. Due to a calculation error, the information was subsequently revised.
3. Most indirect positions, such as engineering and business development roles, are held by men, while women are more often in support roles. The former generally have higher salary levels than the latter, resulting in higher compensation for male indirect employees compared to their female counterparts.

3.2.3 Maternity and Parental Leave

In compliance with the Act of Gender Equality in Employment, Transcend implements a maternity and parental leave policy, allowing employees to take time off from work to focus on raising their children. This policy aims to help employees achieve a balance between work and family. Additionally, we provide a maternity subsidy to congratulate employees on having a new family member. For employees who have the need to care for children under the age of 3, we offer maternity and parental leave without pay. After the completion of their leave, we arrange for their return to the original position and unit, actively helping employees reintegrate into the group. In 2023, there were a total of 6 employees who applied for maternity and parental leave, and the return rate was 75%, resulting in a 100% retention rate for women.

Year Gender/ Total	2021			2022			2023		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Number of individuals eligible for maternity and parental leave.	23	12	35	21	11	32	18	14	32
Number of individuals who actually applied for maternity and parental leave in the current year	3	9	12	1	3	4	1	5	6
Number of individuals who should return to work after maternity and parental leave in the current year	0	6	6	4	3	7	3	5	8
Number of individuals who actually returned to work after maternity and parental leave in the current year	0	6	6	4	2	6	3	3	6
Number of individuals who actually returned to work after maternity and parental leave in the previous year	0	2	2	4	5	9	4	2	6
Number of individuals who continued working for one year after returning from maternity and parental leave in the previous year	0	2	2	1	5	6	4	2	6
Maternity and parental leave return rate (%) in the current year	-	100	100	100	67	86	100	60	75
Maternity and parental leave retention rate (%) in the current year	-	100	100	25	100	67	100	100	100

Calculation Method:

1. Number of individuals who should return to work: The number of individuals on maternity and parental leave who should return to work during the current year.
2. Retention count for 2023: The number of employees who returned to work in 2022 and remained employed as of December 31, 2023.
3. Maternity and parental leave return rate (%) for the current year: Number of individuals who actually returned to work after maternity and parental leave in the current year/Number of individuals expected to return to work after maternity and parental leave in the current year
4. Maternity and parental leave retention rate (%) for the current year: Number of individuals who continued working for one year after returning from maternity and parental leave in the previous year/Number of individuals who actually returned to work after maternity and parental leave in the previous year
5. This statistic is based solely on data from our Taiwan headquarters.

3.2.4 Enhancing Employee Benefits

Transcend has never engaged in forcing employees to work overtime or exceed their working hours, and we have implemented relevant management policies to prevent occurrences of overtime work. We also require suppliers to sign the Supplier Social Responsibility Commitment to ensure compliance with BSCI (Business Social Compliance Initiative) social responsibility standards. The commitment includes the following provisions:

1. Prohibition of child labor and any form of forced labor
2. Compliance with wage and working hour regulations
3. Non-discrimination based on gender, race, religion, or political affiliation
4. Ensuring freedom of association for employees
5. Providing a safe and healthy working environment for employees

At Transcend, all employees are treated equally regardless of race or nationality, and no one receives special treatment based on their status. The company strictly adheres to local government laws and international standards concerning human rights and labor rights, providing employees with fair opportunities for development and competition. Additionally, to respect indigenous cultures, Transcend follows the Ministry of the Interior's "Guidelines on National Holidays and Festivals," allowing indigenous employees to take a day off for traditional ceremonies.

To ensure that product delivery commitments to customers are met and that specific department operations are completed on schedule, there are occasional instances where employees need to work extended hours. When overtime occurs, the company pays overtime wages in accordance with the law. However, in 2023, there was an incident where overtime work resulted from the system failing to accurately record employee hours. To prevent such occurrences in the future, the company immediately implemented improvements. These include developing an internal program that sends timely reminders to employees when their workday ends. If the legal working hours are exceeded, the system automatically notifies the employee and their supervisor the following day to confirm the situation and ensure that overtime pay is provided accordingly.

Transcend provides an excellent working environment and comprehensive employee benefits. We have established an Employee Welfare Committee to plan and provide various benefits to our employees, including wedding bonuses, childbirth bonuses, condolences, and holiday gifts. In order to achieve a balance between work and life for our employees, we have recreational facilities and a gym where colleagues can relax and relieve stress. We also arrange free annual health check-ups and regular consultations with physicians to look after the health of our employees.

Insurance

In addition to the legally required labor and health insurance, Transcend has specially designed group insurance for employees, which includes term life insurance, accident insurance, hospitalization medical insurance, and cancer health insurance. For employees on business trips, we also provide additional coverage with business travel insurance and travel inconvenience insurance, offering employees additional protection.

Club Activities

Although Transcend does not have labor unions, we encourage colleagues to form clubs. Transcend has established various clubs (such as table tennis club, badminton club, basketball club, yoga club, etc.) and provides appropriate subsidies to support their smooth operation. We encourage employees to participate in club activities, aiming to foster a sense of connection among colleagues through these club activities.

Other Company Activities

In addition to annual events like year-end banquets, Family Day, and sports competitions that promote employee well-being and strengthen team spirit, Transcend has also provided a basketball court and several recreational facilities. These facilities include equipment for table football, table tennis, and billiards. Furthermore, we collaborate with nearby sports centers to provide professional trainers, classes, and equipment for our employees to use during their leisure time.

Bonuses and Subsidies

To create positive interaction with employees and establish a warm and harmonious atmosphere among colleagues, Transcend provides wedding and childbirth bonuses to employees to celebrate their joyous occasions. Additionally, Transcend offers condolences money and funeral wreaths to express condolences to the bereaved families.

Newcomer's Leave

Transcend also provides better than the current legal annual leave entitlement for new colleagues, hoping that new employees can achieve a balance between work and life.



Salary and Bonus

Transcend's salary and bonus system includes monthly salary, generous year-end bonuses, and quarterly bonuses based on Transcend's business profit every quarter. Quarterly bonuses are determined by the overall performance of the company, achievement of organizational goals at the departmental level, and individual performance of employees. This system aims to motivate departments and employees to continually improve and enhance work efficiency while maintaining a fair and competitive salary structure. It allows the company, its units, and employees to grow together and achieve operational excellence.

Health and Safety

Transcend provides all new employees with free physical examinations and offers other employees health examinations that are superior to regulatory requirements. For employees with abnormal examination results or special conditions, follow-up and guidance are provided with their consent. Additionally, Transcend assigns dedicated physicians and nurses to provide ongoing healthcare, regular health consultations, and periodic health promotion programs to enhance employee health awareness and knowledge, which is superior to regulatory requirements.

Employee Development Training

To help new employees get familiar with the company culture, multiple training and orientation programs are conducted annually for new hires. In order to enhance the professional capabilities of each department, various skill enhancement courses are organized based on the specific needs of each unit, including business development, procurement, and research and development. Additionally, to meet legal requirements, Transcend assigns representatives to participate in relevant external training programs each year, with full training subsidies provided.

Other Benefits

Transcend provides an employee cafeteria and coffee shop, offering meals and beverages to employees at discounted prices. Every year, gifts are also provided to all employees. Additionally, through partnerships with other vendors, employees can enjoy discounts and benefits related to food, clothing, accommodation, transportation, and other aspects of daily life. Furthermore, Transcend offers a lactation room for female colleagues who require breastfeeding or milk pumping.



3.3

Talent Training

In the highly competitive technology industry, talent is the key factor that determines the success of a company, and talent has always been the strongest and most powerful support or Transcend. Through professional enhancement courses, job rotations, and overseas business trips, Transcend cultivates its employees with diverse skills, enabling them to achieve organizational goals. In terms of training programs, new employee training, as well as skill enhancement courses for sales, procurement, and R&D personnel, are conducted annually based on demand. Transcend also complies with legal requirements by organizing or sending employees to participate in relevant external training. In 2023, the total number of employees trained at Taiwan headquarters was 1,028, with a total training duration of 4429.25 hours, resulting in an average training duration of 4.3 hours per person. The education and training statistics for the company in 2023 are as follows:

Item/Type		Managerial Role		Non-managerial Role		Direct Staff		Indirect Staff	
Unit/Gender		Male	Female	Male	Female	Male	Female	Male	Female
Total Participants	Headcount	76	15	434	503	292	325	218	193
Total Training Hours	Hour	485	96	2205.5	1642.75	818	717	1872.5	1021.75
Average Training Hours	Hour/person	6.38	6.40	5.08	3.27	2.80	2.21	8.59	5.29
Training Costs	NT\$	180,542	34,600	464,680	40,564	4,640	0	640,582	159,013

- Notes:
1. Total Number of Managers + Total Number of Non-Managerial Employees = Total Number of Employees at Operational Locations.
 2. Total Number of Direct Employees + Total Number of Indirect Employees = Total Number of Employees at Operational Locations.
 3. The number of departing employees of the year was included.
 4. The larger discrepancy in total and average training hours between male and female non-management and indirect employees is due to the fact that more men hold positions that require regular training, such as information security and R&D-related technical roles.
 5. Training for direct employees is primarily conducted in-house and therefore does not incur costs. Additionally, the cost for training male employees is due to legal requirements.
 6. This statistics only pertain to the data of the Taiwan headquarters.

Transcend plans training programs based on job roles and actual needs to enhance employees' professional knowledge, skills, and expertise, thereby improving their job performance. The training programs include new employee training, specialized training for specific job functions, and leadership development training for managers. To promote a culture of integrity in business operations, Transcend includes business integrity into training courses. Meanwhile, Transcend also emphasizes prevention of insider trading among directors, managers, and employees. Transcend provides new employee training, covering topics such as employees ethics, code of conduct, integrity and fair trading, confidentiality, and preventing insider training, to let new hires better understand the policy of corporate integrity. In 2022, a total of 65 people were trained, with each session lasting approximately 30 minutes.

Performance evaluation is not merely used to assess employees' annual job performance but, more importantly, it aims to motivate employees' potential development and build a robust human resource system within the company. The assessment system does not differentiate based on factors such as employees' gender, religion, or race. Its primary purpose is to build a consensus between employees and supervisors in achieving work objectives while considering both evaluative and developmental goals. The objective is to nurture and develop employees' capabilities, enabling them to master their roles and job duties, thereby enhancing Transcend's competitiveness and overall organizational effectiveness.

Performance Review - 2023

Item	Managerial Role	Non-managerial Role	Direct Staff	Indirect Staff
Ratio of male staff who received performance review (%)	75	96.87	99.31	85.22
Ratio of female staff who received performance review (%)	71.43	97.05	99.69	89.7

Note: Employees who have been with the company for at least six months during the evaluation period and are not at the director level or above are required to participate in the annual performance review.

Human Rights Policy and Implementation Practices

Transcend supports international labor rights regulations and commits to complying with national labor laws, the Business Social Compliance Initiative (BSCI) Code of Conduct, the Responsible Business Alliance (RBA) Code of Conduct, and other applicable industry standards and international conventions. We strive to continuously improve working conditions and employee benefits for all our staff.

Transcend's human rights policy aims to safeguard the following issues:

- Workplace health and safety
- Elimination of unlawful discrimination and ensuring equal employment opportunities
- Prohibition of child labor
- Prohibition of forced labor
- Promotion of physical and mental well-being and work-life balance

Transcend establishes relevant policies, management principles, advocacy, and training to ensure that workplace equality is not just a slogan but a tangible reality. In order to strengthen the implementation of human rights, we incorporate human rights-related courses into new employee training or educational programs. Additionally, through public announcements, we ensure our employees are informed about human rights-related matters.



New Employee Training

The training includes prohibition of forced labor, prohibition of child labor, anti-discrimination, anti-harassment, working hour management, guarantee of humane treatment, and provision of a healthy and safe working environment.

Prevention of Workplace Violence

Through public announcements, employees are informed of their responsibility to ensure that workplace misconduct does not occur during the course of their duties. Transcend also establishes a reporting hotline to encourage the disclosure of any violations, aiming to create a friendly work environment.

Occupational Safety Training

The training includes health promotion, occupational safety and health training, fire safety training, and first aid training.

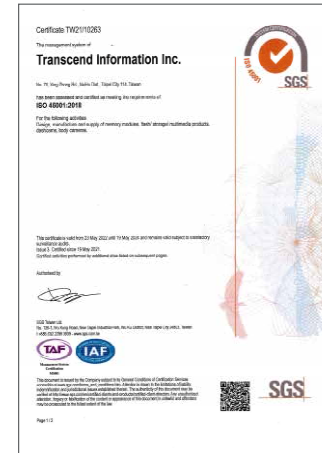
3.4

Occupational Safety and Health

Policy & Management System of Occupational Safety and Health

To implement various handling/control mechanisms, offer protections to environment and employee health and safety, prevent occupational injuries and illnesses, reduce environmental/occupational health and safety risks, maintain company competitiveness and brand image, and disseminate these principles to all employees and stakeholders as the foundation for sustainable development, we have established the following Environment, Health, and Safety (EHS) Policy:

- **Legal Compliance:** Comply with relevant domestic safety, health, and environmental regulations, and meet international safety, health, and environmental standards.
- **Employee Involvement:** Engage all employees through EHS education and training, ensuring their participation in the implementation of the EHS management system.
- **Continuous Improvement:** Conduct regular audits and management activities to reduce environmental pollution and risks to employee safety in product activities and service processes.
- **Effective Communication:** Strengthen communication mechanisms with employees, suppliers, and the general public to demonstrate our commitment to environmental and occupational health and safety improvement; enhance interactions with employees and their representatives.
- **Performance Enhancement:** Move towards clean production by utilizing pollution prevention and risk control technologies; provide necessary resources and expertise to enhance the performance of EHS management.



ISO 45001 Certificate



CNS 45001(TOSHMS) Certificate



In response to international trends, Transcend continuously improves its occupational health and safety management performance to ensure the ongoing effectiveness of the occupational health and safety management system and achieve sustainable development. With employee involvement at the core, we focus on internal and external issues, stakeholder needs and expectations, risk and opportunity identification, etc. Transcend has implemented the ISO 45001 Occupational Safety and Health Management System and the CNS 45001 Taiwan Occupational Safety and Health Management System (TOSHMS). We follow the PDCA (Plan-Do-Check-Act) protocol to gradually implement safety and health management work. The scope and applicability of the systems cover entire operation within our facilities and all workers. For contractors and subcontractors, their obligations are defined in their contracts and relevant attachments. Each unit conducts hazard identification and risk assessment for their respective operations and makes improvements based on risk severity. Finally, through the measurement and evaluation of performance indicators and audit operations, we assess the effectiveness of the improvements, ensure the continuous operation of the management systems, and enhance safety and health performance.

Transcend places great importance on the safety of employees and the workplace. Therefore, an external professional security organization is entrusted with Transcend's security system, and the proportion of security personnel trained in human rights policies or procedures is 100%. The entire management and operation involving personnel providing external services are also included to ensure the safety and health of all individuals. We strive for comprehensive safety and health management, aiming to create a zero-accident work environment. This demonstrates our commitment to occupational safety and health, protecting the safety and health of all employees.

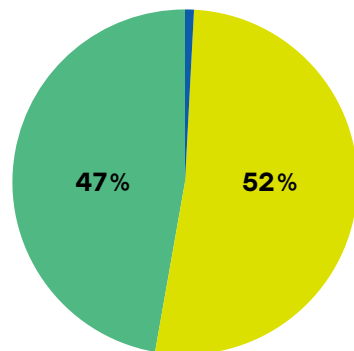
Hazard Identification & Risk Opportunity Assessment

To understand the risks and hazards associated with routine and non-routine operations throughout the company, Transcend has conducted hazard identification for materials, chemicals, machinery, equipment, tools, and facilities that employees come into contact with. The identified hazards are categorized based on their types and severity. Preventive measures are implemented to control and manage these operations, reducing employees' exposure to hazards. A Hazard Identification Procedure has been established to guide this process. Based on the identification and assessment results, risks that are deemed unacceptable are prioritized for improvement to mitigate the risk, ensuring effective risk control and management system.

Transcend conducts hazard identification and risk-opportunity assessment in accordance with the "Hazard Identification Procedure." In addition to identifying risks related to operations, common hazards across the entire plant are also included in the assessment scope. All identified risks are deemed acceptable, and opportunities identified for improvement are considered for inclusion in the annual objectives and management plans, depending on cost or technical feasibility. In 2023, a total of 1,378 risks and 25 opportunities were identified. The top five types of hazards and their respective proportions, based on the risk assessment results, are as follows:

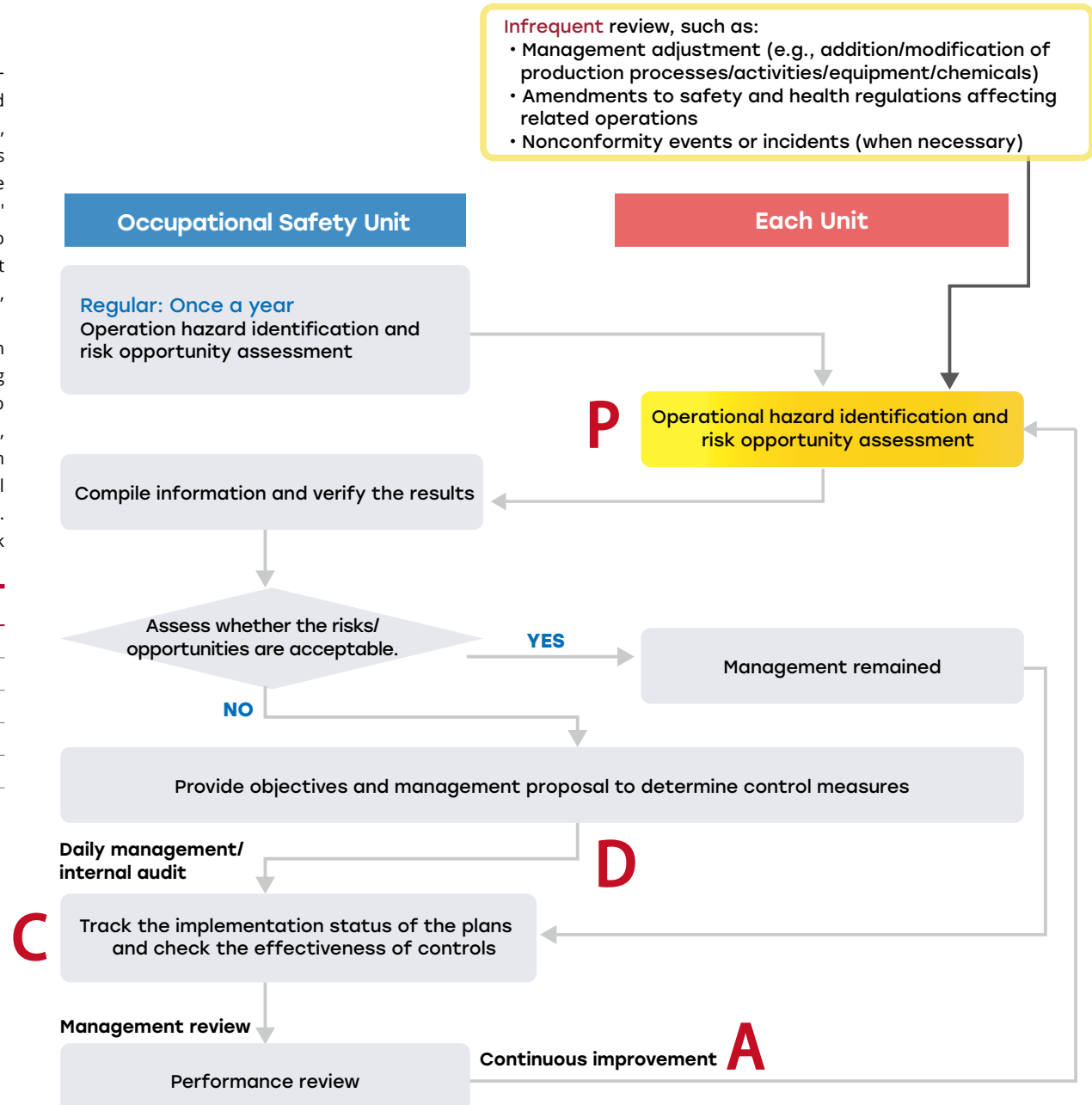
No.	Hazard Type	Percentage (%)
1	Mechanical	41
2	Energy	22
3	Chemical	18
4	Ergonomic	14
5	Biological	3

The 2023 hazard identification results include a total of 1,378 identified hazards, with 643 categorized as safety-related (47%), 718 as health-related (52%), and 17 as other (including management operations) (1%).



■ Safety Category
■ Health Category
■ Other Category, including Management Operations

The operating process of hazard identification and risk opportunity assessment is as follows:



Occupational Accidents, Incident Investigation, and Preventive Measures

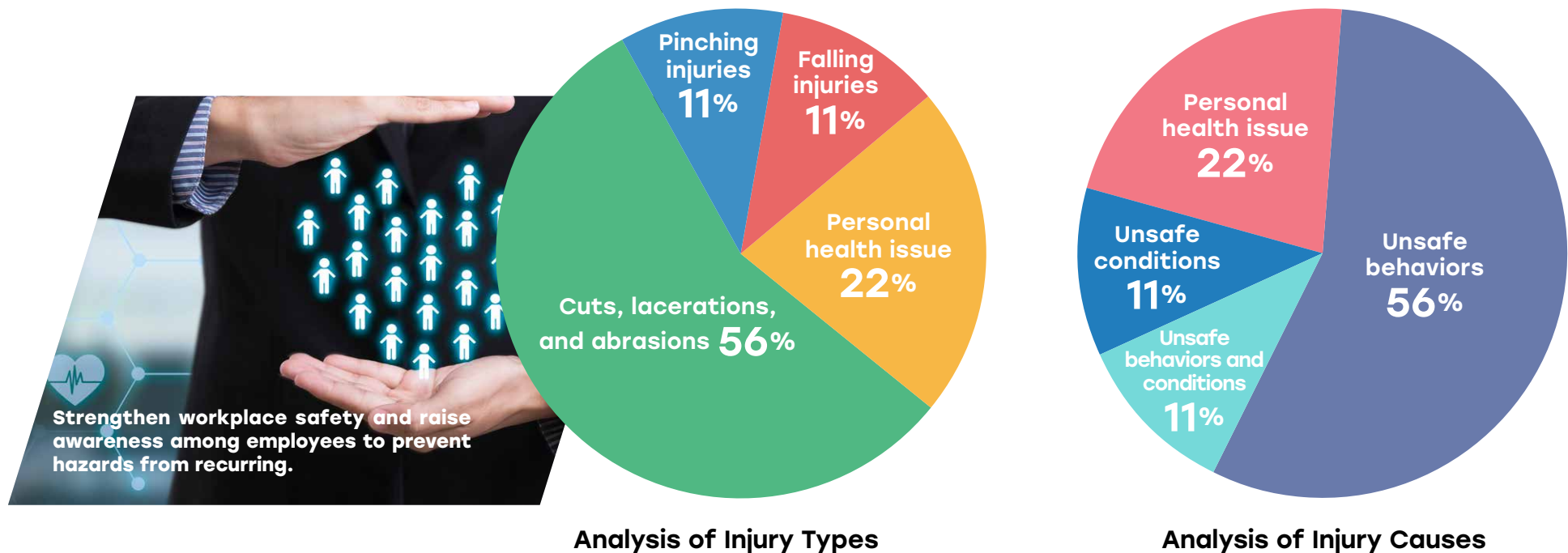
To effectively prevent occupational accidents, other than complying with the provisions of the "Occupational Safety and Health Act," Transcend also follows the internally established Operating Guidelines for Investigation, Handling, and Statistics of Occupational Accidents. Transcend appoints occupational safety and health supervisors and managers to regularly conduct operational environment inspections in each unit. Operational safety regulations and management system specifications are announced and disseminated. Safety data sheets are provided on-site and in online systems for employees to access at any time. This enables employees to have a deeper understanding of safety and health concepts and internalize these concepts in their daily lives.

Based on Transcend's philosophy and policies, we establish management objectives, formulate implementation plans, and track/evaluate performance according to the plans. The goal is to achieve "Zero Accidents" and take care of every employees' safety and health. This is done through the implementation of risk assessment, hazard identification, safety and health education, and pre-execution meetings to enhance employees' risk awareness and safety knowledge. In accordance with the law and to achieve the goal of zero accidents, Transcend has established the "EHS Emergency Response Management Procedure" to protect workers' rights of safety evacuation and to address various emergency situations. If any potential safety and health issues are identified during operations, employees are encouraged to report them immediately to their supervisors, occupational health nurses, and the occupational safety and health office.

1. When workers identify an imminent danger while performing their duties, they have the right to stop work immediately and retreat to a safe location, provided it does not endanger the safety of other workers. The "EHS Emergency Response Management Procedure" has also been established.

2. When employees experience injuries or illnesses, Transcend proactively reports and handles them according to procedures. The number of incidents and improvement measures are then compiled and reported to the Occupational Safety and Health Committee on a quarterly or annual basis.

In 2023, there were no cases of death or serious injuries caused by occupational accidents among employees and non-employee workers (contractors, subcontractors, visitors) in Transcend. However, there were 9 incidents (5 cases of temporary total disability, 2 non-disabling cases, and 2 other cases) that occurred within Transcend, and investigations and corrective measures were conducted for each incident.



Employee occupational injury types in the past three years are as follows:

Category	Item	2021	2022	2023
Total working hours	Total working hours for females	1,015,920	983,712	980,144
	Total working hours for males	1,051,776	1,005,112	970,256
	Total working hours	2,047,520	1,988,824	1,950,400
Number of fatalities caused by occupational injuries	Number of female fatalities	0	0	0
	Number of male fatalities	0	0	0
	Total number of fatalities	0	0	0
Number of serious occupational injuries (excluding fatalities)	Number of serious occupational injuries for females	0	0	0
	Number of serious occupational injuries for males	0	0	0
	Total number of serious occupational injuries	0	0	0
Recordable occupational injury cases (including fatalities and serious injuries)	Number of occupational injuries for females	0	0	1
	Number of occupational injuries for males	1	1	4
	Total number of occupational injuries	1	1	5
Fatality rate caused by occupational injuries		0	0	0
Serious occupational injury rate		0	0	0
Recordable occupational injury rate		0.49	0.50	2.56
Please describe the types of occupational injuries (such as fractures, lacerations, contusions, etc.)	Please describe each type of occupational injury	1 case of contusion	1 case of sting injury	4 cases of cutting, laceration, and abrasion, 1 case of falling

Notes :

1. The definition of "recordable occupational injuries" has been updated (first-aid treatments, such as incidents involving iodine, are not included). As a result, the data for 2022 and 2021 has been revised, leading to the reclassification of some information.
2. Causes of occupational injuries: The primary reason is "insufficient safety awareness among personnel," leading to accidental injuries during work.

Non-employee occupational injury types in the past three years are as follows:

Category	Item	2021	2022	2023
Total working hours	Total working hours	40,459	42,408	42,190
Number of fatalities caused by occupational injuries	Total number of fatalities	0	0	0
Number of serious occupational injuries	Number of serious occupational injuries for females	0	0	0
	Number of serious occupational injuries for males	0	0	0
	Total number of serious occupational injuries	0	0	0
Recordable occupational injury cases (including fatalities and serious injuries)	Total number of occupational injuries	0	0	0
Fatality rate caused by occupational injuries %		0	0	0
Serious occupational injury rate %		0	0	0
Recordable occupational injury rate %		0	0	0

Notes

1. Fatality rate of occupational injuries = Number of fatalities from occupational injuries/Total working hours * 1,000,000.
2. Serious occupational injury rate = Number of serious occupational injuries (excluding fatalities)/Total working hours * 1,000,000.
3. Recordable occupational injury rate = Number of recordable occupational injuries (including fatalities and serious injuries)/Total working hours * 1,000,000.
4. Serious occupational injury refers to an injury that is unable to recover within 6 months.
5. Non-disabling injury: Occupational injury that does not include death, permanent disability, permanent partial disability, or temporary total disability, with working hours lost not exceeding 1 day.
6. This statistics only pertain to the data of the Taiwan headquarters.

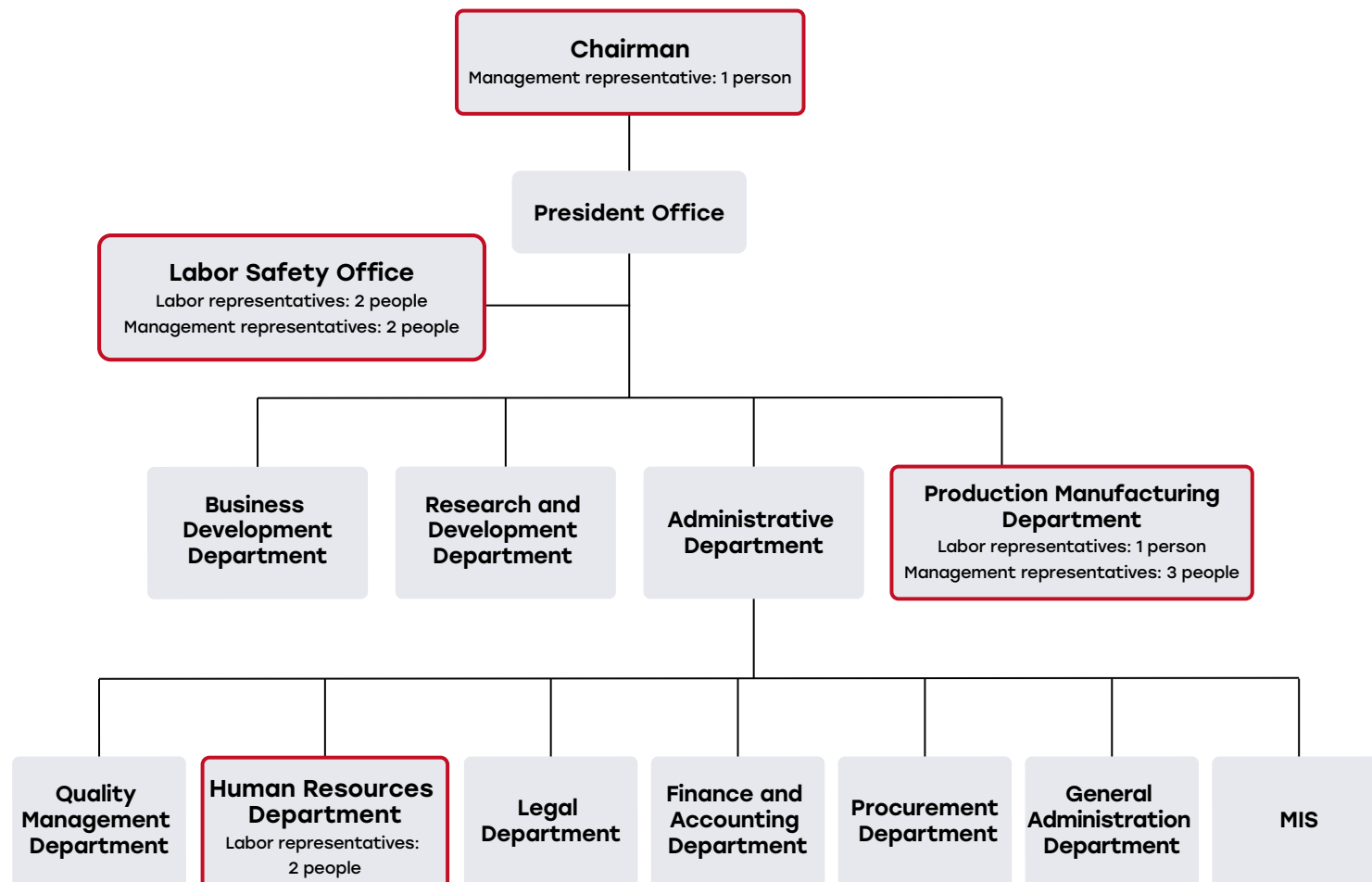
To fulfill its corporate social responsibility, Transcend ensures that its most important stakeholders, particularly internal employees, enjoy a safe, healthy, and happy working environment. The company follows the PDCA (Plan-Do-Check-Act) cycle to progressively implement safety and health management practices. These practices cover all operational areas and workers within the company's facilities, including production and non-production areas, equipment, and routine as well as non-routine activities. This also encompasses activities conducted by external entities within the company's premises, such as the use of facilities and equipment operated by external units, and all activities performed by contractors (including food suppliers, security personnel, equipment maintenance providers, etc.) within the company's jurisdiction. The total number of employees is 987, accounting for 100% of the workforce; the total number of non-employees is 23, also accounting for 100%. Transcend has established and implemented a labor health service plan, ergonomic hazard prevention plan, and abnormal workload prevention plan. Each year during the annual health check-up, a questionnaire is used to survey employees' occupational disease and injury status. The data is analyzed, and consultation services are provided by on-site medical professionals. Regular reviews are conducted annually. We have also developed an "Employee Health Management Guidelines" to enhance the quality of labor health, prevent occupational diseases, and promote the protection of labor's physical and mental well-being.

Over the past three years, Transcend's "total occupational injury insurance benefits" (including cash benefits for occupational injuries and medical benefits for occupational injuries) as a percentage of the "total occupational injury insurance premiums payable," along with the classification and recognition of the company's occupational safety and health management performance, has allowed for a 20% reduction in the industry-specific hazard rate (with a maximum reduction of 50%). As a result, Transcend's industry-specific hazard rate of 0.04% has been reduced by 20% to 0.03%, leading to a total reduction of NT\$53,130 in labor occupational injury insurance premiums for 2023.

Occupational Safety and Health Committee

Transcend has established the Occupational Safety and Health Committee in accordance with the Occupational Safety and Health Act. Quarterly meetings are held to report to the supervisors and labor representatives. In 2023, the Committee consisted of 5 labor representatives and 6 management representatives, with labor representatives accounting for 45.5% of the total committee members. Transcend also holds company-wide regular meetings of the Occupational Safety and Health Management Committee, which is responsible for reviewing significant occupational safety and health matters and providing suggestions for major occupational safety and health issues in the operations. In compliance with the "Occupational Safety and Health Management Measures", the Occupational Safety and Health Committee holds quarterly meetings, with a total of 4 meetings held in 2023.

The structure of the Occupational Safety and Health Committee in 2023 is as follows:



Worker Engagement, Counseling, and Communication

In order to encourage whistleblowers to report unlawful activities, Transcend regularly conducts education and training for new employees to promote ethical behavior. We disseminate employee codes of conduct and actively embrace opinions from employees through mechanisms such as labor-management meetings, occupational health and safety committees, department meetings, and employee suggestion boxes. We also utilize existing forms and documents (such as hazard identification forms, incident investigation forms, and audit non-compliance reports) to ensure effective communication channels. As for non-employee workers, including visitors, customers, and suppliers, they are encouraged to provide feedback through any means available. Upon evaluation by relevant departments, corrective actions and improvements are implemented to safeguard the interests of all parties involved and ensure the effective operation and continuous improvement of our management system.

Safety and Health Training

Since most accidents are related to human error, it is crucial to train employees to avoid human error and enhance their awareness, understanding, and abilities in safety and health. The focus of safety and health training is to cultivate a safety culture among employees and improve their knowledge and skills. All employees of Transcend are required to receive necessary occupational safety and health-related training for their work and disaster prevention. The training statistics conducted within the company during the reporting period are as follows:

Statistics of Occupational Safety and Health Training Programs

Name	Number of Trainees	Training Cost (NT\$)
General safety and health training (new hires)/2 weeks	76	-
Occupational safety training for specific personnel(machinery/hazard awareness)/2 weeks	22	-
On-the-job safety and health training/1 year	964	-
Training on hazard identification and risk and opportunity evaluation/1 year	2	-
On-the-job training for Occupational Safety and Health Committee Members/1 quarter	39	-
On-the-job training for Emergency Staff/3 years	21	12,400

Notes:

1. Includes both employees and non-employees whose work and/or workplace are under the control of the organization.
2. Non-employees whose work and/or workplace are under the control of the organization, such as security personnel, janitors, construction workers, subcontractors, and outsourced workers.
3. This statistical data includes occupational safety and health training, which cover general training or specific training related to occupational hazards or dangerous situations.
4. All the mentioned training, excluding emergency staff training, are conducted internally without additional costs.



2023 On-the-job training for Emergency Staff



2023 RD Team Consensus Camp



2023 Occupational Safety and Health Committee



Safety and health management personnel (Level A Manager) - 2023 Corporate Sustainability Report Public Occupational Health and Safety Performance Self-Assessment Promotion Consensus Meeting

Prevention and Reduction of Other Impacts on Environment, Safety, and Health

All contractors collaborated with Transcend are subject to Transcend's Occupational Safety and Health Management System to ensure on-site safety. Suppliers are also required to comply with basic labor rights, corporate social responsibility, occupational safety and health management, environmental protection, and other important aspects. Additionally, their occupational safety and health risks are evaluated.

- Before contractors entering the working environment, meetings are held to explain relevant occupational safety and health regulations and hazard notifications. Signed records of these meetings are retained (irregularly).
- Procedures are carried out in accordance with the 'Safety and Health Management Procedure for Construction and Contractor' (irregularly).
- Annual assessments are completed in the first quarter.

Transcend has included occupational safety and health in the supplier selection criteria, which are as follows:

- No occupational accidents in the past 3 years
- Contractor evaluation score above 70
- Priority is given to similar suppliers who have obtained ISO 45001 certification

In addition to the above, through procurement and management adjustment, measures are taken to prevent and mitigate environmental, safety, and health impacts resulting from company operations, products, or services, reducing hazards and controlling risks. Chemical suppliers are asked to comply with safety and health regulations for labeling and provide safety data sheets. The safety and health reviews are implemented during the procurement of chemicals, equipment, protective gear, etc. Regular supplier assessments are also conducted to ensure compliance with company requirements.

To avoid potential hazards and risks caused by personnel, manufacturing, machinery and equipment, and work areas, Transcend has established the "Addition/Revision Review Procedure for Environment, Safety, and Health" in conjunction with the "Personnel Change Operation Work Instruction". These procedures ensure effective management adjustment by implementing necessary safety assessments, operational hazard identification, and personnel training. Personnel are therefore equipped with appropriate knowledge to ensure work safety and health, thereby reducing and preventing potential risks.

Transcend's Chemical Management Practices

To actively safeguard employee health and safety, Transcend adopts a "no-use principle for high-risk (explosive, oxidizing, or substances and mixtures which, in contact with water, emit flammable gases) and high-hazard (CMR substances) chemicals."

During the introduction of new chemicals, the company incorporates safety and health and hazardous substance review mechanisms. Chemicals with non-high-risk or non-high-hazard components are prioritized. If it is necessary to use such substances, they must be approved by the company's safety and health management unit and senior management of the operations unit. Additionally, exposure risk controls are implemented on-site to ensure operational safety and minimize personnel exposure to hazards, adhering to the principle of "use only if absolutely necessary." Currently, the company uses only non-high-risk or non-high-hazard chemicals.



Training in 2023 for hazard identification and risks & opportunity analysis



Occupational Safety and Health Manager (Class A Manager) - 2023 Workplace Safety and Intelligent Disaster Prevention Seminar

Employee Health Services

In 2023, a total of 195 colleagues were arranged to receive on-site medical consultation services. The process included providing relevant health education and medical referral channels. Based on the assessment results and recommendations, improvement measures were implemented. The consultation rate was 100%, and all colleagues indicated that they understood the consultation content or were receiving regular follow-up treatment, with no issues adapting to work.

Among them, 22 colleagues participated in maternal health protection consultations (11 during pregnancy and 11 postpartum). All consulted colleagues reported that they could adapt to their work and did not require additional assistance. Most colleagues have returned to their work positions, with only 3 colleagues currently on parental leave.

Employee Health Check-ups

In 2023, a total of 855 employees underwent general health check-ups, with a cost of NT\$1,030,000. In addition to the mandatory examination items for employees, we provide services that exceed regulatory requirements, including urine tests, blood tests, liver function tests, kidney function tests, lipid tests, pancreatic function tests, cancer screenings, Helicobacter pylori tests, and ultrasound examinations. We also offer various optional paid services for employees to choose from freely. Employees' friends and family members can also register for these services at the same discounted rates available to employees. Following the health check-ups, Transcend's professional medical staff actively provide care and follow-up for employees with abnormal health conditions. A questionnaire survey on work-related fatigue and human factors hazards was conducted as part of the health check-ups for employees.



General Health Check-up	
Check-up Items	<ul style="list-style-type: none">Investigation of work experience, medical history, lifestyle habits, and self-perceived symptomsMeasurement of height, weight, waist, visual acuity, color vision, hearing, blood pressure, and physical examination and inquiryChest X-ray examinationUrine protein and occult blood testsHemoglobin and white blood cell count testsBlood tests for glucose, alanine aminotransferase (ALT), creatinine, cholesterol, triglycerides, high-density lipoprotein cholesterol, and low-density lipoprotein cholesterol
Number of Participants (headcount)	855
Cost (NT\$)	1,030,800

Notes:

1. A total of 855 individuals actually participated in the health check-ups, while 58 individuals did not participate due to personal reasons. The remaining employees did not meet the annual health check-up eligibility criteria. Health check-up costs for non-employees are not covered by the company.

2. Employees must have completed one year of employment to be eligible for the health check-up.

Items that exceed regulatory requirements

- Urine tests
- Hematology tests
- Liver function tests
- Renal function tests
- Cholesterol tests
- Cardiac function tests
- Cancer screening
- Arteriosclerosis assessment
- Ultrasound examination

Physical and Mental Health Promotion

Based on annual health check-up abnormal results, common health issues among employees and seasonal epidemic diseases are summarized to develop a series of health education themes. Monthly updates to health promotion posters provide accurate health and hygiene information, encouraging employees to adopt improvement measures in their daily lives. The Ministry of Health and Welfare's National Health Service offers free screening subsidies for the five major cancers, with oral cancer screening being the most accessible. Research shows that early detection through oral cancer screening has a high success rate of nearly 80%. To promote "early detection and early treatment," the company has partnered with the Taipei City Songshan District Health Service Center to conduct oral cancer screenings.

Although there are many AEDs installed in public places, there are no related regulations for offices, which are the most frequented locations by employees. Therefore, in addition to setting up AEDs, the company invites professional instructors to share practical cases, enhance first aid knowledge, and improve professional skills and rescue capabilities. This not only increases employees' enthusiasm and willingness for first aid but also enhances their ability to respond effectively in emergency situations, thereby reducing injury severity in accidents and significantly improving workplace safety and employee rights.

Additionally, to implement employee care in daily life, the company summarizes common health issues among employees based on the results of annual health check-ups. In response to the policies of the Ministry of Health and Welfare, the company adjusts its programs accordingly and develops a series of health education themes in line with seasonal epidemic diseases and international health issues. Each month, health promotion posters are updated to provide accurate health and hygiene information, encouraging employees to adopt improvement measures in their daily lives.



Health promotion posters



Emergency rescue training

Oral cancer screening

2023 Medical staff on-site consultation

4

Chapter 4

Environmental Co-prosperity



4.1 Raw Material Management

4.2 Energy Management and Water Resources

4.3 Greenhouse Gas Emissions and Air Pollution Control Management

4.4 Waste Disposal



Material Topic: Energy Management

Reason of Materiality	As a company that cares about global environmental protection, we take active actions that benefit the environment. All our products are environmentally friendly, aiming to enhance energy efficiency and promote recyclability. We strive to save energy and reduce waste through optimizing manufacturing process. As a responsible corporate citizen, we consider environmental protection as our own responsibility and are committed to making a positive contribution to the planet.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Continuously promote the replacement of outdated equipment with first-class energy-efficient systems (such as air conditioning, lighting, and air compression systems) to reduce electricity consumption and lower electricity costs. • Positive/Potential: In response to the global green economy, continue to advance renewable energy efforts and implement carbon reduction initiatives. By gradually phasing out energy-consuming equipment, reduce greenhouse gas emissions and mitigate the environmental and climate impact of global warming, thereby fulfilling corporate social responsibility.
Policy/Strategy	ESH policy: Legal Compliance, Employee Involvement, Continuous Improvement, Effective Communication, and Performance Enhancement.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objective - within 3 years: <ol style="list-style-type: none"> (1) Continue to replace old equipment with green and energy-efficient devices to reduce environmental impact (2) The factory has completed the process equipment - air compressor replacement, which is expected to reduce electricity consumption by approximately 157,500 kWh per year. This ensures effective utilization of energy and achieves sustainable environmental goals, promoting energy conservation and carbon reduction. • Medium objectives - Over 3 years to 7 years <ol style="list-style-type: none"> (1) Check the energy-consuming equipment in the factory that may have deteriorated in performance, such as chiller units and large-scale air compressors. (2) Set a target to achieve a 5% reduction in electricity consumption by 2026, with 2020 as the base year. (3) Set a target to achieve a 7% reduction in carbon emissions by 2026, with 2020 as the base year. • Long-term objective - 7 years or more: In response to climate change, global efforts for energy conservation, and sustainable development, the factory is replacing environmentally-friendly and energy-efficient equipment to achieve carbon reduction.
Management Evaluation	Transcend uses ISO 14001 as its management assessment mechanism.
Performance and Adjustment	<ul style="list-style-type: none"> • In 2023, the factory's RF air conditioning machine room replaced an outdated 100RT chiller unit, achieving the energy-saving target. • Using 2020 as the baseline, the first factory saved a total of 133,220 kWh of electricity this year (a reduction of 8%), and reduced carbon emissions by 93,098 kg (a reduction of 11%). This meets the short-term goals, and the company will continue to progress towards its long-term energy-saving and sustainability objectives.
Precautions or Countermeasures	<ul style="list-style-type: none"> • Regular maintenance and replacement of machinery are carried out to avoid higher carbon emissions and reduce greenhouse gas generation. • When replacing old machinery, Transcend applies for relevant energy-saving subsidies by following the government's incentive policies. Additionally, to create a friendly environment, Transcend strengthens green manufacturing practices and develops technologies that are beneficial to the environment, such as VLP PCBs and innovative packaging materials. These processes help reduce energy consumption and contribute to a low-carbon future.

Material Topic: Waste Management

Reason of Materiality	<ul style="list-style-type: none"> • Advocate green production, reduce hazardous substances at the source, and foster environmental and corporate sustainability. • Implement waste management, track the flow of waste, and initiate recycling programs to reduce the environmental impact of waste and enhance the competitiveness of products in sustainability aspect. • On-site audits of the waste liquid treatment plant effectively ensure that the hazardous waste liquid generated by our factory is properly transported to the treatment facility and that the treatment facility processes it in accordance with the declared methods.
Impact	<ul style="list-style-type: none"> • Positive/Actual: Waste reduction efforts through packaging material reduction help lower carbon emissions, thereby easing environmental impact. • Negative/Potential: If mismanaged, waste dumping could damage the company's reputation and finances, negatively affecting public perception.
Policy/Strategy	<ul style="list-style-type: none"> • Quality and HSF Policy: Green Orientation, Innovative Products, Regulatory Compliance, Surpassing Expectations. • ESH Policy: Compliance with regulations, Employee Involvement, Continuous Improvement, Effective Communication, and Performance Enhancement.
Objectives and Goals	<ul style="list-style-type: none"> • Short-term objective - within 3 years: Conduct a total of 8 audit sessions for waste management vendors. • Medium to long-term objectives - Over 3 years: Source reduction, reducing unnecessary packaging from product design. Continually implement waste reduction and proper disposal to ensure waste safety and resource utilization.
Management Evaluation	Transcend uses ISO 14001 and QC 080000 as management evaluation mechanisms.
Performance and Adjustment	<ul style="list-style-type: none"> • Waste Vendor Audits: The short-term goal is to conduct 8 audits. In 2023 (the year the goal was set), 2 audits were completed, with 3 more planned for 2024. By the end of 2024, a total of 5 audits are expected to be completed. • Ongoing Resource Recycling: Efforts continue to promote resource recycling, such as collecting waste paper and plastic. Resource recycling bins are placed on each floor to sort waste paper, metal cans, and PET bottles, encouraging employees to actively participate in recycling. In 2023, the two factories collectively recycled 111,045 kg, representing a 10.87% decrease in recycling compared to 2022. • Paper Usage Reduction: Using 2020 as the baseline, the two factories saved a total of 521,517 sheets of paper in 2023, a 45% reduction. • Quarterly Waste Inspection Mechanism: Starting in the second half of 2022, a quarterly self-inspection mechanism for waste management was established within the factory. This involves random checks of various temporary storage areas each quarter to ensure there is no pollution or improper storage. This process effectively enforces proper sorting and recycling, aligning with national policy regulations.
Precautions or Countermeasures	In order to reduce the environmental impact of product lifecycles, Transcend has developed several environmentally beneficial technologies, including VLP PCBs, innovative packaging materials, and more.

4.1

Raw Material Management

In 2023, Transcend's main raw materials include paper, PCBs, and electronic components. Due to product characteristics, recycled materials were not used as production materials. However, in compliance with the WEEE directive, all products manufactured by Transcend are recyclable. Transcend's new product packaging design adheres to the regulations of the Environmental Protection Administration's announcement on restricting excessive product packaging. This aims to reduce packaging materials, minimize waste generation, and alleviate environmental impact.

Raw material name	Unit	Renewable	2021	2022	2023
Paper	pcs	Yes	26,256,167	23,903,929	16,077,554
PCB	pcs	No	29,225,698	36,392,607	25,753,332
Battery	pcs	No	163,032	101,029	70,221
Glass	pcs	No	68,044	45,559	27,696
Components	pcs	No	89,265,615	81,642,217	55,191,808
Electronic components	pcs	No	1,497,736,568	1,641,601,542	1,445,159,808

Notes:

1. Types of materials include: natural resources such as ores, iron, wood, plastic pellets, lubricating oil used in machines, semi-finished components or parts, packaging materials, etc.
2. Non-renewable source refers to resources that cannot be replenished in the short term, such as coal, natural gas, metals, minerals, and petroleum; renewable source refers to resources that are constantly replenished.

No recycled materials are used in product manufacturing. However, some shipping boxes and packing materials are reused when conditions allow, to reduce resource consumption. Details are as follows:

1. When products need to be repackaged within the factory, the outermost carton boxes are reused for repacking. In 2023, approximately 7,200 boxes were reused, accounting for 6.6% of total shipped boxes.
2. When RMA (Return Merchandise Authorization) shipments are returned from subsidiaries, bubble wrap, foam, and other packing materials inside the boxes are reused. In 2023, approximately 24,468 boxes were used, including around 1,100 return boxes, which accounts for 4.7% of the total boxes shipped by subsidiaries.

4.2

Energy Management and Water Resources

4.2.1 Energy Management

Transcend headquarters uses electricity, gasoline, and diesel as main energy sources. The percentage of externally purchased electricity in total power consumption is 100%, with no utilization of renewable energy. In 2023, the energy consumption amounted to 30,760.02 gigajoules (GJ), with an energy intensity of 2.91 GJ per NT\$ million of revenue. This represents a 21% increase compared to 2022, primarily due to manufacturing process optimization and the addition of new equipment, which led to higher electricity consumption.

Quantitative indicator	Unit	2021	2022	2023
Electricity consumption	Degree/ year	7,876,000	8,031,200	8,416,380
	GJ	28,353.60	28,912.32	30,298.97
Gasoline consumption	L/year	7,839	9,779.28	9,176.18
	GJ	252.52	319.15	299.67
Diesel consumption	L/year	7,354	4,559.54	4588.67
	GJ	264.41	160.25	161.38
Organization-specific unit	Revenue (NT\$million)	14,314.82	12,122.35	10,496.17
Total energy consumption	GJ	28,870.53	29,391.72	30,760.02
Energy intensity	GJ/organization-specific metric unit	2.02	2.42	2.93

Notes:

1. The conversion factor for electricity is 1 kWh = 0.0036 GJ.
2. The conversion coefficients for fuel heating value are derived from the Environmental Protection Administration's Emission Coefficient Management Table version 6.0.4. Gasoline has a heating value of 7,800 kcal/L, and diesel has a heating value of 8,400 kcal/L. 1 kcal = 4.184 kj.

4.2.2 Energy Conservation Achievements

To protect the environment and enhance the efficient use of various resources, ensuring the sustainable use of Earth's resources, clear environmental and energy-saving goals have been established for effective management. Additionally, the company is focused on improving energy-saving infrastructure and promoting the concept of energy conservation and sustainable development among employees.

- Energy-Saving Goal: Using 2020 as the baseline year, the goal is to achieve a 5% reduction in electricity consumption by 2026.
- Carbon Reduction Goal: Using 2020 as the baseline year, the goal is to achieve a 7% reduction in carbon emissions by 2026.

The following are the energy-saving and carbon reduction measures and actions taken in 2023:

Energy conservation measures for lighting and water systems	(1) Adopt energy-efficient T5 lighting fixtures, gradually implement energy-saving LED fixtures in public areas and factories, reduce the number of lamps, and adjust lighting brightness to save electricity
Energy conservation measures for electric distribution systems	(1) Adopted a more energy-efficient central chiller system, replacing some high-load chillers during the summer, and operating a 100RT smaller chiller during the winter, achieving a 25% reduction in electricity consumption in 2023. (2) In the headquarters, the air conditioning in office areas and public spaces on each floor is turned off at 8:00 PM to achieve energy-saving and carbon reduction goals. (3) Purchased a new high-efficiency cooling system, resulting in a 14% reduction in electricity consumption in 2023.
Other energy conservation measures	(1) Place recycling bins on each floor to separate waste paper, aluminum cans, plastic bottles, and other recyclable materials. Encourage employees to actively participate in garbage recycling. A total of 111,045kg of materials were recycled in two factories, a reduction of 10.87% compared to 2022. (2) Actively adopt paperless policy, such as digitalizing transfer orders and PO acceptance forms. Additionally, introducing card confirmation mechanisms for photocopiers, and encouraging employees to print only the necessary documents to avoid unnecessary duplication and paper waste. A total of 521,517 pieces of papers were reduced in 2023, a reduction of 45% compared to 2022. (3) Replaced first-grade energy-efficient refrigerators, achieving a 97% reduction in electricity consumption in 2023. (4) Improved the power consumption of the DrivePro 10 product, resulting in a 13.6% energy savings after the update, with battery life extended by 15%.

Using 2020 as the baseline, the headquarters saved a total of 132,220 kWh of electricity this year (a reduction of 8%), and reduced carbon emissions by 73,757 kg (a reduction of 10%). Conversely, the two factories increased their electricity consumption by 223,180 kWh this year (an increase of 2.72%), while still reducing carbon emissions by 37,527 kg (a reduction of 0.88%). (Note: Carbon emission data is based on statistics from Taipower bills.)

4.2.3 Water Resource Management

The water resources used by Transcend's headquarters are domestic water. The water supply is sourced from the Taipei Water Department, which derives its water from the Xindian River, including the Nanshi River and Beishi River feeding into the Feitsui Reservoir. The manufacturing process does not require water, resulting in no significant impact on local water usage. There is no industrial wastewater, only regular domestic wastewater, which does not involve any special pollution or discharge to water sources.

In terms of water management, we thoroughly implement daily water-saving practices. Sensor faucets are installed to regulate water volume and conserve water. We also promote correct usage habits among employees to reduce water waste. The water risk level for our Taiwan headquarters is classified as low to medium, with a water intake of 29.15 million liters in 2023. The increase was due to manufacturing facility optimization.



Year	2021	2022	2023
Water intake (million liters)	27.71	28.38	29.15
Water discharge (million liters)	26.32	26.96	27.69
Water consumption (million liters)	1.39	1.42	1.46
Revenue (NT\$ million)	14,314.82	12,122.35	10,496.17
Water intensity	0.0019	0.0023	0.0027

- Notes:
1. Water consumption = Water intake - Water discharge
 2. Water intensity = Million liters/Organization-specific unit (Revenue: NT\$million).

4.3

Greenhouse Gas Emissions and Air Pollution Control Management

4.3.1 Greenhouse Gas Emissions Management

Transcend's greenhouse gas emissions can be categorized as direct emissions and indirect emissions. Direct emissions primarily result from fuel combustion in fixed equipment and mobile combustion, such as emergency diesel generators and refueling of company vehicles. Indirect emissions mainly come from purchased electricity. In this report, Transcend does not include Scope 3 emissions or fugitive emissions. We only calculate the emissions from major energy sources and will continue to make efforts to improve our emissions reduction.

Item	2021	2022	2023
Scope 1: Direct greenhouse gas emissions (MtCO ₂ e)	37.72	34.99	33.63
Scope 2: Indirect greenhouse gas emissions (MtCO ₂ e)	4,008.88	4,087.88	4,166.11
Total emissions = Scope 1 + Scope 2 (MtCO ₂ e)	4,046.60	4,122.87	4199.74
Revenue (NT\$ million)	14,314.82	12,122.35	10,496.17
Greenhouse gas emission intensity	0.28	0.34	0.40

Notes:

1. Emission factors are calculated based on the Environmental Protection Administration's Emission Coefficient Management Table version 6.0.4.
2. The emission factor for The emission factor for purchased electricity is based on the announcement by the Bureau of Energy, Ministry of Economic Affairs. The emission factor for electricity in 2021 was 0.509 kg CO₂e; for 2022, it was 0.495 kg CO₂e. As the emission factor for 2023 has not yet been announced, the 2022 coefficient of 0.495 kg CO₂e will be used.
3. Greenhouse gas emission intensity is calculated as Total emissions (MtCO₂e)/Revenue (NT\$million).
4. The greenhouse gas emissions inventory is based on internal company statistics and has not been verified by a third party.

In 2023, two electric vehicle charging stations were installed at the headquarters as a demonstration site, providing temporary charging for guests and employees. The charging stations at the headquarters were activated in September 2023, and by December 2023, the total charging power used was 695.5 kWh, saving 352.42 kg of CO₂e emissions.

Using 2020 as the baseline, 162,000 kWh of electricity was saved in 2022 (a reduction of 2%), resulting in a reduction of 168,639 kg of carbon emissions (a reduction of 4%). In 2023, electricity consumption increased by 223,180 kWh (an increase of 2.72%). The headquarters reduced electricity consumption, but overall electricity consumption increased due to higher factory demand, leading to an 8% reduction in carbon emissions, totaling 73,757 kg.

To date, the cumulative energy-saving and carbon reduction efforts have resulted in a benefit of 242,396 kg of reduced emissions. (Note: Emission factors are calculated according to version 6.0.4 of the Environmental Protection Administration's Greenhouse Gas Emission Factor Management Table.)

4.3.2 Air Pollution Prevention and Control Management

Transcend is committed to achieving a balance between environmental preservation and company productivity. We adhere to relevant environmental regulations, improve pollution prevention and control equipment, and enhance employees' environmental awareness to reduce resource consumption and waste generation.

Transcend exclusively uses R134A eco-friendly refrigerant, which does not emit substances that deplete the ozone layer, nor does it emit pollutants such as fluorides, nitrogen oxides, or sulfur oxides. Additionally, the products manufactured and the raw materials used do not cause any significant negative environmental impact during transportation.

Transcend's air pollution emissions do not meet the thresholds specified by the Ministry of Environment in the "First to Eighth Batches of Fixed Pollution Sources Requiring Installation, Modification, and Operation Permits for Company Premises." Therefore, we are not required to apply for a fixed pollution source installation and operation permit.



Two electric vehicle charging stations were installed at the headquarters

4.4

Waste Disposal

The main processes involved in the production of Transcend's products include component mounting, routing, assembly, testing, packaging, and sales to customers. Throughout these processes, there is no emission of waste gases or wastewater. Only industrial waste is generated. Industrial waste is collected and classified according to its attribute, and it is entrusted to qualified vendors approved by the Environmental Protection Administration for proper disposal. We strictly review the qualifications and licenses of the appointed vendors and conduct testing and reporting in accordance with legal requirements to ensure the appropriate handling of industrial waste. The generation of waste is primarily associated with production operations on the production lines. All waste is stored in compliance with the "Waste Disposal Act" and relevant regulations. The appointed vendors are responsible for the removal and disposal of waste pursuant to laws, and there are no instances of leakage or dispersion to the environment, aiming to minimize ecological damage. Transcend does not handle waste internally. Hazardous waste generated within the factory is managed according to the internal Waste Management Guidelines. It is handled by dedicated personnel responsible for waste management, who should make online declarations. Each time the waste is consolidated in the temporary inventory area, it is weighed and recorded. Monthly data is then compiled and reported to the Environmental Protection Administration. The website keeps records of the transportation and disposal vendors' GPS information.

In 2023, the total amount of waste generated was 195.21 metric tons. Among them, the total amount of general industrial waste entrusted for reuse was 118.92 metric tons, accounting for 60.9% of the total waste. The total amount of general industrial waste entrusted for disposal (incineration) was 64.52 metric tons, accounting for 33% of the total waste. The total amount of hazardous industrial waste was 11.77 metric tons, representing 6% of the total waste. Additionally, there was a 0% recycling rate for hazardous industrial waste.

In our operations, the largest amount of general industrial waste generated is general garbage from business activities (D-1801), primarily consisting of anti-static packaging materials, followed by employee household waste. In the production process, the cutting board process produces the most hazardous industrial waste, which includes metal-containing printed circuit board scraps and their dust (E-0221).

Hazardous Industrial Waste in 2023

Composition	Generation of off-site waste (metric tons)	Off-site disposal methods
Copper and its compounds (total copper) (Only applicable to waste catalysts, dust collection ash, waste liquid, sludge, filter material, incineration fly ash or bottom ash)	1.30	Other disposal method
The flash point of the waste liquid is below 60° C (excluding alcoholic waste with an ethanol volume concentration of less than 24%)	0.08	Incineration (including waste-to-energy)
Waste electronic components, scraps, and defective parts	0.18	Other disposal method
Metal waste and scraps of printed circuit boards	8.62	Other disposal method
Waste printed circuit boards with attached components	1.59	Other disposal method

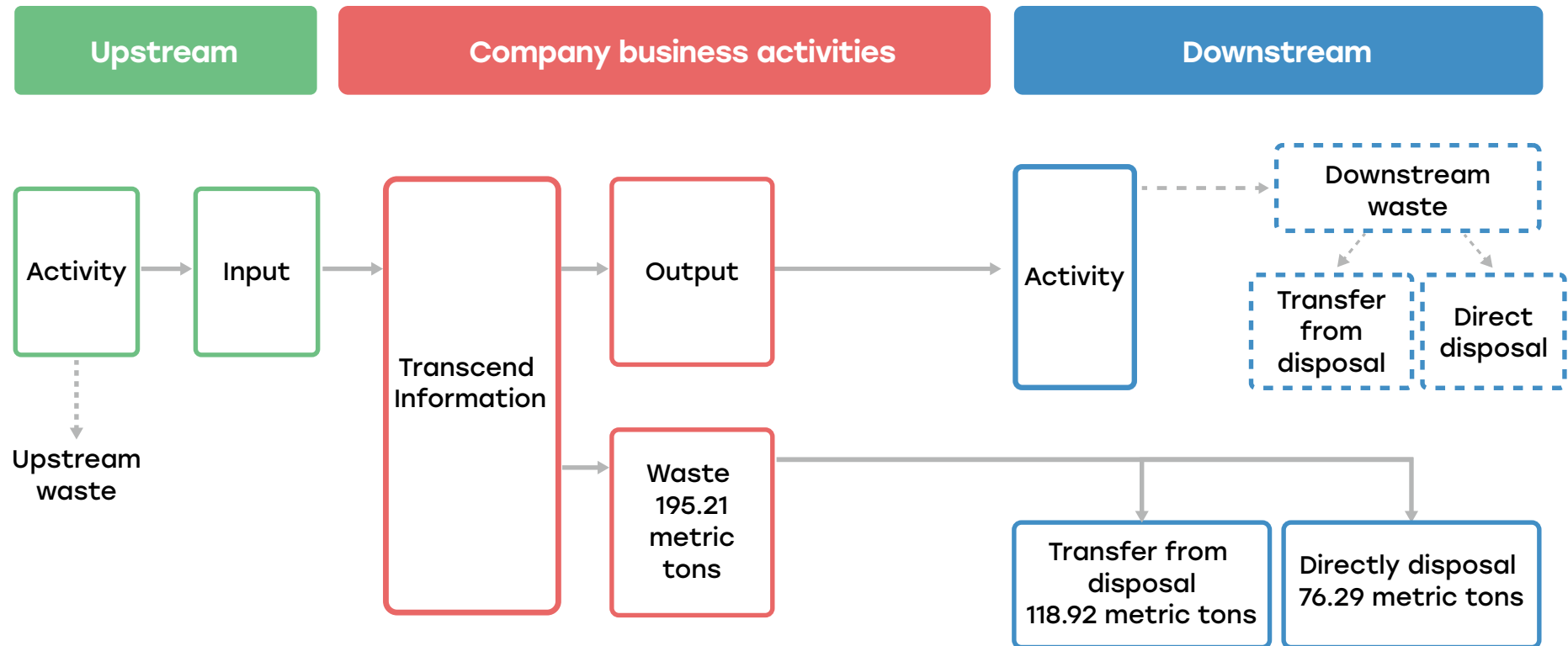
Note: Transcend does not have a permit for clearance and disposal. Waste is only stored on-site, and all waste is entrusted to waste management organizations for disposal, which is considered off-site treatment.

General Industrial Waste in 2023

Composition	Generation of off-site waste (metric tons)	Off-site disposal methods
Waste plastic mixture	0.22	Incineration (including waste-to-energy)
Waste fibers or other mixtures of cotton, fabric, etc.	1.78	Incineration (including waste-to-energy)
Waste paper	82.71	Reuse
Waste plastic	35.67	Reuse
Waste iron	0.14	Reuse
Waste aluminum	0.35	Reuse
Waste tin	0.05	Other recycling operations Reuse
Waste glass	0	Reuse
General waste generated from business activities	62.52	Incineration (including waste-to-energy)

Note: Transcend does not have a permit for clearance and disposal. Waste is only stored on-site, and all waste is entrusted to waste management organizations for disposal, which is considered off-site treatment.

Waste Treatment Chart



Appendices

Appendix 1: GRI Correspondence Table

“*” material topic

GRI Standards	GRI Content		Corresponding Chapter	Page No.
GRI 2 : General Disclosures 2021				
The organization and its reporting practices	2-1	Organizational details	1.1 About Transcend	28
	2-2	Entities included in the organization’ s sustainability reporting	1.2 Business Performance	34
	2-3	Reporting period, frequency and contact point	About This Report	3
	2-4	Restatements of information	About This Report	3
	2-5	External assurance	About This Report	3
Activities and workers	2-6	Activities, value chain and other business relationships	About This Report	3
			1.1 About Transcend	28
			2.3 Sustainable Supply Chain Partners	58
	2-7	Employees	3.1 Talent Overview	66
2-8	Workers who are not employees	3.1 Talent Overview	66	
Governance	2-9	Governance structure and composition	1.3 Governance Framework	36
	2-10	Nomination and selection of the highest governance body	1.3 Governance Framework	36
	2-11	Chair of the highest governance body	1.3.4 Recusal Mechanism of Interest Conflicts	42
	2-12	Role of the highest governance body in overseeing the management of impacts	Sustainable Development Strategy	5
	2-13	Delegation of responsibility for managing impacts	Sustainable Development Strategy	5
	2-14	Role of the highest governance body in sustainability reporting	Sustainable Development Strategy	5

GRI Standards	GRI Content		Corresponding Chapter	Page No.
GRI 2 : General Disclosures 2021				
Governance	2-15	Conflicts of interest	1.3.4 Recusal Mechanism of Interest Conflicts	42
	2-16	Communication of critical concerns	Sustainable Development Strategy 1.4 Risk Management	5 42
	2-17	Collective knowledge of the highest governance body	1.3 Governance Framework	36
	2-18	Evaluation of the performance of the highest governance body	1.3 Governance Framework	36
	2-19	Remuneration policies	1.3.3 Remuneration Committee	41
	2-20	Process to determine remuneration	1.3.3 Remuneration Committee	41
	2-21	Annual total compensation ratio	3.2 Employee Benefits	69
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Words From The Chairman	4
	2-23	Policy commitments	Sustainable Development Strategy 1.4 Risk Management 3.3 Talent Training	5 42 73
	2-24	Embedding policy commitments	Sustainable Development Strategy 4.3 Talent Training	5 73
	2-25	Processes to remediate negative impacts	1.4 Risk Management	42
	2-26	Mechanisms for seeking advice and raising concerns	1.6.2 Legal Compliance	48
	2-27	Compliance with laws and regulations	1.6.2 Legal Compliance	48
	2-28	Membership associations	1.1 About Transcend	28
Stakeholder engagement	2-29	Approach to stakeholder engagement	Communication with Stakeholders	6
	2-30	Collective bargaining agreements	3.2 Employee Benefits	69

GRI Standards	GRI Content		Corresponding Chapter	Page No.
GRI3 : Material Topics 2021				
GRI3 : Material Topics 2021	3-1	Process to determine material topics	Identify Material Topics	8
	3-2	List of material topics	Identify Material Topics	8
Specific Topic Guidelines : 200 Series (Economy)				
* Economic Performance				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20
GRI 201 Economic Performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	1.4 Risk Management	42
	201-3	Defined benefit plan obligations and other retirement plans	3.2 Employee Benefits	69
	201-4	Financial assistance received from government	1.2 Business Performance	34
Market Presence				
GRI 202 Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	3.2 Employee Benefits	69
	202-2	Proportion of senior management hired from the local community	3.1 Talent Overview	66
Indirect Economic Impacts				
GRI 203 Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	2.4.1 Arts & Sports	61
	203-2	Significant indirect economic impacts	2.4.1 Arts & Sports	61
Procurement Practices				
GRI 204 Procurement Practices 2016	204-1	Proportion of spending on local suppliers	2.3 Sustainable Supply Chain Partners	58

GRI Standards	GRI Content		Corresponding Chapter	Page No.
Specific Topic Guidelines : 200 Series (Economy)				
Anti-corruption				
GRI 205 Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	1.6.2 Legal Compliance	48
	205-2	Communication and training about anti-corruption policies and procedures	1.6.2 Legal Compliance	48
	205-3	Confirmed incidents of corruption and actions taken	1.6.2 Legal Compliance	48
Anti-competitive Behavior				
GRI 206 Anti-competitive Behavior 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	1.6.2 Legal Compliance	48
Specific Topic Guidelines : 300 Series (Environment)				
Materials				
GRI 301 Materials 2016	301-1	Materials used by weight or volume	4.1 Raw Material Management	88
	301-2	Recycled input materials used	4.1 Raw Material Management	88
	301-3	Reclaimed products and their packaging materials	4.1 Raw Material Management	88
* Energy Management				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH4 Environmental Co-prosperity	85
GRI 302 Energy 2016	302-1	Energy consumption within the organization	4.2.1 Energy Management	88
	302-2	Energy consumption outside of the organization	4.2.1 Energy Management	88
	302-3	Energy intensity	4.2.1 Energy Management	88
	302-4	Reduction of energy consumption	4.2.1 Energy Management	88
	302-5	Reductions in energy requirements of products and services	4.2.1 Energy Management	88

GRI Standards	GRI Content		Corresponding Chapter	Page No.
Specific Topic Guidelines : 300 Series (Environment)				
Water and Effluents				
GRI 303 Water and Effluents 2018	303-1	Interactions with water as a shared resource	4.2.3 Water Resource Management	89
	303-2	Management of water discharge-related impacts	4.2.3 Water Resource Management	89
	303-3	Water withdrawal	4.2.3 Water Resource Management	89
	303-4	Water discharge	4.2.3 Water Resource Management	89
	303-5	Water consumption	4.2.3 Water Resource Management	89
Emissions				
GRI 305 Emissions 2016	305-1	Direct (Scope 1) GHG emissions	4.3.1 Greenhouse Gas Emissions Management	90
	305-2	Energy indirect (Scope 2) GHG emissions	4.3.1 Greenhouse Gas Emissions Management	90
	305-4	GHG emissions intensity	4.3.1 Greenhouse Gas Emissions Management	90
	305-5	Reduction of GHG emissions	4.3.1 Greenhouse Gas Emissions Management	90
	305-6	Emissions of ozone-depleting substances (ODS)	4.2.3 Water Resource Management	90
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	4.2.3 Water Resource Management	90
* Waste Management				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH4 Environmental Co-prosperity	85
GRI 306 Waste 2020	306-1	Waste generation and significant waste-related impacts	4.4 Waste Disposal	91
	306-2	Management of significant waste-related impacts	4.4 Waste Disposal	91
	306-3	Waste generated	4.4 Waste Disposal	91
	306-4	Waste diverted from disposal	4.4 Waste Disposal	91
	306-5	Waste directed to disposal	4.4 Waste Disposal	91
Supplier Environmental Assessment				
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	2.3 Sustainable Supply Chain Partners	58
	308-2	Negative environmental impacts in the supply chain and actions taken	2.3 Sustainable Supply Chain Partners	58





GRI Standards	GRI Content		Corresponding Chapter	Page No.
Specific Topic Guidelines: 400 Series (Society)				
Employment				
GRI 401 Employment 2016	401-1	New employee hires and employee turnover	3.1.1 Diverse Workforce	67
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	3.2 Employee Benefits	69
	401-3	Parental leave	3.2 Employee Benefits	69
Labor/Management Relations				
GRI 402 Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	3.1.2 Minimum Notice Period For Operational Changes	68
* Occupational Safety and Health				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH3 Happy Workplace	63
GRI 403 Occupational Health and Safety 2018	403-1	Occupational health and safety management system	3.4 Occupational Safety and Health	75
	403-2	Hazard identification, risk assessment, and incident investigation	3.4 Occupational Safety and Health	75
	403-3	Occupational health services	3.4 Occupational Safety and Health	75
	403-4	Worker participation, consultation, and communication on occupational health and safety	3.4 Occupational Safety and Health	75
	403-5	Worker training on occupational health and safety	3.4 Occupational Safety and Health	75
	403-6	Promotion of worker health	3.4 Occupational Safety and Health	75
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationship	3.4 Occupational Safety and Health	75
	403-8	Workers covered by an occupational health and safety management system	3.4 Occupational Safety and Health	75
	403-9	Work-related injuries	3.4 Occupational Safety and Health	75
	403-10	Work-related ill health	3.4 Occupational Safety and Health	75






GRI Standards	GRI Content		Corresponding Chapter	Page No.
Specific Topic Guidelines: 400 Series (Society)				
Training and Education				
GRI 404 Training and Education 2016	404-1	Average hours of training per year per employee	3.3 Talent Training	73
	404-3	Percentage of employees receiving regular performance and career development reviews	3.3 Talent Training	73
Diversity and Equal Opportunity				
GRI 405 Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	3.1.1 Diverse Workforce	67
	405-2	Ratio of basic salary and remuneration of women to men	3.2 Employee Benefits	69
Non-discrimination				
GRI 406 Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	1.6.2 Legal Compliance	48
Freedom of Association and Collective Bargaining				
GRI 407 Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	3.2.4 Enhancing Employee Benefits	70
Child Labor				
GRI 408 Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	3.2.4 Enhancing Employee Benefits	70
Forced or Compulsory Labor				
GRI 409 Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	3.2.4 Enhancing Employee Benefits	70
Security Practices				
GRI 410 Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures	3.3 Talent Training	73

GRI Standards	GRI Content		Corresponding Chapter	Page No.
Specific Topic Guidelines: 400 Series (Society)				
Rights of Indigenous Peoples				
GRI 411 Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples	3.2.4 Enhancing Employee Benefits	70
Supplier Social Assessment				
GRI 414 Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	2.3 Sustainable Supply Chain Partners	58
	414-2	Negative social impacts in the supply chain and actions taken	2.3 Sustainable Supply Chain Partners	58
Public Policy				
GRI 415 Public Policy 2016	415-1	Political contributions	1.6.2 Legal Compliance	48
Customer Health and Safety				
GRI 416 Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	2.1 Customer Relationship Management	53
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	2.1 Customer Relationship Management	53
Marketing and Labeling				
GRI 417 Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling	2.1 Customer Relationship Management	53
	417-2	Incidents of non-compliance concerning product and service information and labeling	2.1 Customer Relationship Management	53
	417-3	Incidents of non-compliance concerning marketing communications	2.1 Customer Relationship Management	53
Custom Topics				
*Business Integrity				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20
*Corporate Governance				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20

GRI Standards	GRI Content		Corresponding Chapter	Page No.
Custom Topics				
*Regulatory Compliance (Intellectual Property Protection & Anti-competitive Behavior)				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20
*Green Product Development and Innovation				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH2 Social Welfare	50
*Supply Chain Management (Conflict-free Minerals)				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH2 Social Welfare	50
* Talent Attraction and Retention				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH3 Happy Workplace	63
* Human Rights Policy				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH3 Happy Workplace	63
* Information Security				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20
* Climate Change Response				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20
* Net Zero Action & Greenhouse Gas Emissions				
GRI 3 Material Topics 2021	3-3	Management of material topics	CH1 Operation & Governance	20

Appendix 2: Sustainability Accounting Standards Board (SASB) Correspondence Table – Semiconductors

Theme disclosed	Code	Disclosure indicator	Attribute	Detail & Explanation	Corresponding chapter
 Greenhouse gas emissions	TC-SC-110a.1	<ul style="list-style-type: none"> • Scope 1 greenhouse gas emissions • Total emissions of fluoride 	Quantitative	<ul style="list-style-type: none"> • Scope 1 greenhouse gas emissions are 33.62 metric tons of CO₂e ° • Total emissions of fluoride: 0 	4.3 Greenhouse Gas Emissions And Air Pollution Control Management
	TC-SC-110a.2	For the management of Scope 1 greenhouse gas emissions, provide an explanation of long-term and short-term strategy planning, reduction targets, and schedule of promoting emissions reduction	Discussion and Analysis	<ul style="list-style-type: none"> • Short-term goal- within 3 years <ol style="list-style-type: none"> (1) Continuously replace old equipment with green energy-saving devices to reduce environmental impact. (2) Process Improvement: Implement an intelligent energy monitoring system to enhance energy efficiency. (3) Participate in customer and stakeholder sustainability and net-zero action awareness meetings. • Mid-term goal- 3 to 7 years <ol style="list-style-type: none"> (1) Using 2020 as the baseline year, the goal is to achieve a 7% reduction in carbon emissions by 2026. (2) The parent company will complete a greenhouse gas inventory by 2026 and achieve greenhouse gas assurance by 2028; the subsidiary will complete the inventory by 2027 and achieve assurance by 2029. (3) Reduce greenhouse gas emissions by 24% before 2030. • Long-term goal- more than 7 years <ol style="list-style-type: none"> (1) Achieve net-zero greenhouse gas emissions across all operational sites by 2050. (2) Actively participate in global net-zero initiatives and promote broader sustainable development. 	CH1 Operation & Governance
 Energy management	TC-SC-130a.1	<ul style="list-style-type: none"> • Total energy consumption • Percentage of energy consumption from purchased electricity • Proportion of renewable energy utilization 	Quantitative	<ul style="list-style-type: none"> • Total energy consumption is 30,760.02 gigajoules (GJ). • 100% of the energy consumption is sourced from purchased electricity. • The proportion of renewable energy used is 0%. 	4.2.1 Energy Management
 Water management	TC-SC-140a.1	<ul style="list-style-type: none"> • Total water withdrawn • Total water consumption, percentage of water intake from areas with high water risk and extremely high water risk 	Quantitative	<ul style="list-style-type: none"> • Total water withdrawn: 29.15 million liters • Total water consumption: 1.46 million liters 	4.2.3 Water Resource Management
 Waste management	TC-SC-150a.1	Recycling ratio and total amount of hazardous waste generated from the process	Quantitative	<ul style="list-style-type: none"> • There is no waste generated during the process (Category A), so this item does not apply. 	-

Theme disclosed	Code	Disclosure indicator	Attribute	Detail & Explanation	Corresponding chapter
 Intellectual property protection and anticompetitive behavior	TC-SC-520a.1	Total financial loss related to incidents of regulation violations derived from anti-competitive behavior	Quantitative	<ul style="list-style-type: none"> No incidents of violations related to anti-competitive behavior regulations 	1.6 Internal Control and Legal Compliance
 Employee health and safety	TC-SC-320a.1	Description of efforts to assess, monitor, and reduce exposure of employees to human health hazards	Discussion and Analysis	<ul style="list-style-type: none"> To eliminate hazards and reduce environmental, safety, and health risks, the company has established a "Hazard Identification Procedure" based on the following control hierarchy to establish, implement, and maintain processes for eliminating hazards and reducing environmental, safety, and health risks: <ol style="list-style-type: none"> Eliminate the hazard. Replace with less hazardous materials, processes, operations, or equipment. Utilize engineering controls and/or work reorganization. Implement administrative controls, including training. Use appropriate personal protective equipment. 	3.4 Occupational Safety and Health
	TC-SC-320a.2	Total amount of monetary losses as a result of legal proceedings associated with employee health and safety violations	Quantitative	<ul style="list-style-type: none"> No incident occurred due to violation of occupational health and safety laws in 2023. 	1.6.2 Legal Compliance
 Recruitment and management of a global workforce for technical expertise	TC-SC-330a.1	Proportion of employees in the following categories: <ul style="list-style-type: none"> Foreign nationals Overseas workers 	Quantitative	<ul style="list-style-type: none"> Employees with foreign nationals: 0.61% There are no overseas workers. 	3.1 Talent Overview
 Product lifecycle management	TC-SC-410a.1	Proportion of products containing substances listed in the IEC 62474 Material Declaration List	Quantitative	11.2% (calculated based on the total revenue of products containing regulated substances/consolidated revenue)	2.1.1 Sustainable Service Management
	TC-SC-410a.2	System-grade processor energy efficiency, categorized as: <ul style="list-style-type: none"> Servers Desktop computers Laptop computers 	Quantitative	<ul style="list-style-type: none"> Transcend does not produce, manufacture, or sell these three types of products. This item is not applicable. 	1.1 About Transcend
 Material procurement	TC-SC-440a.1	Disclose risk-related management approaches for key material usage	Discussion and Analysis	<ul style="list-style-type: none"> For key materials, regular meetings are held with suppliers to update their product plans and provide long-term forecasted demand (FCST) to help reduce the risk of material shortages. 	2.2 Green Production

Appendix 3: Comparison Table of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Sustainable Disclosure Indicators - Semiconductor Industry

No.	Indicator	Indicator type	Unit	Corresponding chapter	Page No.
1	Total energy consumption, percentage of purchased electricity, and renewable energy utilization rate	Quantitative	Billion joules (GJ) \、 Percentage(%)	4.2 Energy Management And Water Resources	88
2	Total water intake and total water consumption	Quantitative	Cubic meters (m³)	4.2 Energy Management And Water Resources	88
3	Weight of hazardous waste generated and the percentage of waste recycled	Quantitative	Metric tons (t), Percentage (%)	4.4 Waste Disposal	91
4	Description of occupational injury categories, number of individuals affected, and rates	Quantitative	Ratio (%),Quantity	3.4 Occupational Safety And Health	75
5	Disclosure of product lifecycle management: Weight of scrapped products and electronic waste, and percentage of recycling (Note 1)	Quantitative	Metric tons (t), Percentage (%)	4.4 Waste Disposal	91
6	Description of risk management related to the use of key materials	Descriptive	-	2.2 Green Production	56
7	Total financial losses caused by legal disputes related to anti-competitive behavior regulations	Quantitative	Reporting currency	1.6.2 Legal Compliance	48
8	Primary product volume by product category	Quantitative	Varies by product type	Future statistical data	-

Note 1: Including sales of scrap materials or other recycling processes, relevant explanations should be provided.

Appendix 4: Comparison Table of Taiwan Stock Exchange Corporation Rules Governing the Preparation and Filing of Sustainability Reports by TWSE Listed Companies - Climate Change Information

Risks and opportunities posed by climate change to the company & the corresponding mitigation measures adopted by the company	Corresponding chapter	Page No.
1. Explain the supervision and governance of climate-related risks and opportunities by the Board of Directors and management	1.4.1 Climate Change Risk Management	44
2. Explain how identified climate risks and opportunities impact the company's business, strategy, and finances (short-term, medium-term, long-term)	1.4.1 Climate Change Risk Management	44
3. Explain the financial impacts of extreme weather events and transition actions	1.4.1 Climate Change Risk Management	44
4. Explain how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system	1.4.1 Climate Change Risk Management	44
9. Greenhouse gas inventory and assurance	Complete greenhouse gas inventory and assurance by 2029	-

