



2019 CSR

Corporate Social Responsibility Report

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About this report

Summary

This report is TOPCO SCIENTIFIC Co., Ltd. (hereinafter referred to as TOPCO) 2019 Corporate Social Responsibility Report (hereinafter referred to as this report). This report exposes TOPCO's plans and practices for corporate social responsibility and sustainable development, so that stakeholders from all walks of life can understand the achievements of TOPCO's sustainable development. Information regarding to the duration, period, scope and contact of this report and other relevant information are shown below:

Scope and boundary

The content of this report is corporate social responsibility practices and results of TOPCO. Beside TOPCO, some informations disclosed in this report covers the engineering and other affiliated company, including domestic ECO Technical Services Co., Ltd., JIA YI energy co. ltd. and oversea TOPCO SCIENTIFIC (SHANGHAI) Co., Ltd., SUZHOU TOPCO construction Ltd., and ANYONG Biotechnology Inc., ANYONG freshmart Inc. YILAN ANYONG LOHAS Co., Ltd. etc, to show out management performance. For more detailed company organization and financial information please refer to the company's annual report and the "Stakeholders" page of TOPCO's website.

Publish date and period of this report

This report is the third annual Corporate Social Responsibility Report prepared by TOPCO. The information and descriptions present in its content cover the implementations relating economical, social and environmental issues during the period of January 1st. 2019 to December 31th 2019. TOPCO publish a Corporate Social Responsibility annually, the publish date of last issue is June, 2019.

Editorial principles of this report

The information covered in this report complies with the AA1000 Accountability Principles 2018. The disclosure is prepared with the reference of GRI Core and Comprehensive Options issued by Global Reporting Initiative, and there is an index of reference to the GRI guideline in the appendix of this report.

Assurance and confidence of the report

In order to improve the transparency and reliability of information, we entrust a third party certification institution AFNOR Group to verify this report use the Type I, moderate level of assurance engagement and GRI Core and Comprehensive Options. The certification is attached in the appendix of this report.

Contact of this report

Feedback and contact information

If there is any comments on the 2019 TOPCO Corporate Social Responsibility Report, please feel free to contact us.

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<http://csr.topco-global.com>

Words from Chairman of the board

Thirty years of business success

Looking forward to a new era of AI, environmental protection and health care



Chairman
Mr. Jeffery C.L. Pan

Towards the thirtieth anniversary Revenue exceeded 30 billion

In 1990, TOPCO started from a small office on Fuxing North Road, Taipei. With the support of the society and the hard work of our colleagues, we dedicated in the high-tech realm, then toward the environmental protection and health care business, our business territory has expand from Taiwan to mainland China and south-eastern Asia, and our employee has increased to thousands. In 2019, we celebrate the 30th anniversary, and the consolidated revenues exceeded 30 billion NT toward NTD 31.7 billion, and profit have also grown compare to 2018.

30th Anniversary Series Activity Celebrate the achievement and honor with our colleagues

To show out gratitude to our staff who accompanied the company for a long journey, in 2019, we held a series of celebrating activities. Started with spring tourist for staff of whole group, invite colleagues to participate with their families and embrace nature in their spare time; Give sports bracelets to all colleagues, and set up health boards on the employee portal to encourage colleagues to develop regular exercise habits in their spare time; We held a marathon game at the Sanxia campus of the National Taipei University, meantime we provided sport courses in the university's sport center to colleagues for free experience. We held



CO-CEO
Simon Tseng



CO-CEO
Charles Lee

softball and golf games, invite our customers and suppliers to participate, establish excellent partnership and customer relationship; We established a voluntary worker club to coordinating and planning social services, with the spontaneous participation of employees, visiting animal shelters and nursing institutes, payback to the society with practical actions.

In terms of internal management, TOPCO introduced ISO 14064 greenhouse gas inspection in 2019, and the scope of the inspection includes the Taipei headquarters building, Hsinchu factory, and Zhunan warehouse.

While pursuing operational performance, we pays more attention to the practice of corporate social responsibility and won the "Taiwan Corporate Sustainability Award", "Corporate Sustainability Report Award" in the Taiwan Corporate Sustainability Award, and "Social Inclusion Award", "People Development Award" two best performance awards.

Formulate Business Continuity Planning (BCP) to maintain a steady advance in the incident

Due to the global distribution of Coronavirus disease 2019 (COVID-19), corporate group setup a BCP: implement office partitions and remote working, install IR human body temperature sensor in the headquarter lobby, take and record body temperature of our staff twice a day, and control and separate the elevator passenger number. After each holiday, we investigate the places our employee stay, to prevent potential risk. In addition, we collaborate with our affiliate ANYONG freshmart to deliver epidemic prevention kit to help all group staff preventing this disease. Planning a sound risk management mechanism, and response guideline to reduce the effect of external impact, to maintain a steady advance in the incident, in response to all stakeholders' trust in TOPCO.

Step into AI, Environment protection and Healthcare hi-tech industries, to plan a new growth profile for TOPCO

TOPCO consider itself as a comprehensive supplier for hi-tech industries. Currently, the global economic environment is undergone a tremendous change, In response to the increasing uncertainty, in addition to continuing to provide products and services in the semiconductor field, we have further strengthened the digital application development department, plan to develop AI and 5G related applications, and manage the trends to promote future development;

In the realm of environmental protection, besides the business of waste water treatment and solar energy, TOPCO collaborate with Taiwan Sugar Corporation to build up intellectual power-saving pig barn. Introducing advanced intelligent technology from European and American animal husbandries to optimize the configuration of pig farms, change the stereotype of Not in My Backyard of the traditional pig barn

In response to the needs of Taiwan market for health care products, our affiliate AnYoung Fresh continued to launch healthy and nutritious products, and best selling perch essence and collagen were once again awarded the World Quality Assessment Gold Award.

In response to the trend of stay-at-home economics, in addition to the development of e-commerce, it also cooperates with the delivery platform to promote safe ingredients delivery services to provide new options for consumers at home. On the basis of existing businesses that have grown steadily, we will expand the span of new businesses and products services, add new momentum for the business growth, and step steadily toward the next thirty years.

President Tsai attended the twelfth TSC Thesis Award ceremony

Since its establishment in 2008, the TSC Thesis Awards has entered its twelfth year. Now this award is called the "Oscar award of Management science" in Taiwan, it is the largest master and doctor thesis competition. In this year (2019) we have the honor to invite President Tsai to attend the award ceremony. In her speech, she expressed that "TSC Thesis Award can become an important communication platform for the industry, because the categories of competitions has progressed with time, in line with global industrial trends, and responding to government policies, and the conclusions of these studies can be valuable reference to government departments. Another symposium, the TSC Marketing Symposium has also enter its forth year, in response to president's word, TOPCO will continuously invest its resources in thesis award and marketing symposium, collaborate with government to promote industry-university cooperation, enhance academic research capabilities and promote Taiwan's industrial transformation and upgrading. TOPCO's success in the past 30 years took advantage from people cultivated by the society. Now we cultivate more competent people to help the country to grow stronger.

Advocating perfection, pursuing excellence

Adhering to the spirit of "advocating perfection and pursuing excellence" for sustainable management, we invest effort in promising AI digital applications, environmental protection and general health businesses. Creating value for society through products and services, taking into account sustainable governance and corporate operations growing up. Taking corporate social responsibility is our persistent goal.



1. Current status of TOPCO

Highlight of the 2019

- ✔ Consolidated revenues of the whole corporation exceeded 30 billion.
- ✔ Company revenue reached NTD 18.83 billion, an increase by 18.5%.
- ✔ Cash dividend NTD 6.5 per share, set a new height.
- ✔ Earnings per share NTD 9.48, an increase by 22.6% compare to 2018, also set a new high.
- ✔ Chairman of TOPCO group Dr. J.W. Kuo has been granted "K. T. Li Fellow Award" by IICM.
- ✔ In CommonWealth Magazine "Taiwan Top 2000 Survey", TOPCO is the No. 58th in service industry, and No. 14th in IC sales channel.
- ✔ In 2019, TOPCO has been granted "Golden quality Award" and "Longterm sponsor award" in MOE's "Award for Outstanding promotion of spots at school" presentation ceremony.

1.1 Current status and development

Company History

Since the day which founder Mr. Yung-Jan Chang established TOPCO in the 1990, TOPCO always adhering to the business philosophy of "Diligence, Integrity, Professionalism, and Sharing", dedicated in advanced technology fields, and actively introduce the state-of-art processes and technologies to provide customers the highest standard integration service with high-efficiency planning and execution, and a global operation management model.

In hi-tech business, we serve as a trading agent, selling precision material, processing apparatuses and components for LCD and LED industries. We persist the virtue of steady quality, accurate delivery, and rapid service to fulfill the demand of customers. And we have passed ISO-9001 quality certification, and earned the Golden Torch Award for extinguish achievement, to be a best partner of our customers and suppliers.

Diligence
Integrity
Professionalism
Sharing

▲ Figure 1.1 Business philosophy of TOPCO

TOPCO IPO in 2000, and publicly listed in 2003, and since that day we persistently enhance our operation, expand the business realm, and became a comprehensive supplier of high-tech industries. Growing revenue and profits shows that our integral business strength has won the favor and recognition of global customers.

Continue to expand the depth and breadth of our business

In order to provide a comprehensive service, we expanded our business, from providing material and equipments for the semiconductor manufacturing, packaging, to the photoelectric (LED/LCD) industry, electronics manufacturing etc. As the company continues to grow stronger, our service territory not only covers Taiwan but also mainland China and Singapore.

Strengthen the competence development and personal connection

Personnel with competence are the base company growth. TOPCO has set up a competence development program. With a comprehensive basic training to cultivate the employee's professional knowledge,

and establishes a learning passport mechanism, it covers a variety of learning channels, including on-the-job training, internal training, external training, and online learning courses. To improve employee's competence and professional skills. To enhance management performance, we encourage out high rank manager to sign up for EMBA or other academic program to enhance professional and cross-disciplinary leadership.



▲ Figure 1.2 Hi-tech materials, equipments and services provide by TOPCO



▲ Figure 1.3 Competence development training courses provide by TOPCO

Strategy of Diversification

TOPCO and its subsidiaries are collectively known as TOPCO Group. In response to global environmental protection and health care trends, TOPCO Group has stepped into environmental protection, food, and leisure industries, and strives to participate in various fields. With sincere service and products that make consumers feel safe, and becoming a trustworthy society.



▲ Figure 1.4 TOPCO Group's development map for the four major business areas

Current business status

TOPCO scientific was officially listed on the Taiwan Stock Exchange in 2003 under the stock code 5434. We have offices all over the Asia, including Taiwan, mainland China, Singapore and Japan. The corporate headquarters is located in Taiwan at 483, Section 2, Tiding Blvd., Neihu District, Taipei City.

Table 1.1 Current business status

Company name	TOPCO SCIENTIFIC Co. Ltd.
Date of founded	Feb. 17, 1990
Headquarter	Address: No.483, Sec.2, Tiding Blvd., Neihu, Taipei City
IPO	2003 (Stock code 5434)
Amount of capitals	NTD 1.817 billion
Number of employee	493 person (2019)
Group's total employee number	1,199 person (2019)

Affiliate service office



▲ Figure 1.5 Global service location

At present, there are six overseas affiliates in China, Singapore, Japan, The affiliates of TOPCO group are listed below:

Domestic

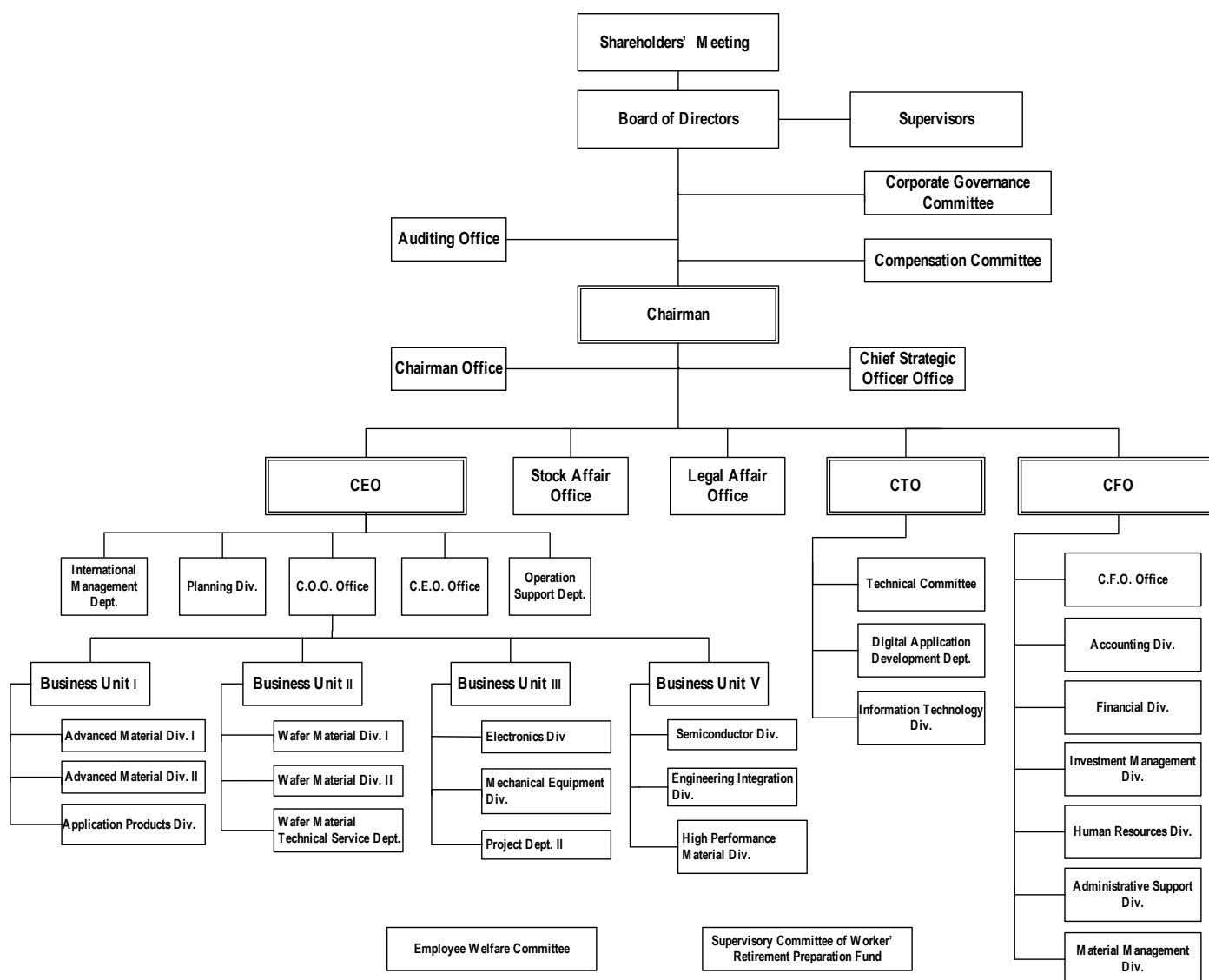
TOPCO QUARTZ PRODUCTS CO., LTD.
 SHIN-ETSU HANDOTAI TAIWAN CO., LTD.
 SHIN-ETSU OPTO ELECTRONIC CO., LTD.
 TAIWAN E&M SYSTEMS INC.
 JIA YI ENERGY CO., LTD.
 ECO TECHNICAL SERVICES CO., LTD.
 TOPCHEM MATERIALS CORP.
 ANYONG BIOTECHNOLOGY, INC.
 ANYONG FRESHMART, INC.
 YILAN ANYONG LOHAS CO., LTD.

Oversea

TOPCO SCIENTIFIC (SHANGHAI) CO., LTD.
 TOPSCIENCE(S) PTE LTD.
 SUZHOU TOPCO CONSTRUCTION LTD.
 TOPCO SCIENTIFIC CO., LTD.
 SHANGHAI CHONG YAO TRADING CO., LTD.
 TOPCO CHEMICAL(Z. F. T. Z.)CO., LTD.

Functions of organization

Based on different functionalities TOPCO has established various departments to enhance the company operational performance. In order to implement the company's internal management and supervision mechanism, through the integration and sharing of resource platforms, and focus on the integration of back-end management efficiency and front-end coordination, thereby improving the front-end business efficiency,



▲ Figure 1.6 Company organization chart

Functionality of major department

Table 1.2 Description of each department's functionality

Department	Function
Office of the chairman of the board	Formulate business guideline and object.
Headquarter	Planning and execution of the business department' s annual operating policies and business strategies control of internal performance and business activities.
Information division	Setup, introduce and maintain hardware and software of company information system.
Technical committee	Establish platform for new product development and technical information exchange, developing new market.
Planning division	Summarize the annual operational plan of each department, and performance analysis. Planning the routine activities and project task. Performance assessment and strategic development planning.
Human resource division	Responsible for human resources management and organizational development planning.
Accounting division	Perform accounting operations, payroll.
Financial division	Planning the long- short term capital movement, forecasting cash flow and fund management.
Investment management division	Conduct investment evaluation and project analysis.
Material division	Procurement, import/export operation, material control and storage operation.
Administrative division	Office appliance, fixed assets and miscellaneous equipment management.
Legal office	Prepare, review and produce contracts, providing legal advices.
Audit Office	Assess the deficiency of internal control systems and assist the board of directors conduct their responsibilities

Corporate Governance

Board of directors

Board of Directors is the highest governance body of the corporation, consisted of seven directors (including two independent directors) and three supervisors. Present board was

elected by shareholders in 2017 shareholder meeting. To enhance company governance, the Company has formulated a "Corporate Governance Code of Practice" to implement the policy of diversification of executive board members. The members of the board must have relevant background and experience in business administration, corporate management, finance, etc., and there is no restriction in gender, age and education level. The board responsible for formulate a diversified policy on the company's operation, operation manner and development requirement.

Information regarding individual directors, implementation of the diversity policy and independency of board members is disclosed in the company's annual report and the web page stakeholders section.

(<http://www.topco-global.com/webfront/pages/Invertor2.aspx>)

Table 1.3 Member of board of directors

Title	Name
Director	J. W. Kuo
Director	Jeffery Pan
Director	Simon Tseng
Director	Charles Lee
Director	Robert Lai, Legal representative of Jia Pin Investment Development Company Limited
Independent director	Lin-Sen Chen
Independent director	Pi-Chuan Sun
Supervisor	Pei-fen Chang
Supervisor	Guang-zhe Lai
Supervisor	Fu-hsiung Wang

Tenure: June 14, 2017 to June 13, 2020

The board of directors is convened at least once a quarter by the chairman. If there is a special need, a temporary board can be convened. In 2019, the board of directors had been convened 5 times, with an average attendance rate of 94%.

Besides to setting the business guideline and objectives, the board also responsible for establishing company risk management system, discusses and sets risk management policies and guidelines for the company to implement the risk management standards, and has the responsibility of overlook the company's overall operations, to create the highest interests for shareholders.

In order to effectively control the customer credit risk, the company's web platform has built a customer alert system, which regularly updates customer financial reports, credit and risk rating and other information. The Finance Department regularly reviews the rationality of customer's line of credit every year, and evaluates, review and management customer credit risks.

In order to implement corporate governance and enhance the functions of the board, we adopted the "Board Performance Evaluation Method" by the board of directors in 2018. The internal evaluation of the board performance is carried out every year, and the evaluation is carried out every three years by an independent external professional institution or a team of external experts and scholars. The scope of evaluation includes the board, individual member and functional committee. Board attendance and result of performance evaluation are disclosed in the company's annual report and website.

Payroll committee

The payroll committee is responsible for assisting the board of directors in regularly formulating and evaluating the performance and payment of directors, supervisors and managers, as well as the company's overall payroll and welfare policy. The payroll committee consists of 3 members (including 2 independent directors). In 2019, the committee met 5 times. For details of the payroll committee information, attendance and operation please refer to the company's annual report and website.

Integrity and norm in business

Based on the business philosophy of Diligence, Integrity, Professionalism, and Sharing, the company formulates policies based on integrity, and establishes good corporate governance and risk control mechanisms to create a sustainable business environment.

Since 2015, the Board of Directors has adopted the "Code of Ethical Conduct" and "Code of Integrity Management", to specify that employees should strictly abide by relevant laws and standards when doing their jobs, and make stakeholders more aware of the company's ethical standards, and guiding employee with integrity behaviors. It is prohibited to using company property, information for personal gain.

The company explains the Group's operating philosophy on its management regulations and website to express its integrity management policy. Under the board of directors, there are payroll committee, corporate governance committee and an audit office for supervise and verify the integrity of business operations in accordance with their rights and responsibilities. There also have a task force under the shareholder service office, leaded by a company governance officer assigned by the board to formulate and supervise the implementation of dishonesty, and regularly report to the board of directors and management. Our operation complies with the requirements of the "Integrity Management Code" and "Ethical Code of Conduct", in terms of business, we setup the standard of operation for each trading process, and in terms of internal management, setup the operation and management rules, published on the intranet for standardize the company's code of conduct and carry out relevant education and training for employees.

The business management regulations stipulate that after the employees should sign a letter of integrity, and we promote the company's integrity management philosophy through various meetings and activities to form a company culture. Ethic topic training held regularly and irregularly: In novice

training, express the importance of integrity and confidentiality in the workplace, as well as the discipline of the company; In internal education and training, provide courses about business secrets and Personal Data Protection Act. The company's website has installed a mailbox for reporting any information on fraud and business ethical violations. Reporting mail will automatically send to the audit supervisor under the company's strict policies and publicity on integrity and ethics, in 2019, colleagues strictly abide by the relevant regulations, and no of ethical violations have occurred.

Regulatory compliance

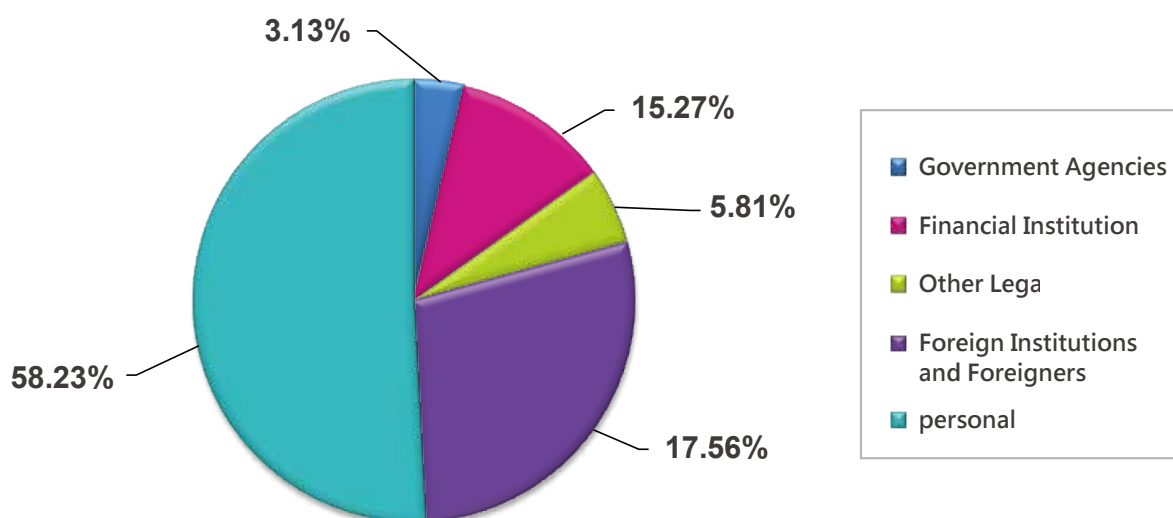
TOPCO attaches great importance to compliance with various regulations, and has install a legal office to assist employees clarify various regulatory concerns. In 2019, there were no records of violations of any relevant laws and regulations in the economic, environmental and social fields, which resulted in fines and appeals.

Stock information

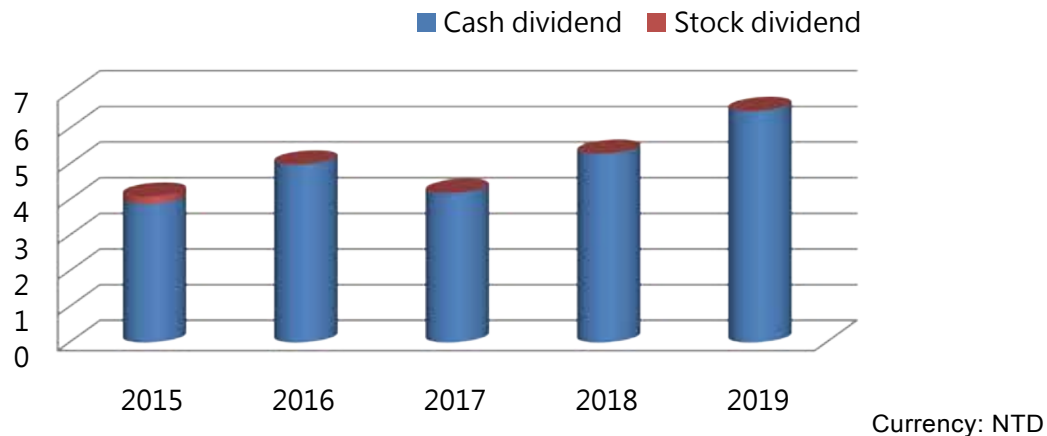
Table 1.4 Basic company information

Amount of capitals	NTD 1.817 billion
Circulating shares	181,699,567 shares
Number of shareholders	28,898 person
Stock exchange	Taiwan stock exchange corporation (TWSE) Stock code 5434
Director	Robert Lai, Legal representative of Jia Pin Investment Development Company Limited

▲ Data updated to May 15, 2019



▲ Figure 1.7 Structure of shareholders



▲ Figure 1.8 Dividend distribution in the last 5 years

Table 1.5 Dividend distribution in the last 5 years Currency: NTD

dividend / year	2015 年	2016 年	2017 年	2018 年	2019 年
Stock dividend	0.2	0	0	0	0
Cash dividend	3.9	5	4.2	5.3	6.5
Summary of dividend	4.1	5	4.2	5.3	6.5

* Source: TOPCO Market Observation Post 2019

Corporation group's medium and long-term development plan

Since its establishment, TOPCO group has entered its forth decade, and we will continue to deepen the high-tech field on the basis of existing development, deepen the layout of the mainland China market, and rapidly meet the customer requirement in materials and services. In recent years, TOPCO has actively promoted the product manager (PM) system, increased the dispatch and overseas bases (such as TOPCO chemical), and expanded overseas markets such as Singapore and Vietnam to consolidate warehousing operations to optimize the cost structure. In addition, in response to the development of the semiconductor field in mainland China, we have strengthened the integration of Foundry Service and semiconductor quartz-related businesses to help mainland China's IC design companies find suitable OEM manufacturing technologies and accelerate product introduction into the market. In the future, we will continue to work intensively to reach the upper stream and down stream of supply chain, intent to provide total solutions for IC designer.

To pursue the goal of sustainable development, TOPCO has invested in the environmental protection and green energy industry and put forward comprehensive environmental protection programs such as carbon reduction, energy saving, and resist global warming, to contribute to

the sustainable development of the environment. Suzhou TOPCO construction Co., Ltd. was founded in 2005, and ECO technical services Co., Ltd. was founded in 2008, both company dedicated to wastewater treatment and anti-pollution construction in China and Taiwan, and copy Taiwan's successful experience to introduce it into China. Recently, China has strengthened regulations in environmental protection in order to realize the concept of beautiful China, thus TOPCO has its opportunities to actively expanded business for wastewater treatment in newly built factories in the Yangtze River Basin; In Taiwan, our environmental engineering section has introduced total quality management (TQM) system to improve working flow, obtained large-scale wastewater treatment and air condition electrical and mechanic projects, and create industrial waste management business and chemical selling business. To continuously increase the corporation's performance and profit.

In energy management business, TOPCO established its subsidiary Jia Yi Energy in 2008 to develop a comprehensive solar energy supply chain, and operation and maintenance teams with abundant of Engineering Procurement Construction (EPC) experience. Through technology integration and strategic alliances, greatly improved the efficiency of compound energy. Jia Yi Energy integrates solar energy, biogas, wind power and power generator technologies with is intelligent compound energy system and intelligent monitoring system, providing hi-efficiency and stable power supply, effectively improve the percentage of renewal energy, and construct a safe, sustainable low-carbon economics. In response to the new southbound policy, we also provide the experience in domestic power station system development to actively involve in Southeast Asian power station market development and overseas solar product sales.

Healthcare industry is the future trend, TOPCO will use the Group's operating advantages and accumulated core capabilities, and recruit diverse professionals to join the development of new businesses. Uphold the main axis of health and people's livelihood, integrate and promote new business in food, tourism, exercise, catering, biomedicine and others. The affiliate of TOPCO group include Anyong Freshmart, Anyong biotechnology, Anyong LOHAS, their businesses cover the food, staple goods, and seafood. Anyong continuously taking care about the health and quality of consumers. Their perch essence has earned World Quality Assessment Gold Award. Anyong alliance with convenient store franchise 7-ELEVEN, through the integration of virtual and real frozen food supply chains, introduce anyong's frozen products into convenience stores, to meet the round-the-clock meal preparation needs.

Looking forward to 2020, COVID-19 pneumonia has impact the global supply chain severely, and the uncertainty of the China–United States trade war will slowdown the global economic, but the overall semiconductor industry is still expected to benefit from innovative applications of 5G communications, AIoT, big data, Internet of vehicles, and continue to grow. If the epidemic is relieved at the end of June, a strong growth of the semiconductor industry in the second half of the year is still can be expected. Our medium- and long-term development strategy includes more products franchise and market expansion. We install a dedicated unit to evaluate and

introduce 5G key materials, 3D printing and the third-generation semiconductor materials, and seeking suitable partners for strategic alliances and cooperation. Overall, we will continue to work intensively in the semiconductor and high-tech materials markets, boosting the company's performance.

In the business of environmental protection, besides the waste management business, we also involved in the final treatment of calcium fluoride sludge, and actively expanded the development of circular economy. In 2020, TOPCO Group will work with Taiwan Sugar to plan to build a smart energy-saving pig farm, improve the pig breeding environment, reducing feed costs and improving the efficacy of epidemic prevention. It is expected to drive the growth of environmental engineering revenue and the development of the smart green energy environmental friendly pig house market; In the business of livelihood, besides optimizing the production efficiency of Anyong biotechnology and strengthening the products and channels of Anyong Freshmart, promoting the tourism business of the Anyong LOHAS, and the enhance the operation of Taipei University's gymnasium to develop a great healthcare business.

TOPCO has enter its forth decade, in the future, on the basis of the existing development, we will continue to deepen the high-tech field, enhance the deployment in the Chinese market, rapidly meet the materials and services requirement of customers, developing circular economy and healthcare business, continue to maintain high-performance operation, implement corporate governance and do all we can in Corporate social responsibility, pursue the company's sustainable operation and development.

Vision of the group

TOPCO group continuously invest in creating high-value, high-growth business. With solid technology and experience in the high-tech industry, vertically integrate business models, horizontally connect industrial resources, integrate technology, environmental protection, green energy, people's livelihood, exercise, and healthcare into the meticulous business network of TOPCO Group, to provide comprehensive life proposals.

In order to improve visibility and deepen the sense of existence, TOPCO Group has been cultivating in the fields of semiconductor and optoelectronic for a long time, providing customers with excellent, accurate and rapid service quality, actively integrating the application of new technologies, and combining innovative operating models to create corporate core values and become Customers are the first choice of business partners, and jointly pursue innovation and improvement In 2019, TOPCO Group develop overseas markets such as Singapore and Vietnam, consolidate its warehousing business to achieve the purpose of cost structure optimization, and continue to expand its business realm to move towards a comprehensive international group.

Aiming at the rapid growth of Chinese semiconductor market, TOPCO implement product manager system to integrate product development information, enhance the development in China, introduce the semiconductor development experience in Taiwan to Chinese market. In 2018, promoting the foundry service platform. In 2019, enhance the integration of business of foundry service and semiconductor quartz, helping mainland China's IC design companies seeking suitable OEM manufacturing technologies and accelerate product introduction into the market. In the future, we will continue to work intensively to reach the upper stream and down stream of supply chain, participate in the proofing and design of new products with customers and factories, to learn customer's new product trends and increase customer dependency, also expand the scope of business through cooperation with system manufacturers, intent to provide total solutions for IC designer.

In response to global trends in environmental protection, green energy, energy conservation and carbon reduction, TOPCO is actively fulfilling its corporate social responsibilities and actively creating new green businesses. With its affiliates Jia Yi Energy and ECO technical services striding into the environmental industry, Provide solar energy, green building materials and sludge wastewater treatment and other related products, technical services, system integration, EPC and other services, in order to pursue the welfare of all mankind and move towards the milestone of sustainable management.

Healthcare industry is the future trend, TOPCO with its operating advantages and accumulated core capabilities, promote new business in food, tourism, exercise, catering, biomedicine and others, and work intensively in healthcare business. In response to UN's promotion, with the altitude of pursuit perfectness, enhance a healthy life for all people.

TOPCO will always be ahead of the changes of the times, from high-tech, environmentally friendly green energy to the life and health industry. No matter in the fields of food and catering, health care, sports and leisure, every new business is expected to mutual effect, to multiple the benefit of group, and also to exercise the corporate responsibility, solve important human issues, and create new indicators and values for the world!

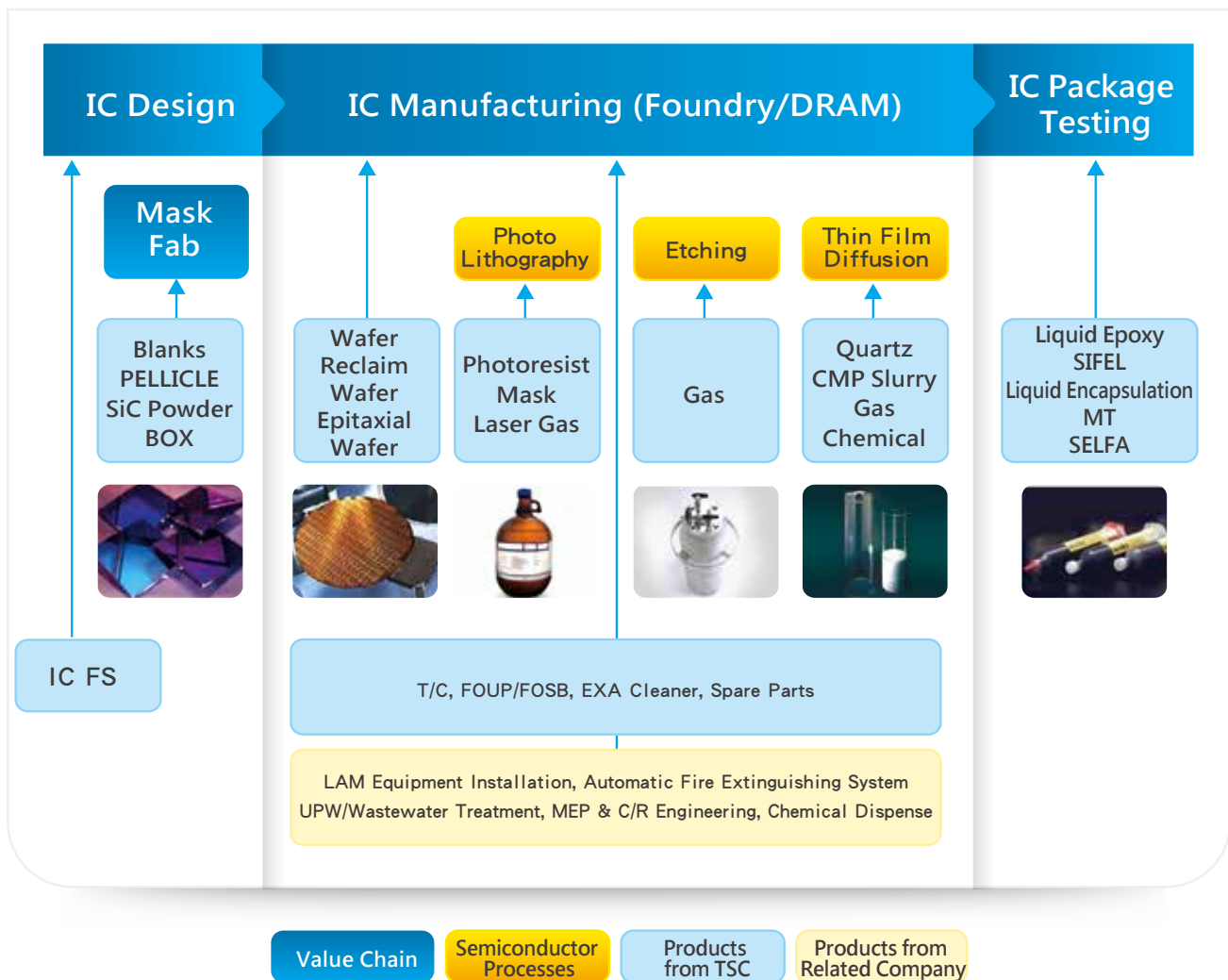
1.2 Product service technology

TCOPO provide integrated services to semiconductor and optoelectronic industry, with its professional capability, and vast connection network, earn a leading position in the industry, providing customized solution, and consistently optimize out service quality. We are the best business partner of our customers.

Controlling the key material

TOPCO has established a dense supply network in the semiconductor realm of Taiwan, and the secret of our success is the trustworthy partnership. As the manufacturing of semiconductor in Taiwan consistently makes progress toward nanotechnology, the demand for advanced materials such as DUV photoresist and ArF photoresist, which are needed in photolithography and photoengraving, has also increased significantly.

TOPCO distribute the products of Shin-Etsu Chemical Co., Japan. Due to excellent quality



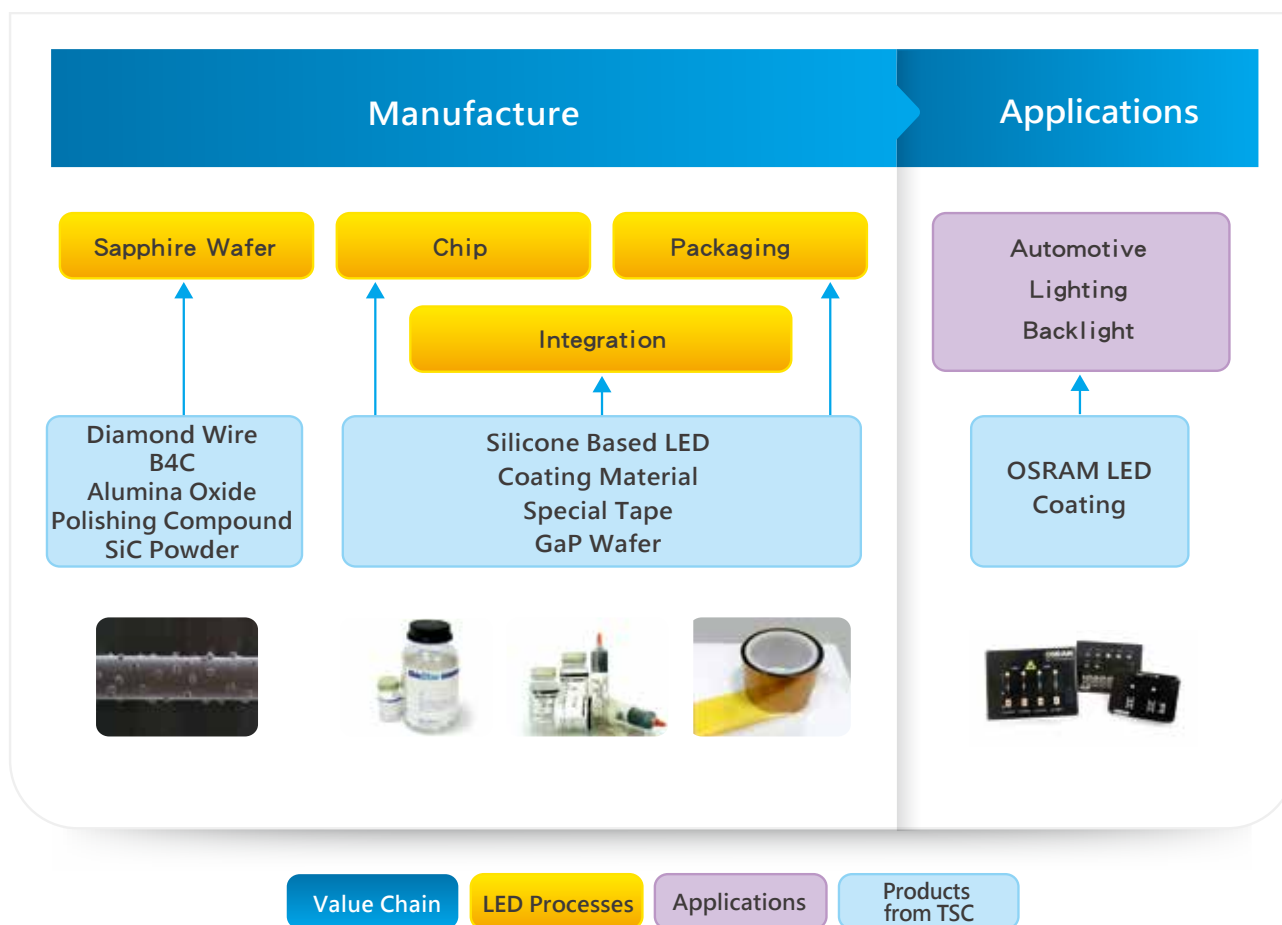
▲ Figure 1.9 Product with industrial value chain in semiconductor industry

of the product, it possess a leading position in application in photolithography process. Our photoresistor posses a 50% share in Taiwan market. In term of silicon wafer, we gain the exclusive listing of Shin-Etsu semiconductor Japan in China and Taiwan market. In addition, TOPCO and Japan Shin-Etsu Quartz has established a joint venture TOPCO Quartz products Co., Ltd. in Taiwan, with the best clean room processing plant, becoming the main supplier of domestic quartz appliances, and possess a leading position in the semiconductor quartz material market.

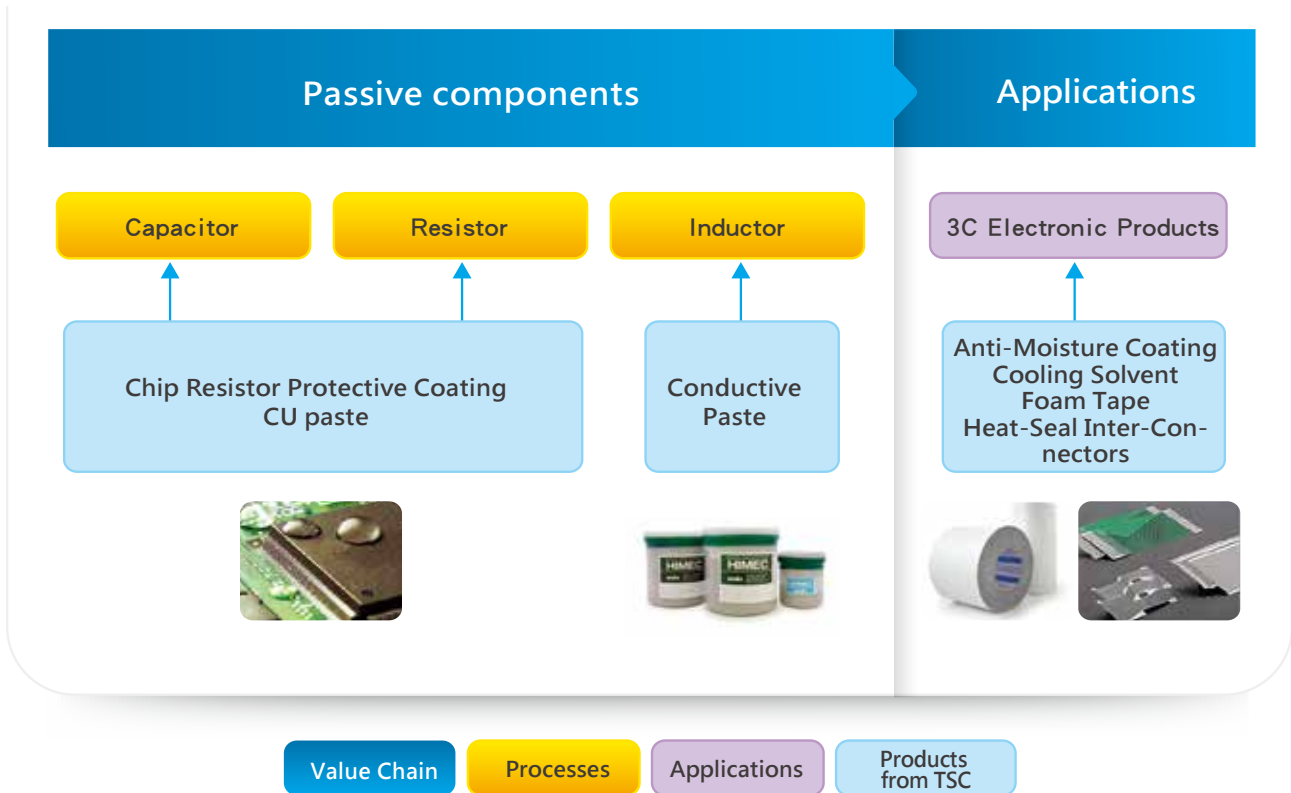
Optoelectronic material

TOPCO's product/service and market

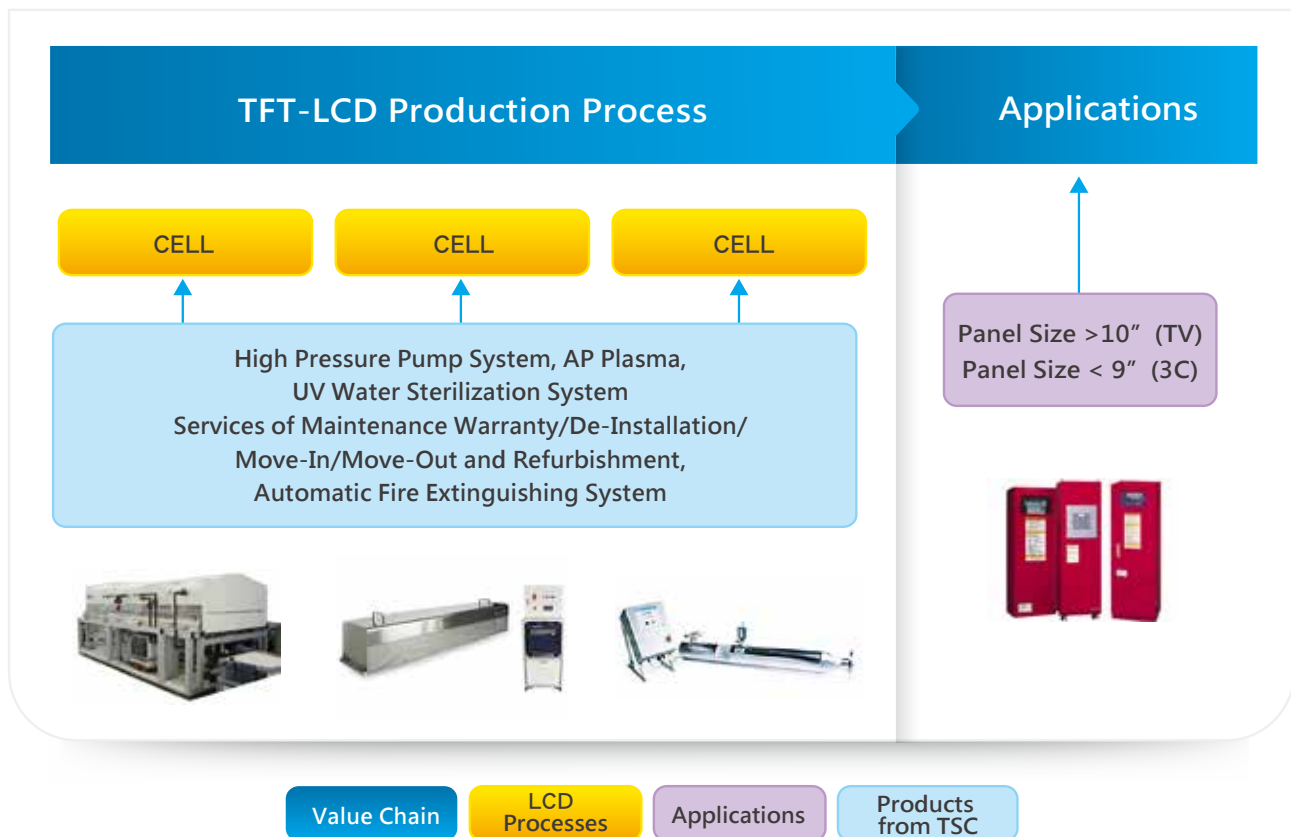
- semiconductor material: Provide various precision materials and related products required for the semiconductor manufacturing process
- Optoelectronic material: provide various materials required for electronic application, LED, LCD and solar energy production and application.
- Equipment: provide equipments and services for semiconductor and LCD production.



▲ Figure 1.10 Materials for LED and solar energy industries



▲ Figure 1.11 Materials with passive component value chain



▲ Figure 1.12 Equipments and services for semiconductor and LCD production.

1.3 Operation performance

Semiconductor-related precision materials are the company's main source of revenue, accounting for about 80%. According to the statistics of ISTI, the output value of Taiwan's IC industry in 2019 reached NT\$2.6656 trillion, an increase of 1.7% over 2018. Semiconductor manufacturing technology is constantly being upgraded, and the demand for precision materials required for new processes is also increased. In China, government supporting the development of semiconductor industry, and the market is growing rapidly.

In 2019, with the joint efforts of the management team and all colleagues, we have continue to increase product items and expand market scale, improve revenue and performance; Due to the increasing in demand for advanced process materials in the semiconductor foundry market, growth in the Chinese market, and recognition of project completion, the delivery of wafers, photoresist, quartz, and special chemicals used in the production process have increased significantly, and profits have also increased.

In the booming semiconductor market, TOPCO's operating performance has continued to grow in the past three years (2017~2019), regardless of gross operating profit, net operating profit, of after-tax net profit.

Remarkable operating figures and significant revenue growth

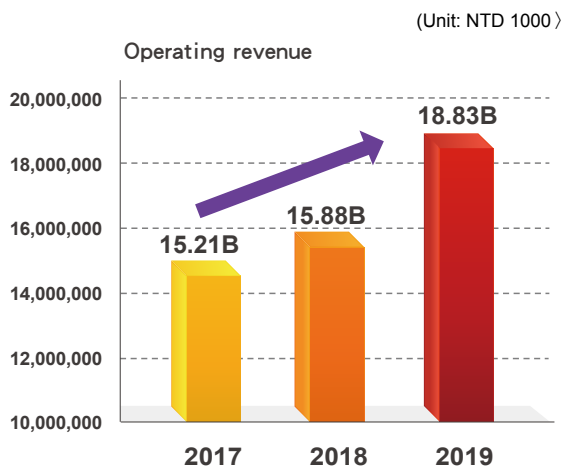
TOPCO believes that the sustainable operation of an enterprise must pursue good financial performance, thus it can create higher economic value continuously and steadily. In 2019, TOPCO's revenue was NTD 18.83 billion, an increase of 18.5% over 2018. The net profit after tax was NTD 1.72 billion, and the after-tax surplus per share reached NTD 9.48. Substantial growth will continue to deepen the high-tech field in the future, accelerate the expansion of the mainland market, and continue to maintain high performance.

Table 1.6 Operation performance in the last three years

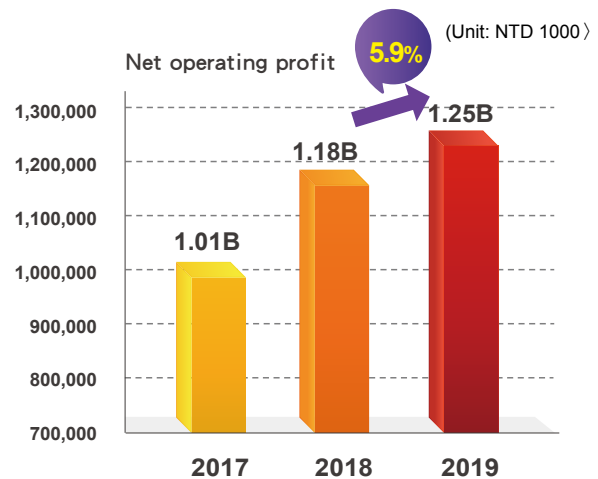
(Unit: NTD 1000)

	2017	2018	2019
Operating revenue	15,208,741	15,882,227	18,836,684
Gross operating profit	2,047,599	2,321,391	2,487,861
Net operating profit	1,008,626	1,181,184	1,258,501
Net income	997,625	1,404,675	1,722,308
Earning per share (unit: NTD)	5.98	7.73	9.48

* Source of data: TOPCO 2019 annual financial report



▲ Figure 1.13 Operating revenue 2017 to 2019



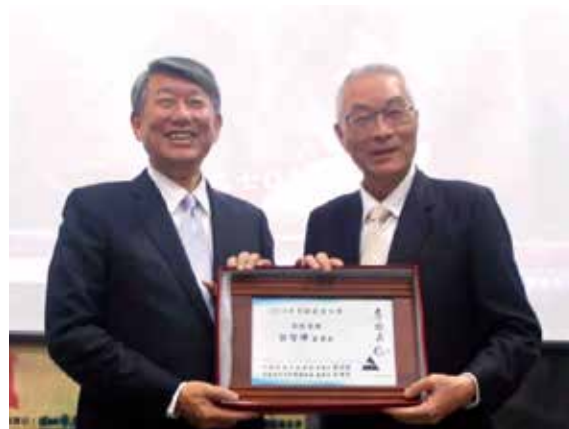
▲ Figure 1.14 Net operating profit 2017 to 2019

Honors

The Chairman of TOPCO group, Dr J. W. Kuo, has awarded "K. T. Li Fellow Award"

In the annual conference of IICM, held at March 30, 2019, in honor of late Mr. K. T. Li, aka "Godfather of Technology" in Taiwan, IICM institute the "K. T. Li Fellow Award", grant to Dr J. W. Kuo, the Chairman of TOPCO group, and Dr. Daisy Hung, the professor of National Central University, awarded by former vice-president Mr. Wu Den-yih.

K. T. Li Foundation elect industrial and academic elite who have outstanding contributions to engineering, science, management, education, and other disciplines to award the "K. T. Li Fellow Award", in honor of Mr. Li's contributions of laying foundation of the information industry in Taiwan. The awardee of "K. T. Li Fellow Award", Dr J. W. Kuo, the Chairman of TOPCO group, has participated in semiconductor industry for more than forty years, he has witness the growth of semiconductor, optoelectronics and solar energy technology. In recent years, He actively invest in forward-looking food technology, sports and leisure, and big health businesses, follow the meticulous standards and quality control mechanisms of the high-tech industry, strictly control from the source of raw materials to the consumer's dinning table, and through the cooperation of industry and academia, the value of local traditional industries, To contribute to Taiwan's industrial competitiveness.



▲ Figure 1.15 The Chairman of TOPCO group, Dr J. W. Kuo, has awarded K. T. Li Fellow Award"

Ranking in Taiwan Top 2000 Survey, No. 58th in service industry, and No. 14th in IC sales channel.

In CommonWealth Magazine's "Taiwan Top 2000 Survey" published in May 2019, TOPCO is the No. 58th in service industry, and No. 14th in IC sales channel in 2018. From 2013, the rank of TOPCO in this survey has advanced year by year.

Source of data: CommonWealth Magazine No. 672



▲ Figure 1.16 Ranking in Taiwan Top 2000 Survey, No. 58th in service industry, and No. 14th in IC sales channel.

In September 2019, TOPCO has been granted "Golden quality Award" and "Longterm sponsor award" in MOE's "Award for Outstanding promotion of spots at school" presentation ceremony.

In response to the government's plan to revitalize the national baseball, TOPCO established the Group A baseball team in 2011. It spends tens of millions of dollars each year to support the team's operations. On the one hand, it trains young players with potential, on the other hand, it recruit professional baseball and national team players. Outstanding players with rich experience, combined with American MLB scientific training and Japanese style delicate baseball training.

In consideration of the overall strategy of TOPCO Group, the baseball team was renamed "Anyong Freshmart Baseball team" in August 2019. In addition to continuing the well traditions of the TOPCO Falcons in the past, the renamed baseball team also shoulders TOPCO's expectations and commitment to the big health industry, with a fresh, healthy and energetic new image, expecting to achieve outstanding results in the competition. And continue to cultivate Taiwan's baseball society, and fulfill corporate social responsibility.



▲ Figure 1.17 TCOPCO has been award "Golden quality Award" and "Longterm sponsor award" in MOE's "Award for Outstanding promotion of spots at school"

In November 2019, TOPCO has been granted the "Taiwan Corporate Sustainability Award", "Corporate Sustainability Report Award" "Social Inclusion Award", "People Development Award".

In the twelfth TCSA, TOPCO has been granted the "Taiwan Corporate Sustainability Award", "Corporate Sustainability Report Award" silver medal. Since 2008, TOPCO conduct the TSC Thesis Awards and the TSC Marketing Symposium every year, to encourage university and college students' innovation and research. For this reason, TOPCO has been granted the "Taiwan Corporate Sustainability Award", "Corporate Sustainability Report Award".



▲ Figure 1.18 TOPCO has been granted the "Taiwan Corporate Sustainability Award", "Corporate Sustainability Report Award" "Social Inclusion Award", "People Development Award".

1.4 Strategic goals and guideline

TOPCOs planning its strategic goals, in order to pursue corporate profits while taking into account the overall environmental development; and in the interaction with stakeholders, deepen the relationship between customers and suppliers, abide by regulations and pay attention to product responsibility, create friendly and happy working environment, pursuit continuous operational performance growth, to fulfill corporate social responsibility



▲ Figure 1.19 Strategic goals



Pursuit of continuous operational performance growth

1. Regularly tracking and reviewing the execution of strategic goal
2. Develop new operation mode, assist IC design company for seeking OEM service
3. Enhance the collaboration with customer and supplier in product development, increase the market share and profits
4. Integrate the business product information, strengthen the development in mainland China and oversea territory
5. Continue to develop new products, strengthen accounts receivable and inventory management, and strive to improve corporate value



Enhance the relationship with customer and supplier

1. Enhance green supply chain, enhance the auditing and management of supplier
2. Sign a confidentiality agreement with customers and suppliers to maintain the security of R&D data in the cooperation with customers and suppliers
3. Annually surveying the satisfaction of domestic and oversea customer, strengthen customer feedback tracking and improvement



Implementation of legal compliance and product liability

1. Make public the business information, to comply with legal requirements
2. Regularly conduct internal auditing, standardize operating procedures, implement the regulation of product information exposure



Create a friendly and LOHAS working environment

1. Install the instructor mechanism to helping novice employee to rapidly adapted
2. Providing benefit such as company trip, health check, meal allowance, Childbirth allowance
3. Establish a smooth internal communication channel, install channels for sexual harassment petition, and employee's feedback.
4. Enhance knowledge management, improve employee's competence
5. Encourage colleague to work out, and get the iSport corporative certification from the Sport Administration, MoE



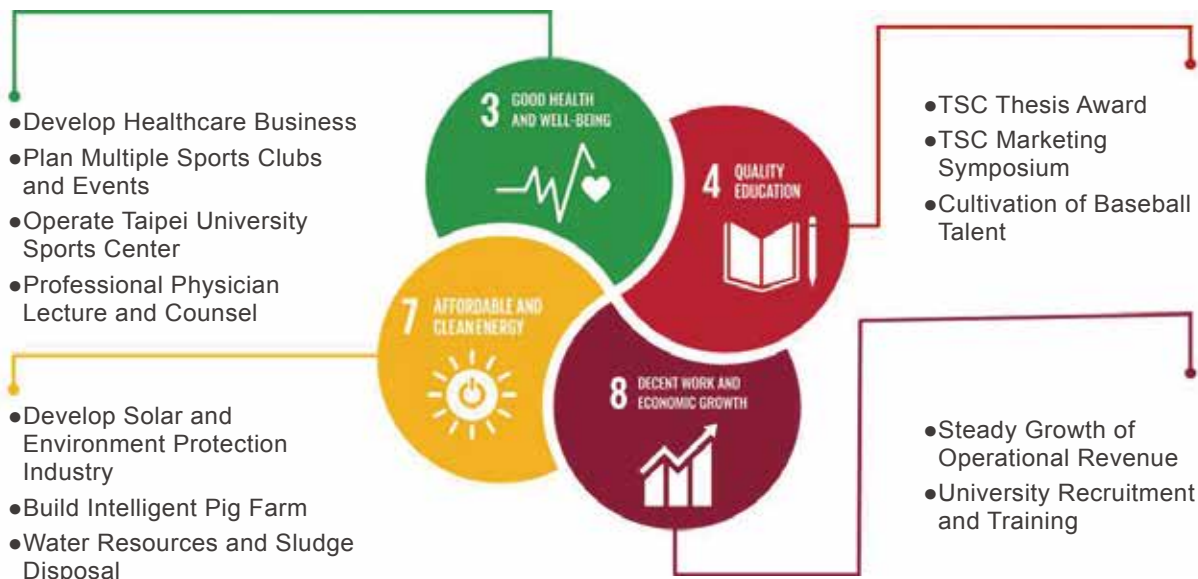
Invest in R&D to promote environmental development

1. Encourage customer to recover material and package, reduce the waste
2. Develop sludge management and recovery technique, reduce environmental pollution
3. Promote solar power to exercise carbon reduction

1.5 United Nation's Sustainable development goals

The Sustainable Development Goals (SDGs) set in 2016 by the United Nations General Assembly focus on 17 collective goals and 169 targets for the goal, are intend to be guidelines for governments, private corporation and NGOs to follow in formulate their long-term goals and mission in sustainable development. The world will regard SDGs as the main axis of development issues in the next fifteen years (2016-2030).

In 2019, there are many evens in TOPCO that can reflect the SDGs, such as: The steady growth of operational revenue from 2013 to 2019; continue recruit people from universities and colleges and provide training, to follow the goal of "Decent work and economic growth"; Conduct TSC Thesis Awards and the TSC Marketing Symposium to encourage innovation and research, enhance the combination of academical study and industrial exercise; install baseball team to cultivate excellent player, involve in international exchange to exercise the quality education goal; developing food and healthcare business, support multiple sport societies, management the gymnasium of the Taipei University, introducing the concepts of health food and regular health advise, and conduct sport games, inspire employee to cultivate the habit of exercise, to exercise the goal of Good Health and Well-being; And TOPCO aggressively to develop solar energy and environmental engineering industries, cooperate with Taiwan Sugar to develop smart pig farm, water resource and sludge treatment, and green power business, reflect to the goal of Affordable and Clean Energy. In the future, TOPCO will keep on following the SDGs.



▲ Figure 1.20 United Nation's Sustainable development goals



2. Commitment for exercise social responsibility

Highlight of the 2019

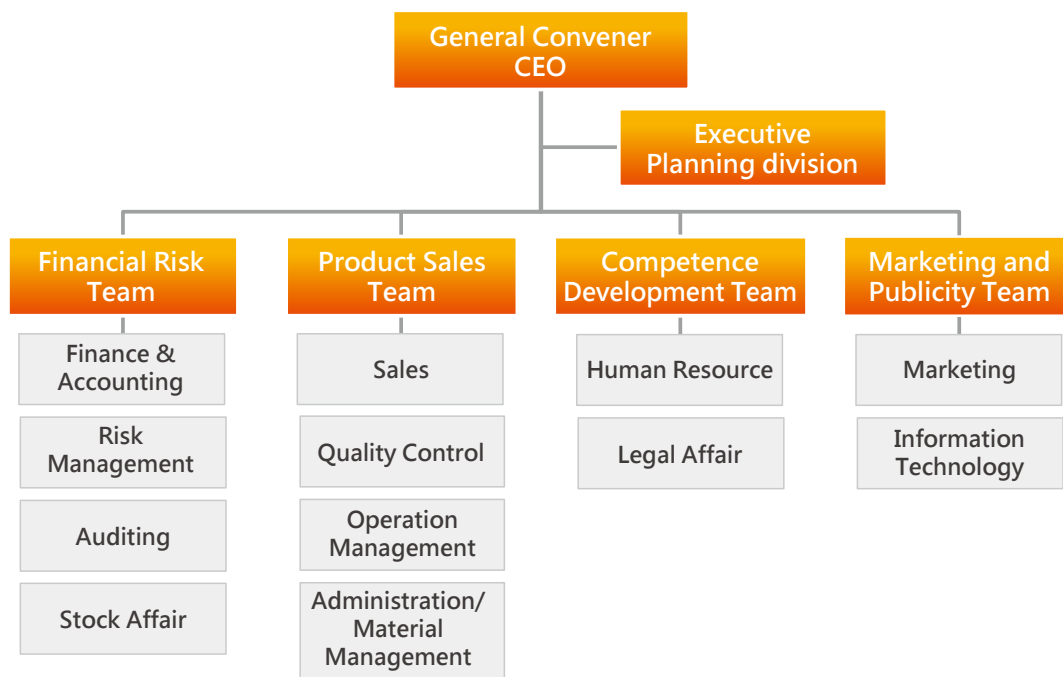
- ✓ President Tsai participate the twelfth TSC Thesis Awards, and praise that "the Thesis Award empower Taiwan to further progress.
- ✓ Towards the thirtieth anniversary: the establishment of the "Sheung Shui Voluntary society" to reciprocate to the society.

2.1 Install a corporate social responsibility task force

TOPCO actively pursues the company's sustainable management and development, establishes diverse communication channels with stakeholders, understands the major issues that stakeholders concerned, formulates corporate social responsibility policies and promotes related plans, and implements the commitment to corporate social responsibility.

TOPCO has installed a CSR implementation task force, responsible for promoting the implementation of corporate social responsibility policies and activity planning, and compiling and writing this report to strengthen information disclosure. The consist of the task force: The CEO is the general convener, with responsibilities units or departments categorized to 4 task team, to integrate the sustainable development aspect into the daily operation.

- (1) Planning division: Summarize the issues that stakeholders concerned, responsible for communicate with each team to implement the policy.
- (2) Financial risk team: Responsible for issues related to financial performance, corporate governance, internal control, and internal audit.
- (3) Product sales team: Responsible for issues related to customers, suppliers, product procurement, sales, and technology.
- (4) Competence development team: Responsible for issues related to employee training and education, and working environment.
- (5) Marketing and publicity team: Responsible for issues related to industrial-academia exchange, and establishment of information communicating platform.



▲ Figure 2.1 CSR implementation task force

2.2 Stakeholder identification

TOPCO take serious about the communication with stakeholders, maintain good communication and interaction with stakeholders in daily operation. Follow the guideline of GRI, base on the sustainability, importance, integrity and stakeholder inclusiveness, to conduct identification, sorting, verification and reviewing major issues management process. Inter-departmental meetings are convened by the CSR implementation task force. The chairman and chief executive are also involved in the identification process. With several meetings and discussions between senior executives and heads of various units, the main stakeholders to be communicate are identified. The identification methods and processes are describes as follow.

The staff of each department discusses the stakeholders contacted by the operation activities and the interactive communication meeting, decides the categories and inclusiveness of the stakeholders. and evaluates the relevant stakeholder according to the five principles of AA-1000SES (Dependency, Responsibility, Influence, Diverse Perspectives, Tension), the CSR implementation task force and senior executives discussed together to identify important stakeholders in the categories, including shareholders, customers, employees, suppliers, and external stakeholder (general public, government, community, media, NGO and academic institutes). To be able to respond to the concerns of the main stakeholders, TOPCO has established diverse communication platforms to truly respond to the information expected by the stakeholders.



▲ Figure 2.2 Results of Stakeholder identification

2.3 Stakeholder communication and major issue

Meeting the expectations of stakeholders is an important goal of TOPCO's CSR policy. We communicate and interact with stakeholders through various means, and the communication methods and channels with stakeholders are as follows:

Table 2 1 Issues that stakeholder concerned

Stakeholder	Issue	Communication platform	Frequency of communication	Response
Shareholder	Economic performance Market presence Labor relations	Annual shareholder meeting Regularly published financial report/Annual report Market Observation Post Company website	annually/quarterly	1. Current status of TOPCO
Customer	Regulatory compliance: Environmental Customer privacy Marketing communication Products and services indication	Satisfaction survey Business visit	annually/ irregularly	3. Exercise the integrity, professional services
Staff	Economic performance Occupational safety and health Labor/ Management relations Education and training	Employee welfare committee Employee complaint platform TOPCO e-Academy	irregularly	4. Create a friendly and LOHAS work environment
Supplier	Regulatory compliance: Environmental Customer health and safety Products and services indication	Regular supplier review Regular supplier meeting	annually/ irregularly	3. Exercise the integrity, professional services
External stakeholder (Government, Media, NGO and academic institute)	Regulatory compliance: Environmental Customer health and safety Market presence	Regular regulatory review promoting with relate system Corporation website Regular news release industrial-academia exchange TSC Thesis Award TSC Marketing Symposium International Journal of Commencer and Strategy	irregularly annually/ quarterly	1. Current status of TOPCO 2. Commitment for exercise social responsibility 5. Concerning the sustainable development of environment

Importance evaluate process

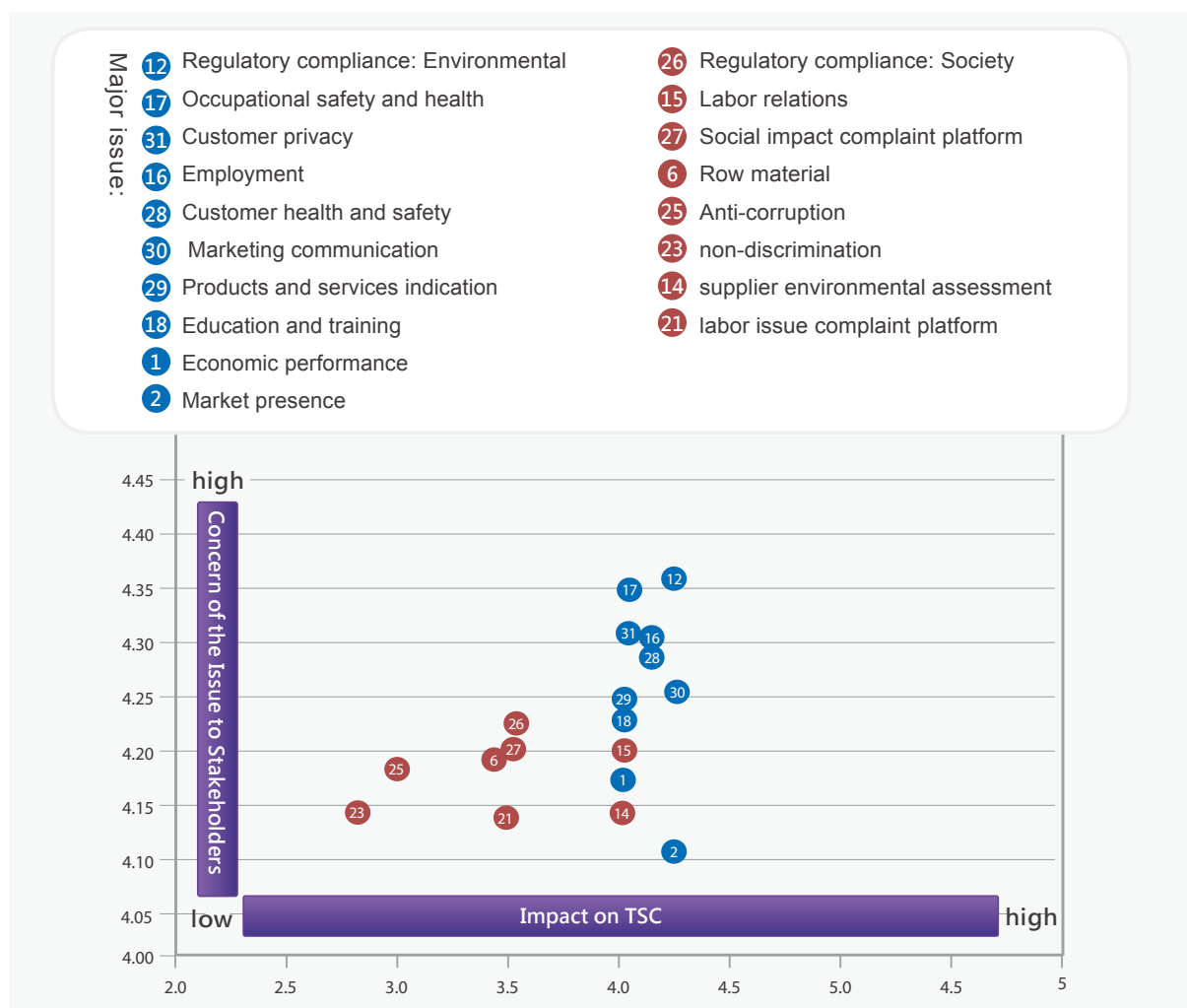
a. Identification:

Base on the GRI standard, TOPCO conduct a survey of stakeholder's concerning issues, thought online questionnaire collecting feedback from shareholder, customer, employee, supplier, and external stakeholder such as government, media, NGO and academic institute. These issue are category into three aspect, economical, environmental and social aspect. Totally, there 31 issues.

b. Sorting:

For better understand the requirements of stakeholders and their expectations of TOPCO's operation, we designed the questionnaire with two aspects: "the degree of concern of the issue to stakeholders" and "significant impact on the economy, environment and society". This survey was conducted through online questionnaires, a total of 105 questionnaires were collected. The questionnaire were screened out to external concerns and internal impact issues, and integrated them into a major issues matrix.

This report summarizes a total of 19 issues of concern on the economic, environmental, and social aspects, and constructs a process for identifying sustainable development major issues, as a basis for corporate social responsibility disclosure, and to implement the company's commitment to sustainable management.



▲ Figure 2.3 Stakeholder major issues matrix

c. Identification:

After identifying major issues, further confirm the impact of these issues on the inside and outside of the organization, and fully disclose its scope, boundaries and schedule in this report, and discuss with senior executives on major issues to formulate strategic guidelines and Coping with measures to strengthen communication with stakeholders.

Table 2.2 Strategic policy and response measures for major issues

Aspect	Major issue	Strategy	Resolution measure
Economic aspect	Economic performance	Formulate medium and long-term strategic goals	Regularly tracking and reviewing the execution of strategic goal
	Market presence	Pursuit of continuous operational performance growth	Develop new operation mode, assist IC design company for seeking OEM service
		Improve information exposure	Enhance the collaboration with customer and supplier in product development, increase the market share and profits
			Integrate the business product information, strengthen the development in mainland China and oversea territory
Environmental aspect	Regulatory compliance: Environmental	Enhance the relationship with customer and supplier	Empower the operation of corporate governance committee
		Invest in R&D to promote environmental protection	Enhance green supply chain, enhance the auditing and management of supplier
			Encourage customer to recover material and package, reduce the waste
			Develop sludge management and recovery technique, reduce environmental pollution
Social aspect	Customer privacy	Enhance the relationship with customer and supplier	Promote solar power to exercise carbon reduction
	Customer health and safety		Continue to develop new products, strengthen accounts receivable and inventory management, and strive to improve corporate value
	Products and services indication		Annually surveying the satisfaction of customer, coverage expand to Chinese customers.
	Marketing communication	Implementation of legal compliance and product liability	Sign a confidentiality agreement with customers and suppliers to maintain the security of R&D data in the cooperation with customers and suppliers
			Make public the business information, to comply with legal requirements
			Regularly conduct internal auditing, standardize operating procedures, implement the regulation of product information exposure
	Occupational safety and health	Create a friendly and LOHAS working environment	Install the instructor mechanism to helping novice employee to rapidly adapted
	Employment		Providing benefit such as company trip, health check, meal allowance, Childbirth allowance
	Education and training		Establish a smooth internal communication channel, install channels for sexual harassment petition, and employee's feedback.
			Enhance knowledge management, improve employee's competence
			Encourage colleague to work out

Table 2.3 Major issues identification table

Aspect	Major issue	GRI indicator	Within the organization		Outside the organization				Corresponding chapter
			TOPCO	Staff	Shareholder	Customer	Supplier	External	
Economic aspect	Economic performance	GRI 201-1	■	■	■				1.1 Current status and development
	Market presence	GRI 201-3	■		■			■	1.1 Current status and development
Environmental aspect	Regulatory compliance: Environmental	GRI 307	■			■	■	■	3.2 Promote supplier cooperation management
Social aspect	Occupational safety and health	GRI 403-2	■	■					4.1 Employee recruitment and employee structure
	Customer privacy	GRI 418	■			■			3.3 Enhance customer service
	Employment	GRI 401-1							4.1 Employee recruitment and employee structure
		GRI 401-2	■	■	■				4.4 Salary and benefit
		GRI 401-3							
	Customer health and safety	GRI 416-1	■				■	■	3.1 Follow the international quality management principle
		GRI 416-2							3.2 Promote supplier cooperation management
	Marketing communication	GRI 417-1	■			■			3.3 Enhance customer service
	Products and services indication	GRI 417-2	■			■	■		3.3 Enhance customer service
		GRI 417-3							
	Education and training	GRI 404-1							4.2 Promoting knowledge management, competence development and multiple competence training
		GRI 404-2	■	■					4.3 Fair and transparent performance assessment
		GRI 404-3							

d. Review:

The task force will review the major issues, for the differences from the last published report, to understand the needs of stakeholders and to respond and communicate. Review the report after it has been prepared, and include the results as an important reference for the preparation of the next annual report, and ensure that stakeholders' concerns are fully exposed and the content information is correct and appropriate.

2.4 Commitment for exercise social responsibility

TOPCO actively examines and exercise corporate social responsibility, and commit to incorporate it in daily operations, in order to really reflect the sustainable development trend and make commitments of the sustainable development to enterprises itself and society.

To guiding the behavior of the employees to comply with the ethical norm, and make the stakeholders aware of our ethical standards, in 2015, the "ethics guideline" was formulated for the employees to follow in each decision-making and actions, and set the basic code of conduct for colleagues to interact with customers, business partners, and shareholders; all business activities of the company strictly abide by the law and social norms and standards of environment, and safety.

TOPCO provides high-quality and safe products, and believes that employee is the foundation of the corporation. In addition to guarding the rights and interests of our employees, we also urge suppliers to respect their employees, adopt environmentally friendly manufacturing procedures, and provide safe working conditions. We also pay attention to the health and safety of supplier's employees, and whether the working environment meets the specifications or not. We continue to improve the social and environmental responsibilities of the supply chain, actively manage the risks and opportunities of environmental impact, and continue to make progress toward environmentally friendly corporation.

In addition to pursuing its own sustainable management, TOPCO, in response to the needs of business development, support its own industry or different industry associations and other various non-profit organizations to strengthen the exchange of information within industries or between other industries and promote industrial connections. Our corporation participate in Taiwan semiconductor industry association, Taipei Electronic Components Suppliers' Association, Taiwan electronic equipment industry association, Taiwan Alliance for Sustainable Supply, The Chinese Society for Management of Technology, Taiwan Electrical Contractors Association, Hydrogen power association, CIO association, and The American Chamber of Commerce in Taipei.

TOPCO's Corporate Social Responsibility Policy and Commitment

- ☑ Formulate a corporate social responsibility declaration.
- ☑ All of our business activities strictly abide by the law, and social norms and standards of environment, and safety.
- ☑ Enhance business information transparency, operation performance, and protect the benefit of the shareholders.
- ☑ We attach great importance to corporation government, exercise internal auditing, and internal control system.
- ☑ Providing safety and healthy workplace, exercise competence development.
- ☑ Cooperate with customers and supplier, enhance the social responsibilities of whole supply chain.
- ☑ Practice the carbon reduction, install power saving control system, digitalizes the paper work.
- ☑ Concerning and paying back to society, participating the social benefit activity, and supporting the competence of industries.

2.4.1 Industrial-academia collaboration, promote innovative thinking

We actively exercise our social responsibility as a corporation citizen, we love to create and share, and strive for research and create, academic development, and industry-academia alliances, to open up an international perspective for the new generation, support excellent students and innovative research in academic institutes, strengthen the connection and interaction of industrial practice and academic theory, stimulate industrial innovation and innovation, and enhance industrial competitiveness.

TSC Thesis Award

Feeling that human resources are the foundation of enterprise competitiveness, high-quality staff are the cornerstone of the growth and development, TOPCO installed the TSC Thesis Award in 2008 to establish an effective communication platform between academia and industry. Expecting for leading the management research in Taiwan to meet the needs of the industry, to cultivate business management staff who can able to solve practical problems in the industry. TOPCO expect through competition to encourage graduate school students to cultivate their own research and innovation capabilities, promote academical study and research, also cultivate human resource for the industries.

The thesis review of the TSC Thesis Awards adheres to the principles of rigor, professionalism, fairness and impartiality, strictly abides by double blind and avoiding conflict of interest, with the strict three phase review, and has become the most credible and well-known thesis competition in Taiwan. It is considered by the media and industry-government academia as the "Oscar Award for Management."



▲ Figure 2.4 President Tsai praised that "The academic achievement of TSC Thesis Award has greatly contributed to Taiwan's competitiveness."

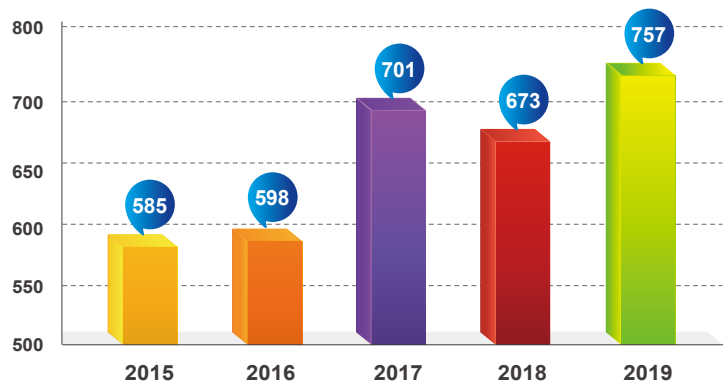


▲ Figure 2.5 Awarded by Chairman of the group Dr. Kuo

In the twelfth TSC Thesis Award, there are 757 papers from 72 university in 11 countries enrolled to compete the highest prize. Through multiple phase of review, there are 137 thesis been awarded, 7 for Advanced paper award, 41 for excellent paper award, and 89 for distinguished paper award.

TSC Thesis Awards continue to encourage domestic business management research with practical value. Besides to topics of strategic management business model, Marketing/e-Marketing, marketing management, information management, corporate finance, financial management and Fintech, we incorporate new subjects to reflect the current trend, expecting that the academic theoretical insights can echo the industry trends, so that the TSC Thesis Award is not only a thesis competition, but also a solution for business management and operations. Since 2018, we add new categories about the "Business and Management Research related to New Southbound Policy", "Thesis of International Students", and "tourism, catering and leisure business management" to encourage international exchanges. In 2019, a total of 40 foreign student participated in the competition, which showed that the international strategy has gradually achieved results.

In 2019, we add the categories of "Medical and healthcare management", "Public affairs, Non-profit and social enterprise management", to combined with policy of the government, in response of current management issues, based on the principle of "Mainly based on Taiwan's domestic knowledge, which is beneficial for industrial management", unify the strength of industry and academia for the transformation and upgrading of Taiwan's practical industry.



▲ Figure 2.6 Number of submission in 2015 to 2019

TSC Marketing Symposium

In view of the transformation of Taiwan's industrial structure from the previous OEM economy to service economy, there is a great need to cultivate innovative marketing planning personnel to effectively enhance the enterprise's marketing capabilities and thereby build the enterprise's competitiveness. In 2016, TOPCO held the first TSC Marketing Symposium, hoping that through the marketing planning competition, students from universities and colleges across the country can use marketing creative thinking to connect practical needs with team creative ideas to solve the problems enterprises faced. In the forth TSC Marketing Symposium, there are 216 teams from 38 universities and colleges participate the competition, 20 of them are chose to enter the finals, to pursuit the highest prize.

With the popularization of Internet and telecommunications equipment, the importance of Internet communication is increasing day by day. The ubiquitous microcinemas is likely to boom a marketing revolution. Storytelling is the core of this new marketing tool. How to convey the accurate product information and persuade consumers is a major challenge for marketers. The first TOPCO microcinema award provide film makers an opportunity to practice and improve their capabilities of storytelling marketing.



▲ Figure 2.7 The first TOPCO microcinema award provide participants an opportunity to practice storytelling marketing.



▲ Figure 2.8 The Advanced marketing planning award was won by the team of the Department of Business Administration of National Yunlin University of Science and Technology.



▲ Figure 2.9 Award ceremony of TSC Marketing Symposium

International Journal of Commencer and Strategy

TOPCO contribute to Taiwan management institute to publish International Journal of Commencer and Strategy, providing platforms for academic research and scholar exchange in administration and management. This journal has list tier three journal by the journal evaluation system of RIHSS, and also apply for listed in Ei Compendex and Scopus, expect to be an important international academic journal.



Table 2.4 Industry-academia investment in 2019

Industry-academia collaboration	
Contribute to TSC Thesis Award	NTD 2730,000
Contribute to TSC Marketing Symposium	NTD 957,000
Contribute to Extension foundation, International Journal of Commencer and Strategy	NTD 1,800,000
Total Industry-academia collaboration investment	NTD 5,487,000

Industry-academia collaboration with National Taipei University, sponsor

In December 2015, TOPCO and National Taipei University signed a Memorandum on competence Cultivation Cooperation to integrate industry and academia resources and provide Taipei University's continuing education student a full-time job and scholarships for four years, allowing students to work at TOPCO during the day. Besides a bachelor's degree, the student can also accumulate four years of practical experience in the workplace. TOPCO provides diversified resources and donates Taipei University NTD13 million funds for air-conditioning equipment and related equipment in the multi-functional stadium. Providing students with space for basketball, volleyball, badminton, gatherings and other activities.

2.4.2 Circular economy provide comprehensive solution

TOPCO's management team is deeply involved in the field of wastewater treatment industry. The ECO technical services was originally a business group of TOPCO. It was officially registered as a 100% invested subsidiary in 2008 and specializes in wastewater treatment, wastewater recovery, and process waste effluent recovery, water purification, solid waste disposal and recycle. The first zero discharge system for TF-LCD panel factory in Taiwan was installed in 2014, and a number of public projects were completed, including the renewal of equipment in Bali Wastewater Treatment Plant, the Fenqihu contact bed aeration water purification, and the Keelung harbor water quality improvement plan. In 2019, TOPCO won the Tainan Municipal Government's 1st Public Works Quality Award. We also focus on the air and solid waste treatment to provide a comprehensive solution.

2.4.3 Sport promoter respond to the government's plan to revitalize baseball

To respond to the government's plan to revitalize baseball, TOPCO installed a baseball team in 2011, introducing the American training system to cultivate excellent baseball player, and conduct international baseball exchange, Inviting people to watch the ball for free, vigorously promote the development of baseball in Taiwan. Since 2014, We conduct a little falcon baseball camp, to cultivate young player, to develop a habit to exercise, and sportsmanship.

The baseball team has change their name to Anyong Freshmart team, inherit the tradition of the falcon, with a new image of freshness, health and vitality. In 2019, TOPCO was awarded the "Sports Activist Award" by the Sports Department of the Ministry of Education, won the "Golden Quality Award" and "Long Term Sponsorship Award", and are publicly awarded by Vice President. TOPCO has long term sponsored sports activities and enthusiastically promoted sports culture.

Besides the baseball team, we also has been franchised to run the Taipei university gym sport center, provide baseball player a career after retired from the field, and also provide the students of Taipei university and neighborhood with good quality and affordable sport space. Sport center also cooperate with New Taipei city's senior citizen health management project, conduct seminar to help elders to enhance their muscle power, activate brain, and introduce Anyong healthy diet concept, with the aids from exercise and healthy food, establish a healthy and happy life.



▲ Figure 2.10 TOPCO has granted Sports Activist Award Golden Quality Award" and Long Term Sponsorship Award.

2.4.4 Paying back to society do good in Taiwan

TOPCO upholds the belief of "taken from society and give back to society", emphasizing "social participation and giving back to the community", and the employee voluntary social service society "Sheung Shui Voluntary Society" to participate in volunteer activities such as Chunhui institute, willing to share and pass on their love, enthusiastically participates in and helping the misfortune from the disaster of typhoon and earthquakes, implement humanity, and provides professional technology to fully support the emergency needs of customers and quickly restore industrial operations.



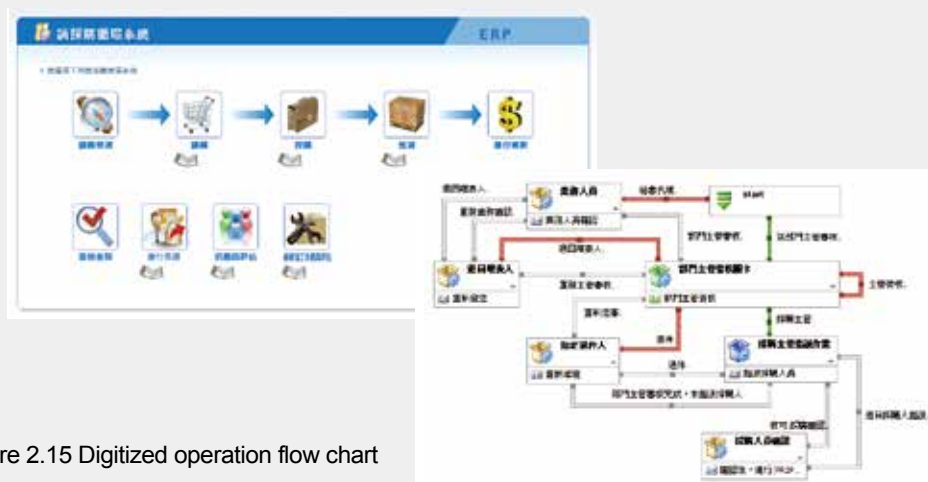
▲ Figure 2.11 Experience the voluntary work in Chunhui institute



▲ Figure 2.14 Voluntary society visit animal shelter twice

2.4.5 Sustainable development of friendly environment

Practice the carbon reduction, install power saving control system, digitalizes the paper work, reducing office consumable, adopt power saving lighting devices.



▲ Figure 2.15 Digitized operation flow chart



3.Exercise the integrity, professional services

Highlight of the 2019

- ✓ Actively respond to customer's opinion. In 2019, the overall customer satisfaction was 8.84 points and staff service satisfaction was as high as 9.01 points. More than 89% of customers were more satisfied with TOPCO than other suppliers.
- ✓ Signed a Corporate Social Responsibility Declaration with new suppliers, and strengthened supplier on-site auditing.
- ✓ Introduce a cloud-based customer management system, to manage the customer informations.

TOPCO provide comprehensive integrated services for semiconductor and optoelectronic industries. With its professional operations and introduction of new products, technology, and service. Develop material and equipment for semiconductor and optoelectronic, and electronic material, antique and vintage equipment system integration, device maintenance, Package Plant Export. Won the trust and affirmation of the industry and customers.

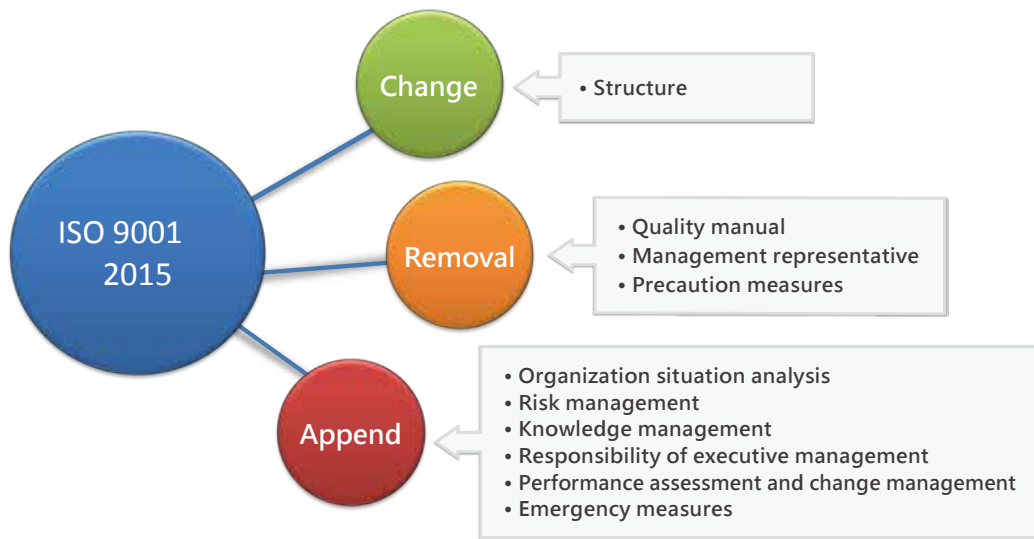
TOPCO represents high-quality semiconductors and advanced materials products from world-leading manufacturer Shin-Etsu Group, and has become the preferred business partner of customers, and established a joint venture TOPCO Quartz Product Co with Shin-Etsu Quartz Co., Ltd., and established Shin-Etsu Opto Electronic Co., Ltd. and Shin-Etsu Handotai Taiwan Co., Ltd. in 1995, to provide raw materials for the domestic semiconductor and optoelectronic industries, covering TSMC, UMC, Powerchip, Nanya Technology Corporation, and other world-renowned semiconductor customers, providing high-quality and stable products to help customers improve process yield, reduce production costs, and work closely with customer R&D teams to jointly develop optimized products and improve production efficiency to provide an extension of the entire service value chain. Years of efforts have been favored and recognized by customers worldwide.



▲ Figure 3.1 Logo of our suppliers

3.1 Follow the international quality management principle, Commitment to product and service quality

TOPCO has been obtained ISO 9001 international quality certification in 2009. In order to comply with the latest international quality management standard and ensure that we can provide products and services that meet the needs of customers, we successfully implemented ISO 9001:2015 in 2017 to 2018 and obtained a certificate. In 2018, we completed the re-verification of ISO 9001, and Obtain certification for the another three years. In the future, TOPCO will continuously enhance its ISO 9001 quality management system, and extend it to oversea office, for totally increase our products and services.



▲ Figure 3.2 Highlights of ISO 9001:2015 revision



▲ Figure 3.3 ISO 9001:2015 Management flow



▲ Figure 3.4 TOPCO's ISO 9001:2015 transition certificate

3.2 Promote supplier cooperation management




TOPCO is an all-round agent in the high-tech industry. Its business covered semiconductor materials, optoelectronic materials and equipment, electronic materials and other products. There are about 80 suppliers that will continue to trade in 2019.

TOPCO's supply chain management system is aim at value creation, through stable quality, accurate delivery, rapid service, and rigorous supplier evaluation, it creates a service quality that customers expect. Through close cooperation with suppliers to achieve mutual growth, is an important part of the TOPCO's sustainable operation.

3.2.1 Important partner of TOPCO in exercising CSR

Currently, our three major suppliers all have the concept of corporate social responsibility, and are actively involved in relevant actions. The products that we represented are all in compliance with the specifications, and the sale of controversial products is prohibited. We urge our supplier also comply these principles and become our important partner in the implementation of CSR.

Table 3.1 CSR activities of our major supplier

Supplier Name	Corporate social responsibility related action
Shin-Etsu Chemical Co. 	<p>Shin-Etsu Chemical Co., Ltd. has international standard ISO 14001 certificate for environmental safety management, and is committed to environmental protection and chemical substance management. Also have conduct Responsible Care environmental, health, safety and security performance initiative.</p> <p>Shin-Etsu Chemical Co., Ltd. has achieved its environmental protection object, include zero pollution incident, 1% energy consumption reduce per year, reducing greenhouse gas emission, reducing waste production, reducing pollution material discharge, 1% water consumption reduce per year.</p>
NAMICS CORPORATION 	<p>NAMICS CORPORATION obtained certification for ISO 14001 environmental safety management, and comply the UN RoHS with its products and process. NAMICS CORPORATION also implement Environmental Management System (EMS) to setup measurement index to compare the yearly execution results, these index include green procurement, environmental friendly product, environmental awareness spreading, chemical usage requirement, resource recovery and recycle, energy management.</p>
OSRAM OPTO SEMICONDUCTORS ASIA LIMITED 	<p>OSRAM has specific guideline for Environment, Health, and Safety (EHS) management: all factories have obtained ISO 14001 certificate, OHSAS 18001 Occupational Health and Safety Assessment, and implement ISO 50001 to manage energy, to comply the EU's 20-20-20 goals.</p> <p>OSRAM expect that till 2020, the carbon dioxide emission, water consumption and waste production will reduce 20%.</p>

3.2.2 Guideline for supplier cooperation management

To ensure that products have a stable and good quality, TOPCO prepare a New product/new supplier assessment form for annual supplier evaluation, to ensure products and process comply with the customer requirement and sustainable development specification. Introduce CSR commitment, human right principle, supplier self-evaluate form, joint commitment with suppliers to implement the concept of sustainable development in the daily management of the supply chain; To exercise the goal of sustainable management, in addition to the suppliers risk assessment, also continuously conduct the on-site auditing for suppliers with large transaction amounts.

Table 3.2 2019 supplier auditing ratio

Total transaction amount in 2019 (NYD)	Supplier	Recorded	Auditing ratio	On-site auditing
1 to 3 million	80	44	55%	0
3 to 5 million	63	42	67%	0
5 to 10 million	52	39	75%	0
Greater than 10 million	40	33	83%	8

Choose suppliers with integrity

TOPCO prefers to choose new suppliers and new products with environmental awareness. Every time a new product or new supplier is introduced, the responsible salesperson should conduct a New Product (Supplier) evaluation, to establishing records of supplier information, product development status, transaction mode, and presumed customers, it will also be reviewed by our quality control center. The items include: supplier basic data sheets, product shipment inspection and analysis reports, Certificate of Analysis, material safety data sheets, ISO9001, ISO14001 and other certification documents, and suppliers CSR initiative, to initially understand supplier CSR performance. Since May 2019, TOPCO's new supplier must sign the CSR Declaration.

For engineering, supplier must provide Integrity Trading Statement to our procurement department for investigation, file document and evaluate.

Regular assessment

To meet the customer's demand for innovative and high-quality products needed in the high-end process, TOPCO represents products from the global leading material manufacturer Shin-Etsu Group. Since the production of products take place in the oversea factory (such as Japan), in order to assume our corporate social responsibility, TOPCO regularly visits suppliers with our customers to ensure that all supplier manufacturing and services comply with local regulations and Production line specifications.

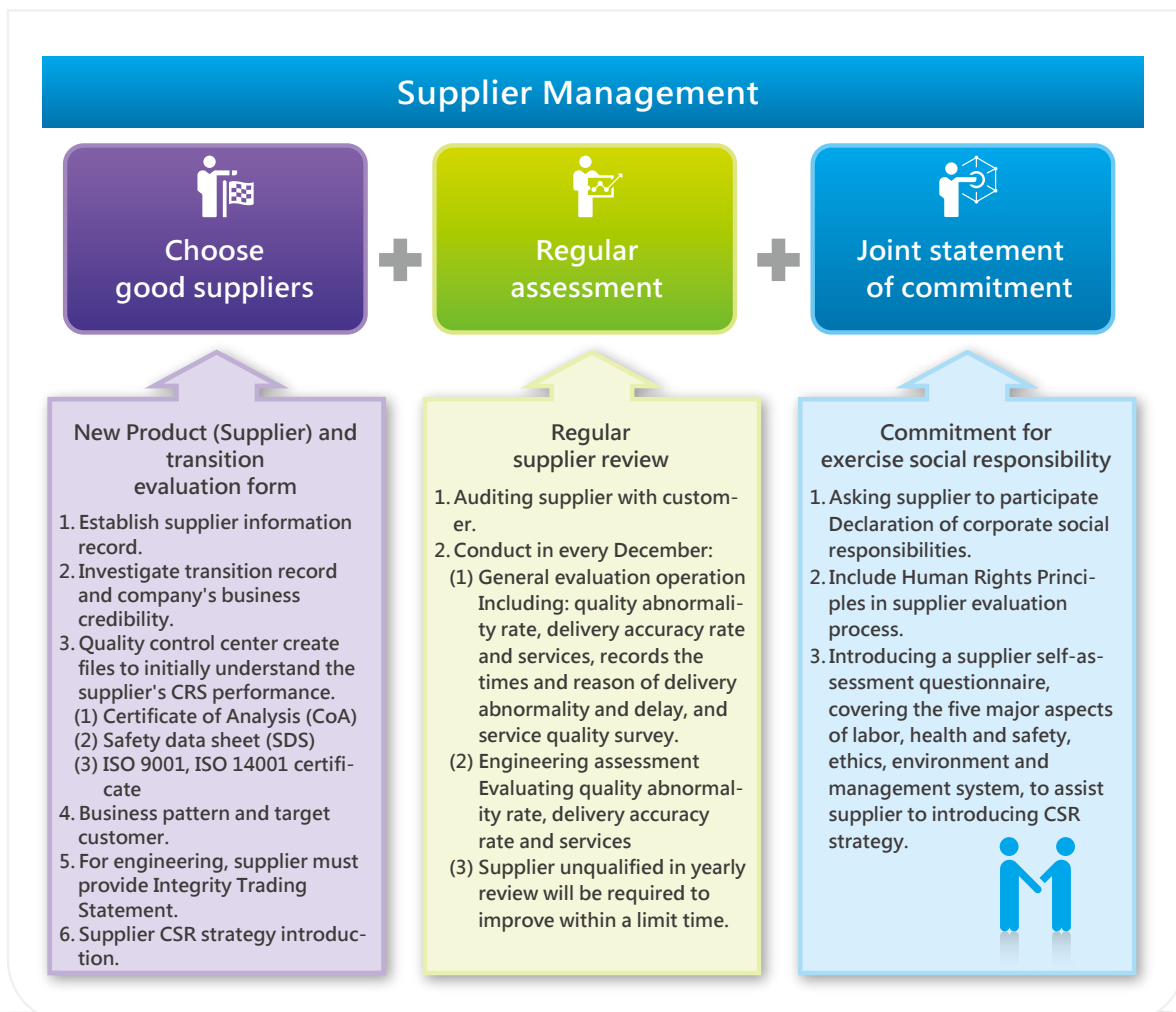
In December, we will carry out supplier evaluation for all trade within the year. This evaluation includes quality abnormality rate, delivery accuracy rate and services, records the times and reason of delivery abnormality and delay"; For engineering, supplier is evaluated by the engineering unit and the procurement staff, based on the quality abnormality rate, delivery accuracy rate, service. If suppliers failed in the evaluation, we will urge them take actions to improve.

TOPCO joint commitment with suppliers to implement the concept of sustainable development in the daily management of the supply chain

TOPCO introduce Common declaration of CSR in supplier evaluation, ask major supplier to follow the Code of Conduct - Responsible Business Alliance, commit to exercise company governance, developing sustainable environment, preserve social welfare, improve CSR information disclosure.

TOPCO insist that supplier must respect their employee. We exercise human right evaluation in the process of choosing new supplier, asking our suppliers to follow Universal Declaration of Human Rights, SA 8000, and base code of Ethical Trading Initiative, in the issues of "Employment is freely chosen", "Child labor shall not be used", "Working hours are not excessive", "Living wages are paid", "Working conditions are safe and hygienic", "No discrimination is practiced." and Freedom of association and collective bargaining, can take the actions that comply the international standard of human right. We demand that all supplier deal with TOPCO to respect the human right of employee, and make employee working in a friendly and safety environment.

To enhance the implementation of suppliers in CSR, TOPCO ask suppliers to conduct a self-assessment based on the latest version of the RBA Code of Conduct. This assessment includes the five major aspects of labor, health and safety, ethics, environment and management system. We urge our suppliers to carefully review the sustainable issues that must be addressed to strengthen the positive impact of the overall supply chain on society and the environment.



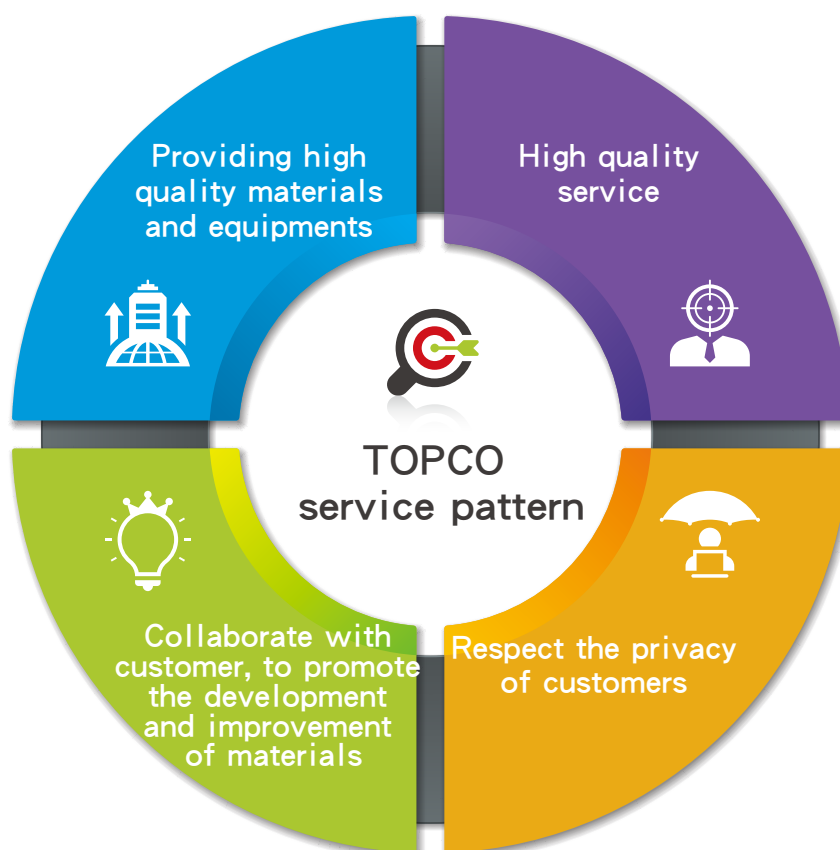
▲ Figure 3.5 Supplier evaluation process

3.3 Enhance customer service

Our business is mainly on selling products which we represent. Our growth depends mostly on the trust of customers. In order to create greater value for customers, in addition to the sales of materials and equipment, we also provide a good service system. Regularly reviewing the status of client products to ensure the smooth operation of the customer's production line. TOPCO continuously promote the development and improvement of materials, and works closely with customer's R&D teams to jointly develop optimized products and grow with our customers.

TOPCO service pattern:

1. Providing high quality materials and equipments
2. High quality service, creating value of customer service
3. Collaborate with customer, to promote the development and improvement of materials
4. Respect the privacy of customers



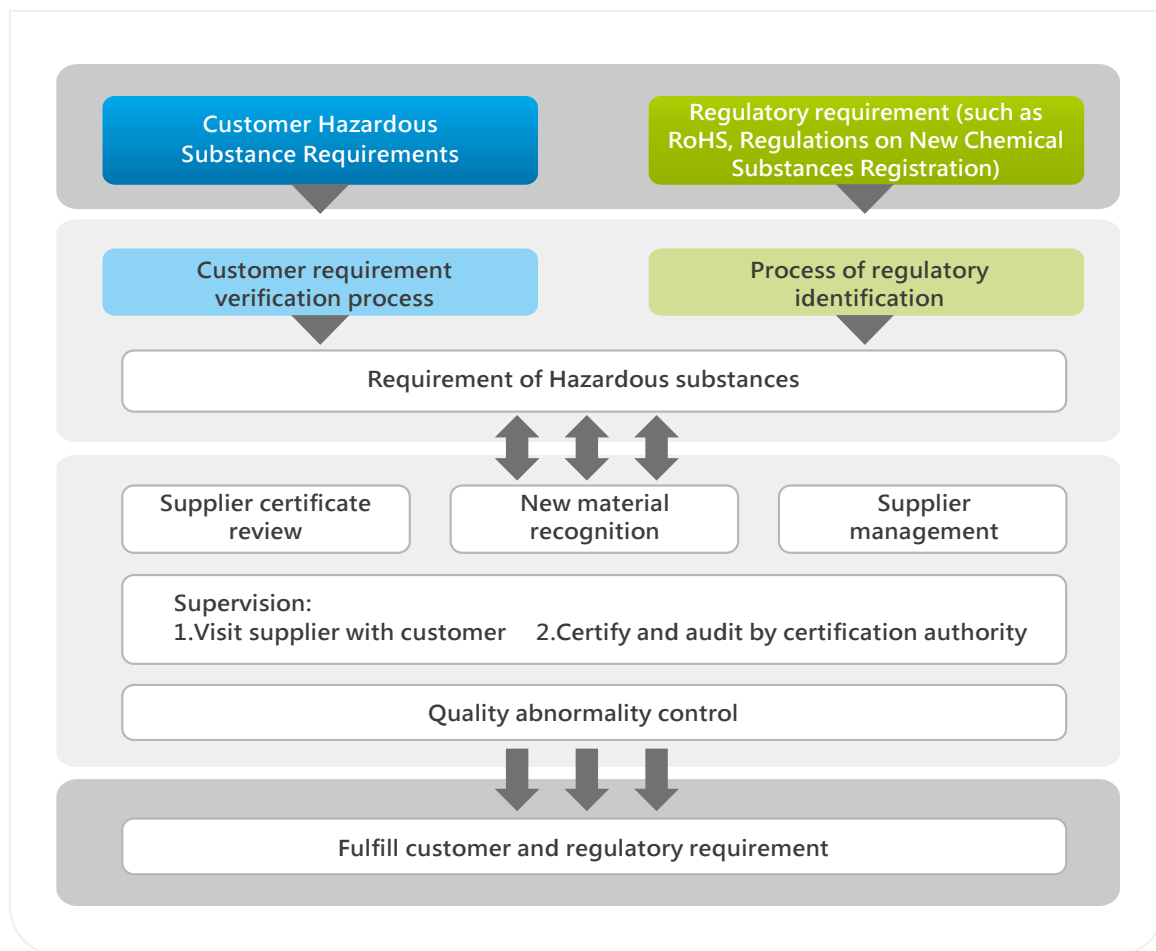
▲ Figure 3.6 Customer service

3.3.1 Product quality

TOPCO represent the products of world leading manufacturer, include Shin-Etsu Corporation, OSRAM Opto Semiconductors, NAMICS Corporation, Dai Nippon Printing Co., Ltd., Tri Chemical Laboratories Inc., Fujimi Corporation, and READ Corporation.

In accordance with the requirements of international environmental protection laws and regulations, TOPCO strictly inspects the product represented with control items of banned or restricted hazardous substance, and conducts strict control through the introduction of new products and supplier management. All products we sell have clearly labeled, with documents such as Certificate of Analysis and original specifications to ensure that all product labels comply with relevant environmental, social, and safety-related requirements, and to disclose relevant service information and labels. The percentage of compliance is 100%.

Also, to ensure that the products we present can be sold to the client, each material and product we sold meets the client's material evaluation criteria. According to the client's specifications, detailed disclose information about each material, including whether it meets the green procurement standard, whether it contains banned, restricted or controlled chemical substances, and detailed description of the concentration and usage of the chemical substance, all disclosure information is provided with certification documents to comply with the regulations and the client's material assessment specification.



▲ Figure 3.7 Flow chart of material evaluation

TOPCO has always abide by all relevant laws and regulations. In 2019, there is no record of large amount penalty for violation of laws and regulations due to the provision and use of products and services. In 2019, the following matters are also observed:

- a. Regulation about product or service information indication.
- b. Regulation about product sales and marketing activities (including advertisement, promotion and sponsorship).
- c. There are no complaints about customer's personal data or loss of customer information.
- d. There is no record of large amount penalty or other punishment.
- e. There is no environmental penalty or controversial issue.
- f. No product or service violates laws related to consumer health and safety.

3.3.2 High quality service, creating value of customer service

TOPCO always place their customer in the first priority, attaches importance to the quality of customer service. Therefore, it actively cultivates personnel with professional knowledge utilize customer management to improve customer benefit, while ensuring the company's steady growth.

- ✓ We regularly contact with our customers to understand the status of production line and way of material improvement, sales person respond quickly and surely to customer's needs, provide product usage recommendations and operation settings, and create service differentiation to increase customer satisfaction.
- ✓ Based on records of the customer's requests, and information exchanged with customers summarized by the company's daily report system, establish a comprehensive customer database, optimize customer service management, and can also be the materials of internal experience sharing.
- ✓ Improving the purchase, inventory and sales management process, to create better customer service value.
- ✓ Introduce cloud-based customer management system, to effectively managing customer, tracking informations of important customer, accelerate the development of new customer.

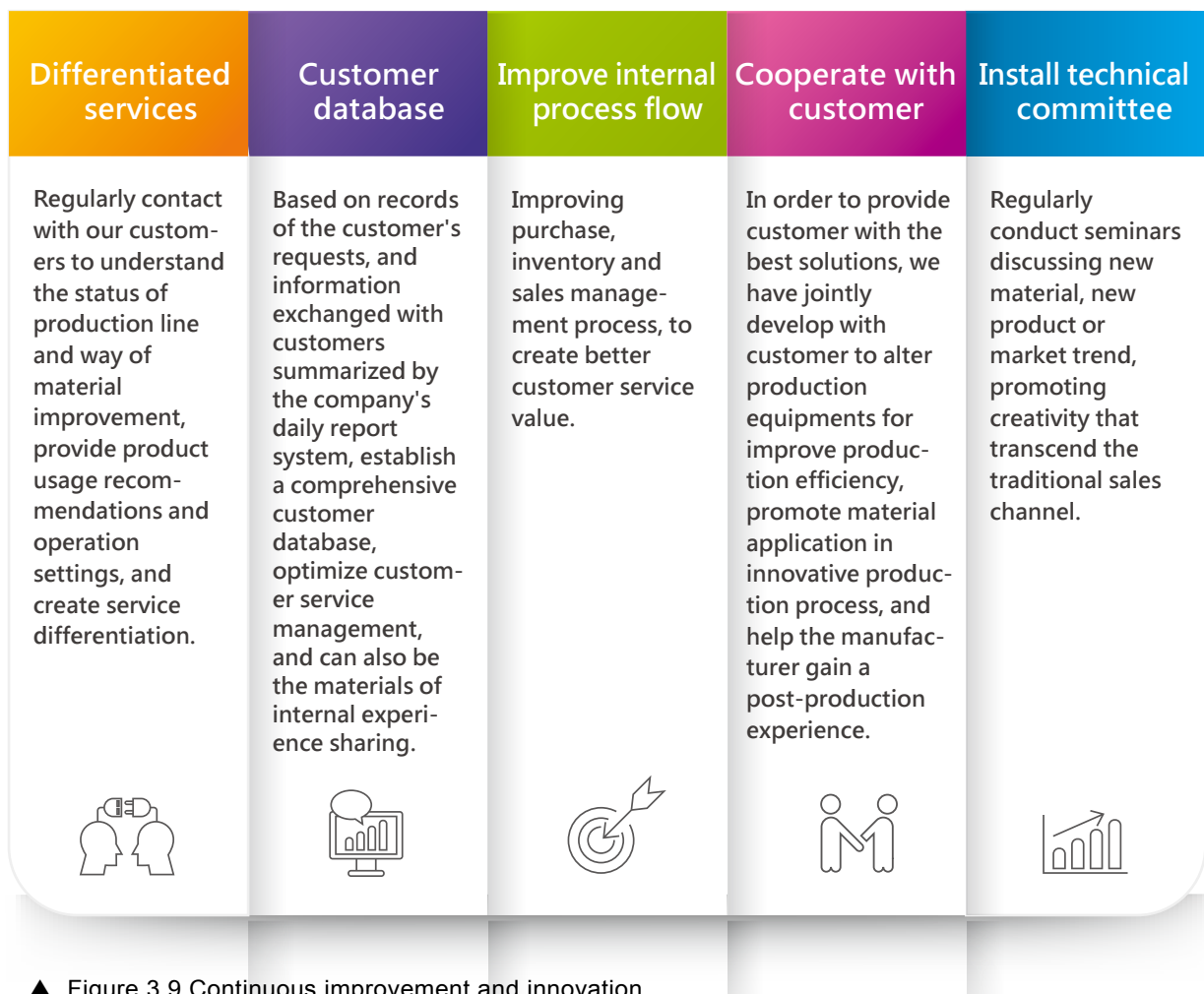


▲ Figure 3.8 Cloud-based customer management system

3.3.3 Collaborate with customer, to promote the development and improvement of materials

Establish a long-term partnership with our customers is the most important policy of TOPCO, based on these solid relationship, we can assist out customer improve their production efficiency and quality.

In order to provide customer with the best solutions, we have jointly develop with customer to alter optoelectronic production equipments for improve production efficiency, promote material application in innovative production process, and help the manufacturer gain a post-production experience. For integrate new material and new equipment to enhance service strength and value, TOPCO install a Technology committee in 2016, to help customer settle the problems occurred in production process. and regularly conduct seminars discussing new material, new product or market trend, promoting creativity that transcend the traditional sales channel.



▲ Figure 3.9 Continuous improvement and innovation

3.3.4 Respect the privacy of customers

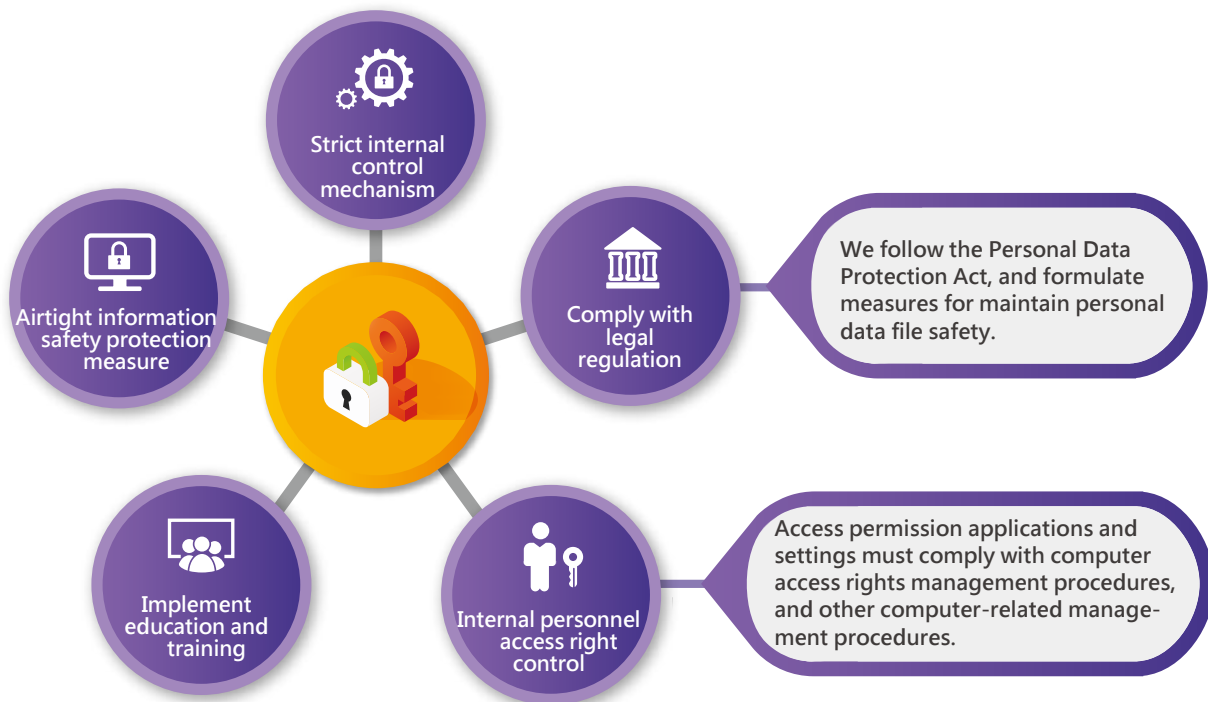
TOPCO realized the importance of personal data, privacy protection and technical confidentiality. Therefore, it strives to promote and implement, requiring all employees to carefully protect the confidential and proprietary information that customers deliver to us, formulate an information security policy and methods to perform various work related to information security. Policy and relevant procedures review at least once year to ensure compliance with the latest regulations and developments in technologies and businesses, and to ensure the provision of safety information services.

The measures of technical confidentiality are:

- (1) Each business division has its own folder, which can only be accessed by authorized person.
- (2) Each business division occupied different level of the head quarter building, and each floor has its own access control.

Also, we have measures for protect the customer privacy:

- (1) We follow the Personal Data Protection Act, and formulate measures for maintain personal data file safety.
- (2) Strict internal control mechanism, computer-related operations must comply with internal control of computer operations, permission applications and settings must comply with computer access rights management procedures, and other computer-related management procedures.
- (3) Protect with data security software and hardware, comprehensively protect PC, host, and network devices.



▲ Figure 3.10 Measures for protecting customer' s privacy

3.4 Conduct customer satisfaction survey and customer complaint handling

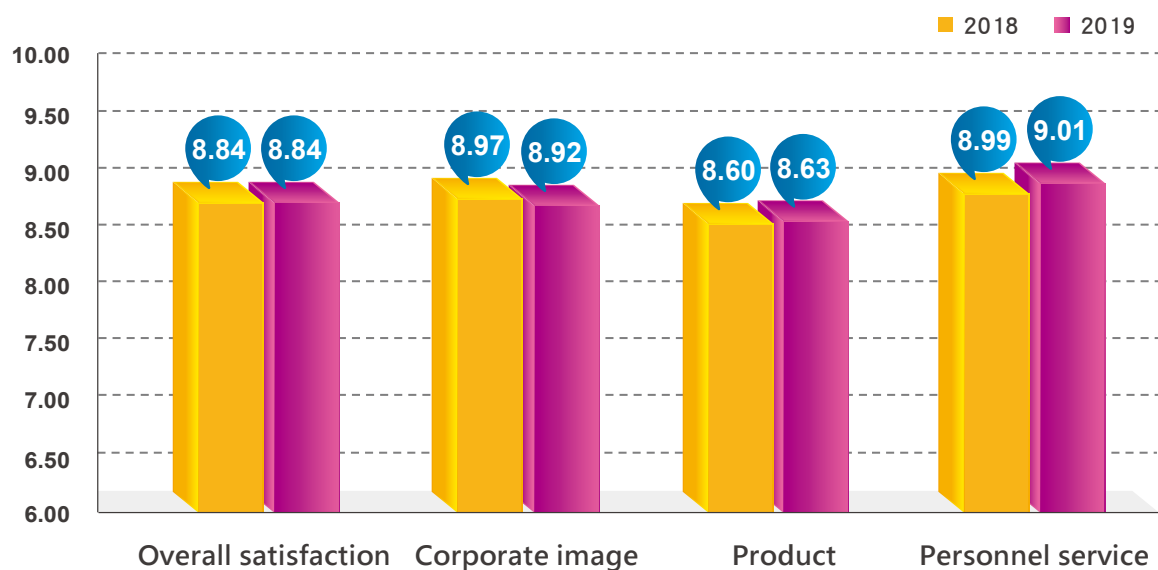
3.4.1 Customer satisfaction survey

TOPCO conducts a customer satisfaction survey every year, directed by the business management department, asking each business department to provide contact information of the major customers. Survey was conducted through online questionnaires or in-person visits, providing customers a platform to express their opinions. The result of survey is an important reference to TOPCO for continuous improvement of product and service processes.

This survey aim at the customer satisfaction about TOPCO's company image, products, service and personnel's professionalism. We also survey the satisfaction on above mentioned aspects compare with our rival.

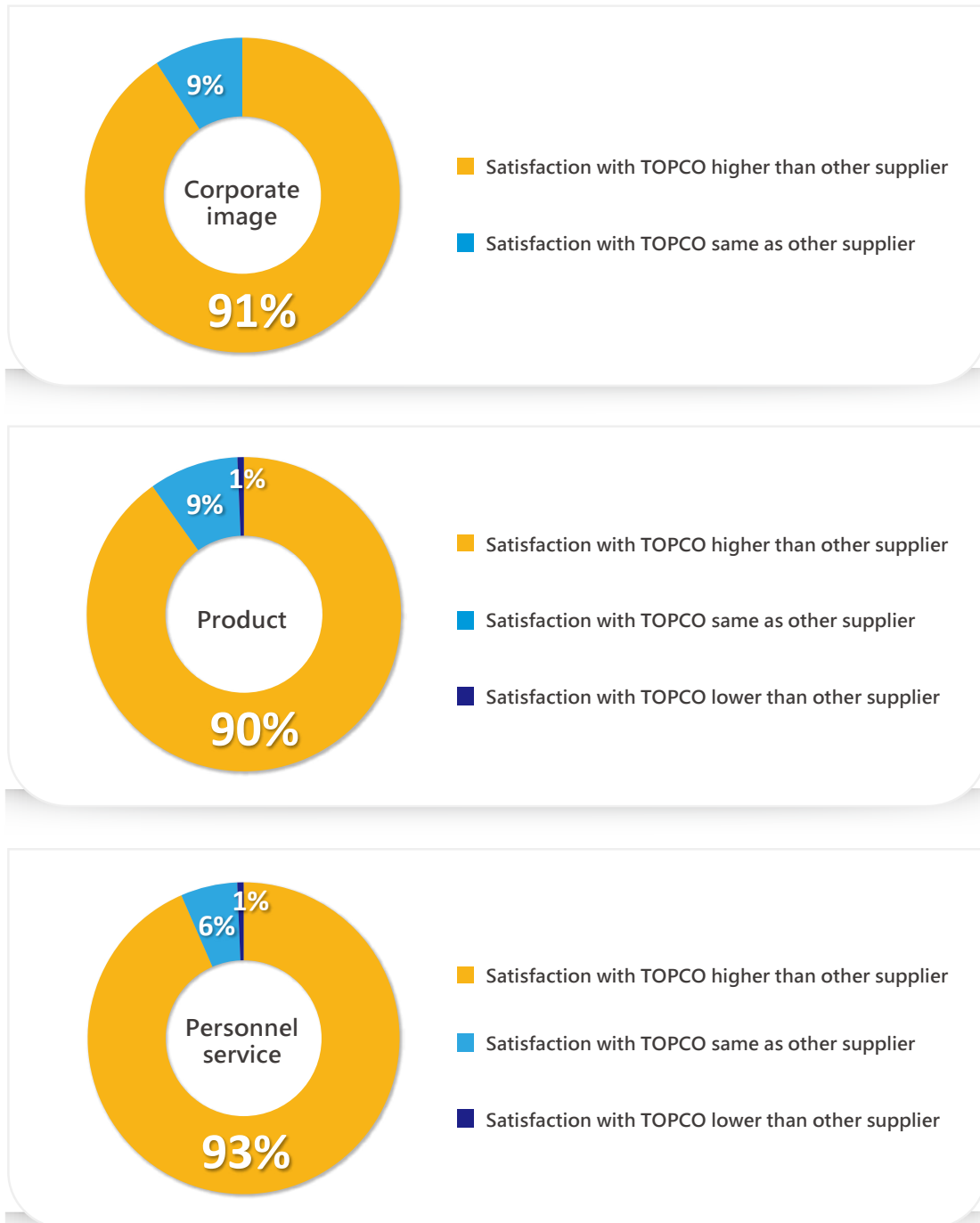
In response to customer's feedback, our business divisions formulate appropriate resolutions, record in the Customer Satisfaction Survey Follow-up to establish a complete customer satisfaction handling procedure.

In the 2019 customer satisfaction survey, we send out 285 copies of questionnaire to our major customer, and recover 153 copies. On a scale of one to ten, with 95% confidence, the total score is 8.84. After verification, there is no significant difference between the satisfaction in this year and the previous year. Among the aspects, the satisfaction with personnel service got the highest 9.01.



▲ Figure 3.11 Customer satisfaction in various aspects-yearly comparison

Regarding customers' satisfaction comparison with TOPCO and other suppliers (providing same kind of products and service), no matter in which aspect of corporate image, product, or personnel service, there are up to 87% of customers are more satisfied with TOPCO than other suppliers.



▲ Figure 3.12 Results of customer's satisfaction survey compare with other suppliers

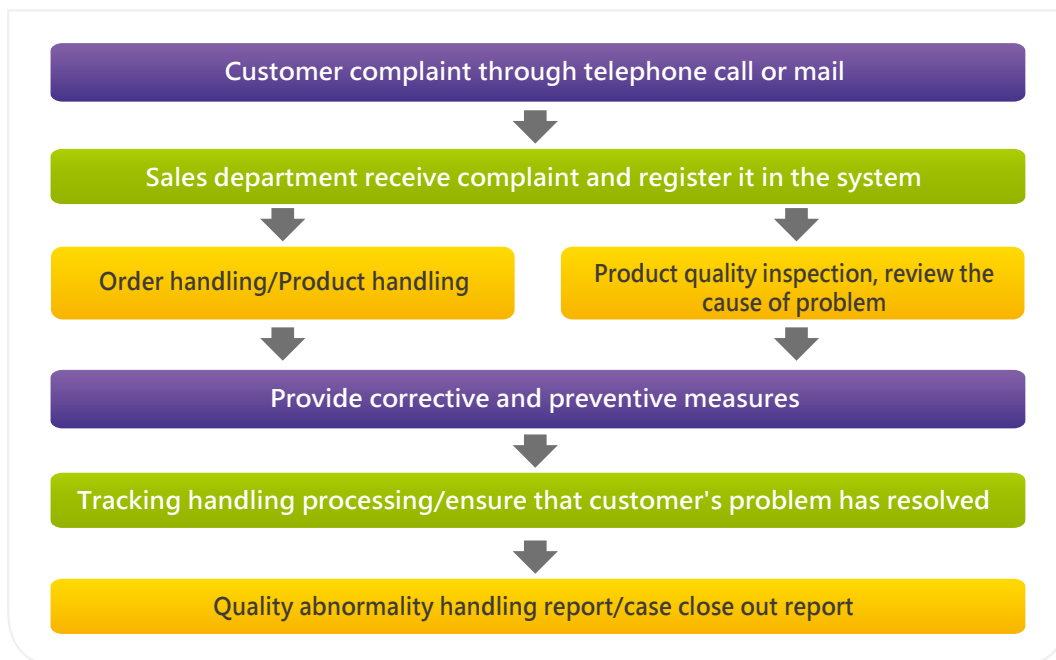
In 2019, there are 13 customers express their opinion in satisfaction questionnaire. TOPCO reviewed each opinions one by one and prepared improvement measures, including: enhancing communication with the manufacturer, preferential for sample evaluation, shortening product delivery time, etc., and file a tracking form for follow-up, approved by supervisor then implemented the improvement measures.



▲ Figure 3.13 Follow up process for customer's satisfaction survey

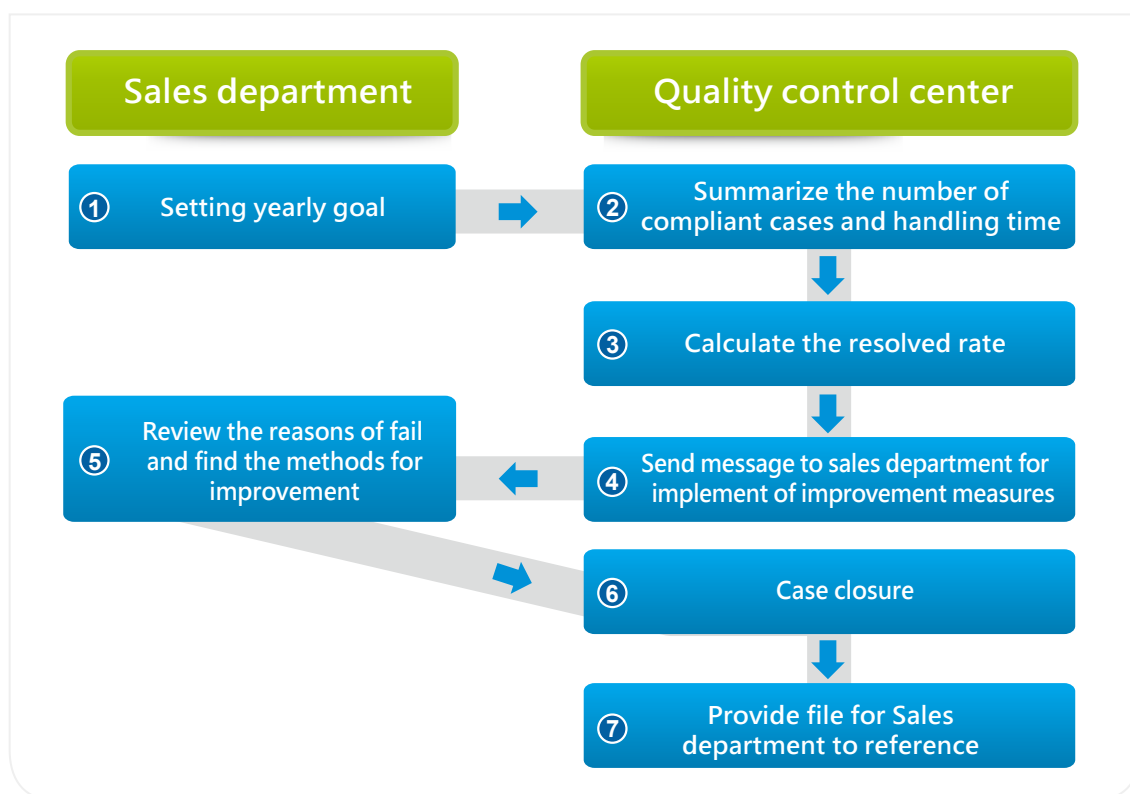
3.4.2 Customer complaint handling

The policy of stable quality, accurate delivery and rapid services is the basis of TOPCO's long-term development. Besides that using customer satisfaction survey to understand the customer's need, we also install a compliant tracking mechanism to ensure that customer's complaints have all been properly resolved.



▲ Figure 3.14 Customer complaint handling process

In 2017, TOPCO conduct the transition to ISO 9001: 2015, speed up and improve the quality of compliant settlement. Sales department set a target of compliant handling time in days, and quality control center summarize the number of compliant cases and handling time for each unit, calculate the performance and keep the tracking the solution.



▲ Figure 3.15 Customer quality complaint response process

In 2019, TOPCO continued to strengthen the communication with customers and continued to improve on quality, operations and services. Although the number of customer complaints increased, in the end all cases were properly settled and closed, which in turn led to continued growth in business performance. There are 45 complaints cased in this year, all of them are related to product quality and specification. Through product testing and analysis, comparing the use status of the same batch of products, confirming the delivery process, etc., analyze the cause of the problem, and discuss with the manufacturer to propose preventive and improvement measures, immediately explain to the customer, continue tracking the improvement results, and the results are ultimately obtain customer approval.

Table 3.3 Statistics of customer compliant in the last three years

Customer complaints	2017	2018	2019
Quality issue	14	41	45
Quality of operation	1	1	0
Delivery date issue	0	0	0
Service issue	0	0	0
Total	15	42	45



4. Create a friendly and LOHAS work environment

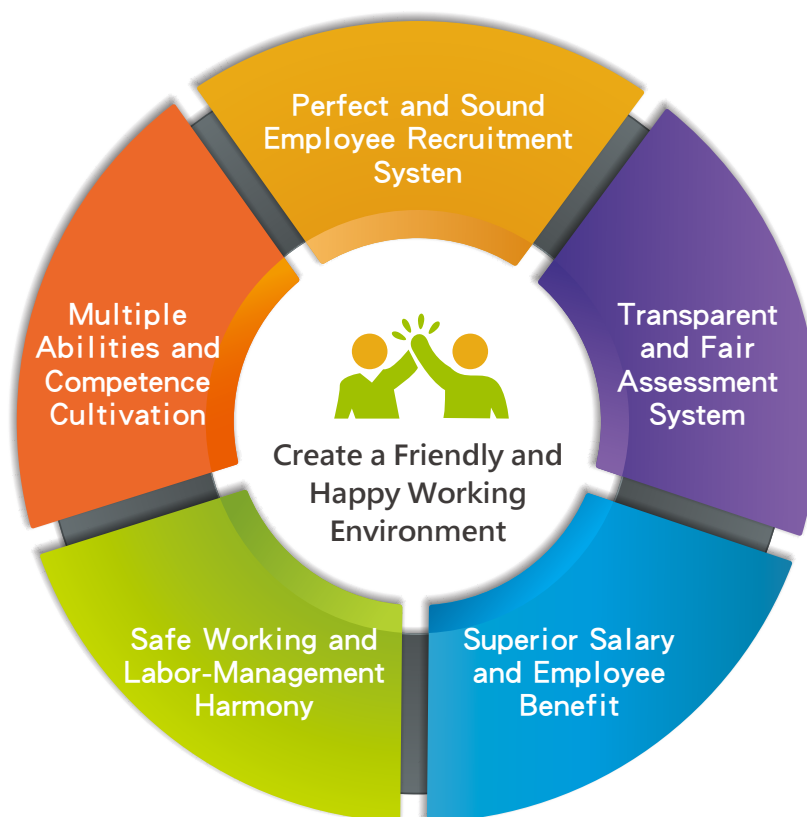
Highlight of the 2019

- ✔ Issued measures of Knowledge property Management, encourage colleagues to share and read knowledge properties, to enhance internal knowledge flow.
- ✔ Issue a health bracelet to every employees, and establish a health display board, showing speed walk competition statistics on the enterprise portal, and let everyone make exercise a habit.
- ✔ 30th Anniversary activities: Spring company trip, mini marathon, softball games, take care the physical and mental health of our colleague.
- ✔ Arrange medical professionals visit the company regularly, to provide professional consultation and advice on employees' physical and mental aspects, and hire professional nursing staff to promote labor health protection matters.

We always believe that employees are the company's most valuable asset, so we are aware that only by actively recruiting and retaining people with competence can we continue to maintain a long-term competitive advantage. We provide sound and complete training, a friendly working environment, and various welfare subsidies to attract people with competence to join our work team. We care and respect our employees, and we provide an integrated salary, benefits and insurance system to ensure our employees' basic life, and our employees can focus on their jobs and also can take care of their family with a quality and balanced life.

In terms of competence development, we aim at long-term competence development, cultivate excellent employees. We encourage our employees to use various internal or external resources to enhance their own competitiveness, it can help their growth, also can make the organization grow stronger.

In order to create a friendly and happy working environment, we started with five aspects: perfect and sound employee recruitment system, multiple abilities and competence cultivation, transparent and fair assessment system, superior salary and employee benefit, safe working and labor-management harmony. Expect to create a working environment that allows employees to work at ease and grow happily with the company.



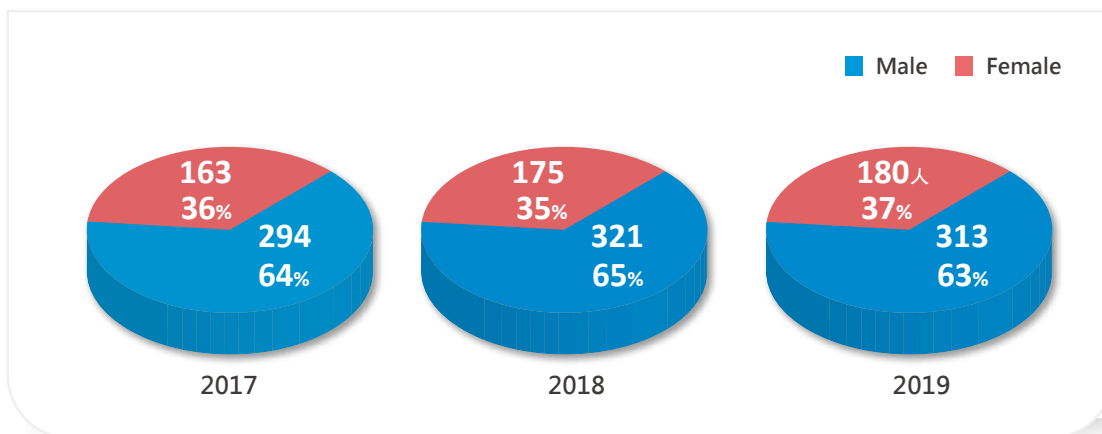
▲ Figure 4.1 Five aspect of TOPCO's friendly, LOHAS environment

4.1 Company employee structure and personnel recruitment

We have set up a comprehensive human resources database, efficiently management personnel data, and knowing each person's development status in the organization, to assist supervisor to planning for competence development.

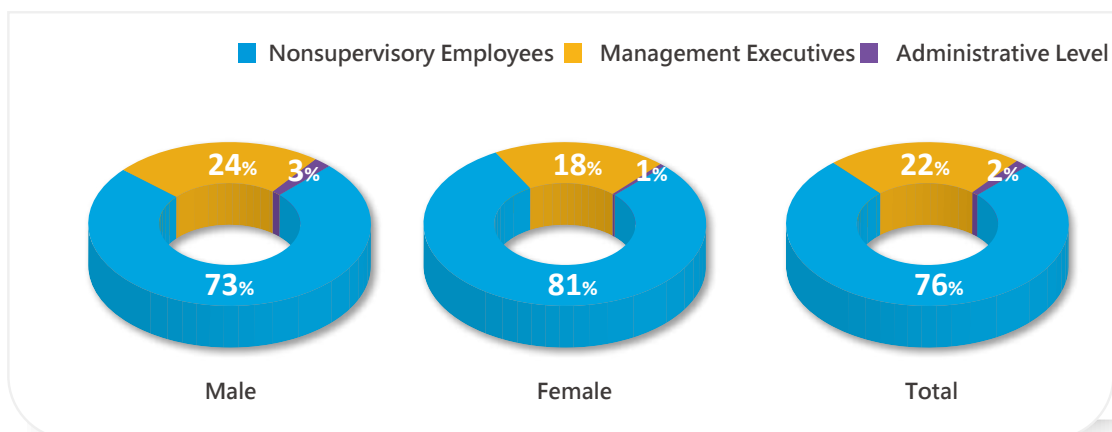
4.1.1 Company employment status

In response to the growth of our business, the number of employee has also increased year by year. By the end of 2019, TOPCO had a total of 493 employees, including 281 full-time male employees, 32 part-time male employees, and 171 full-time female employees and 9 part-time female employees.



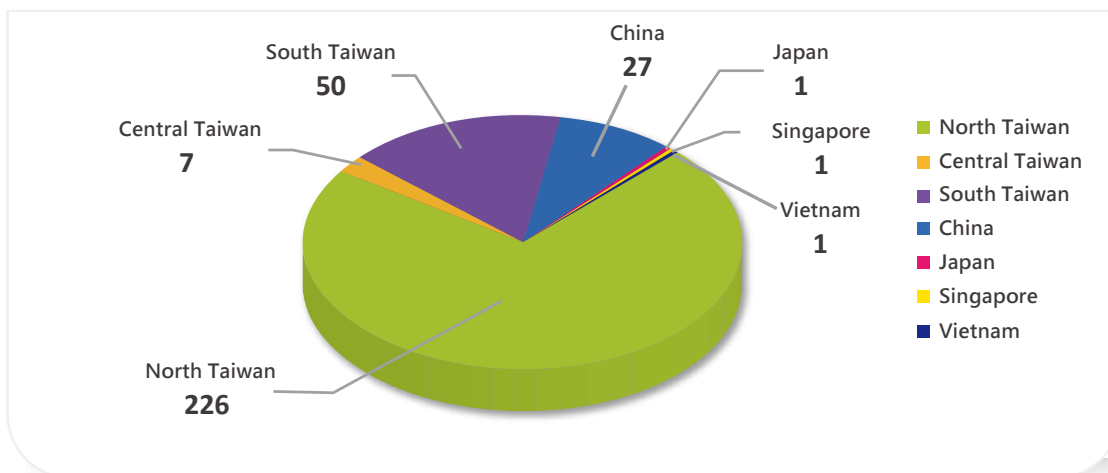
▲ Figure 4.2 Sex ration of our employee from 2017 to 2019

We emphasizes gender equality, does not discriminate based on gender or any unfair treatment, and is in line with gender equality in the workplace. In 2019, Member of management team are all native of R.O.C, Among the employees, nonsupervisory employees account for 76%, management executives account for 22% and administrative level 2%.

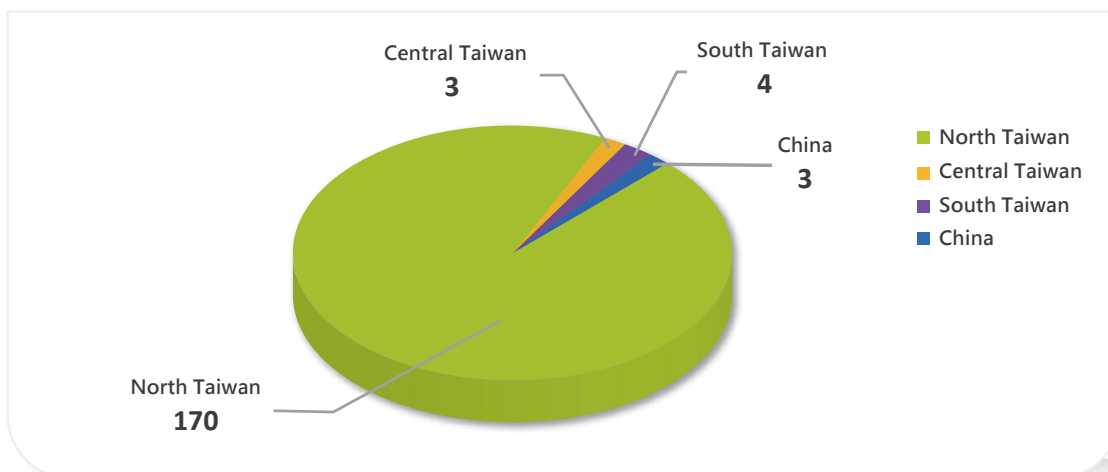


▲ Figure 4.3 Male and female personnel level composition ratio

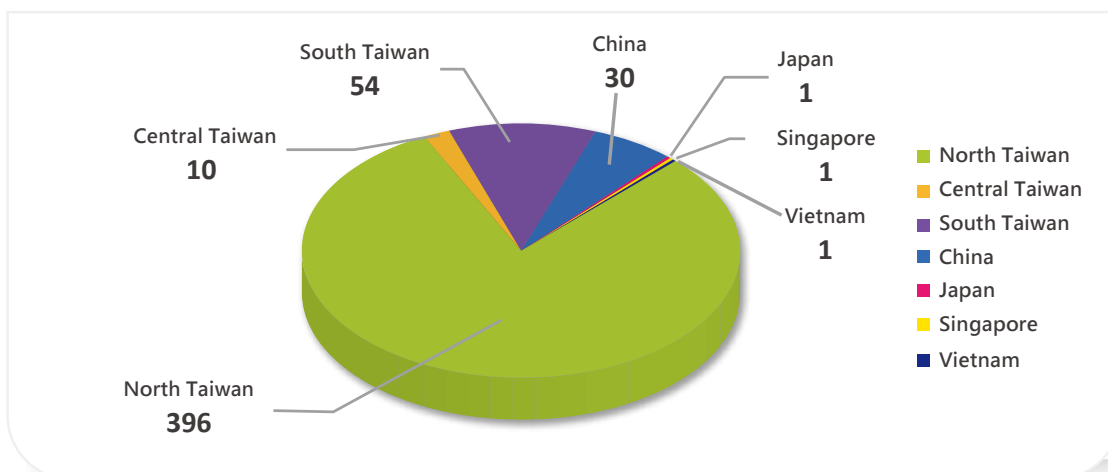
The distribution of employees by regional at the end of 2019 is shown as follows:



▲ Figure 4.4 Number of male and female employees by region



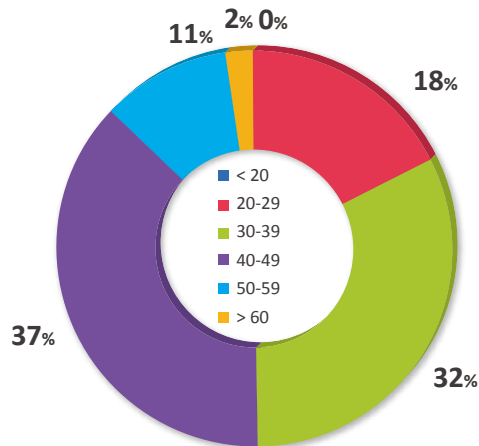
▲ Figure 4.5 Number of female employees by region



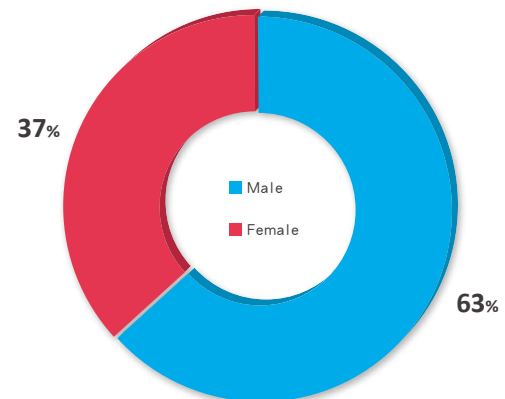
▲ Figure 4.6 Number of employees by region

The distribution of employees by regional at the end of 2019 is shown as follows; Most of our employee are among the age of 30 to 49, there are 350 in number, account for 71%.

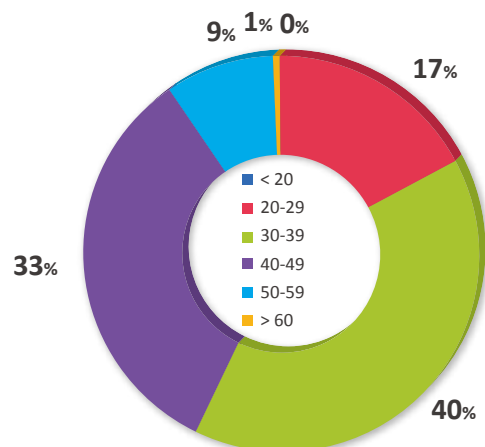
We have 139 new employee in 2019, male to female ration is 63:37. The age distribution of new employee, the majority is 20 to 29 (72, 52%), and then 30 to 39 (40, 29%), it shows that our diverse human resource, and attracting people from different region to join us.



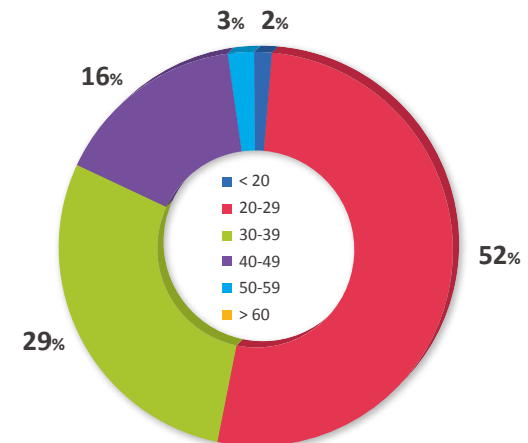
▲ Figure 4.7 Age distribution of male employees



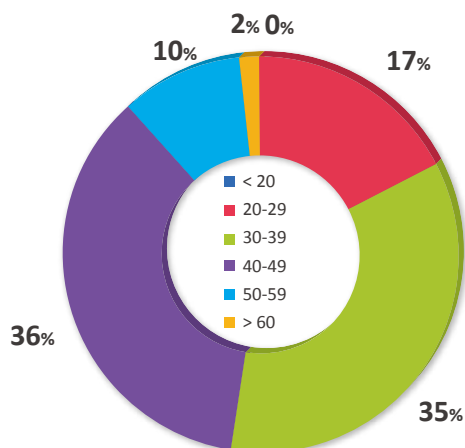
▲ Figure 4.10 Sex ratio of new employee



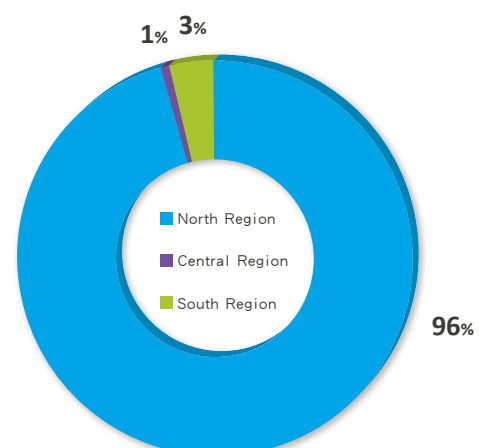
▲ Figure 4.8 Age distribution of female employees



▲ Figure 4.11 Age distribution of new employees



▲ Figure 4.9 Age distribution of employees



▲ Figure 4.12 Number of new employees by region

In 2019, there are 87 full-time employees leave, turnover rate is 17.08%, lower than 2018. Through the interview of resign employee, we found that the major reason of leaving is "personal career planning", "family factor" and "transportation factor".

In 2019, there are 5 employee applying parental leave, 1 male and 4 female, the male employee has resigned after reinstatement, one female has resigned, 2 other has reinstated, another one is still on leave.

Table 4.1 Parental leave suspension in 2019

	Person
Number of person in parental leave in 2019	5
Number of person reinstatable from parental leave in 2019	4
Number of person reinstated from parental leave in 2019	3
Ratio of reinstatement (reinstated/reinstatable)	75%
Retention rate (retained/reinstated)	67%

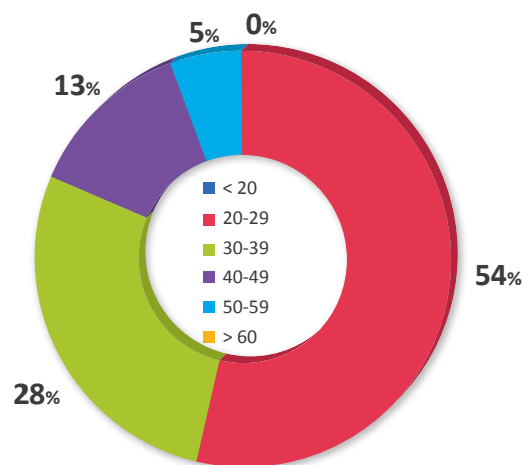
4.1.2 Employee recruitment and recruitment channel

Our recruitment strictly abides by the Labor act and principle of equal, through the open, fair recruitment. We will not discriminate against our employee by his or her racial, social class, nationality, gender, age, society, religion, political identity, and disability, we do not hire child labor. If there is a major change in our business operation, we will notify our affected employee in accordance with local law and regulation.

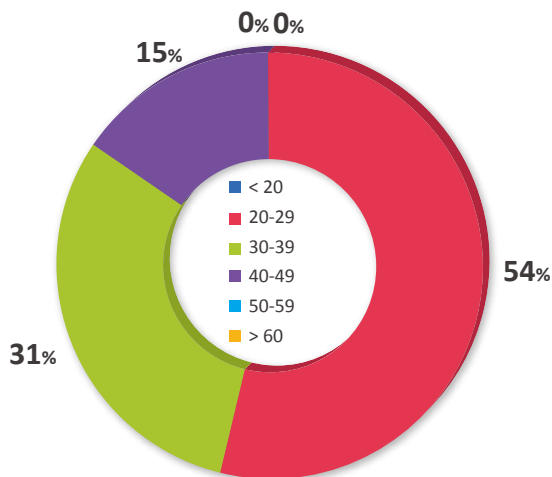
Enhance systemic recruitment process, improve the operation efficiency. Through public recruitment channel, continuously recruits professionals and person with competence. Each applicant will be evaluated with his or her competence orientation, language ability, scientific ability, and specialty, therefore, every TOPCO employee can do his or her best in his or her job.

In response to our business expansion, we continuously recruit employee through various channels such as Research and Development Substitute Services, campus, employment agency, job bank, social media, or recommendation.

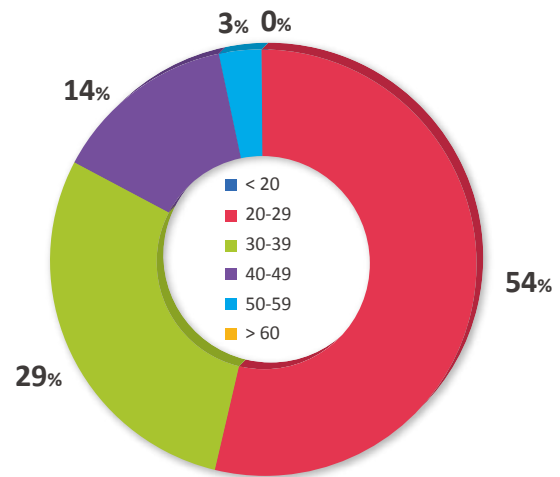
In 2019, there are 93 new employees retained at the end of the year, including 54 male and 39 female; In terms of age distribution, the most of them among the age of 20 to 29, with a total of 50. Overall, the number of new employees still working at the end of 2019 accounts for about 19% of all employees.



▲ Figure 4.13 Age distribution of male new employee retained at the end of 2019



▲ Figure 4.14 Age distribution of female new employee retained at the end of 2019



▲ Figure 4.15 Age distribution of new employee retained at the end of 2019

4.2 Promoting knowledge management, competence development and multiple competence training

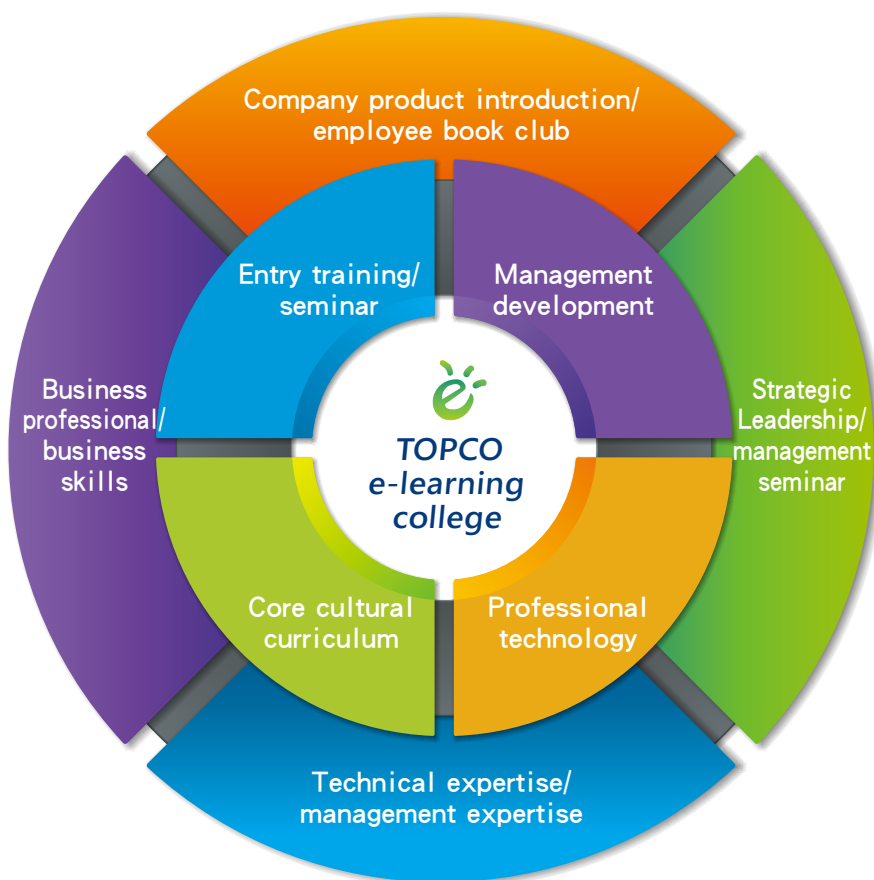
TOPCO well aware of the importance of competence of employee. In order to continuously develop the talents of colleagues, the company put forward the direction of continuous efforts in learning development and personnel development. Since its establishment in 1990, with the expansion of the organization and the rapid growth of the number of employees, TOPCO provides an environment for continuous learning and growth, implements the cultivation and development of professional competences, with a comprehensive employee education and training plan, and provides for professional training, continuing education, and professional certification.

Promoting our business philosophy and the concept of corporate social responsibility through various meetings and activities, coordinate with strategic development directions, formulate annual education and training plans, organize regularly and irregularly education and training. In 2018, we established the TOPCO e-Academy to build up employee's education and training resume. Through internal training lessons, e-learning and KM platform, provide employee general knowledge training to build up basic skill of management, sales, marketing, and establish various consensus skills and concepts.

In 2018, TOPCO Group strongly promoted the knowledge management system to enhance employees' capabilities, earn a subsidy form the Industrial Bureau's Industrial Knowledge Management Value-added Project, and successively completed the establishment of the new version of the knowledge management platform and the output of knowledge properties, assisting the human resources department to planning the competences development, and collected relevant information on the growth trend of the industry and product markets. And the case was close and the results was published at the end of November. Knowledge management platform is helpful in explicitly express the implicit knowledge of company staffs. The establishment of KM platform can

enhance the systematic and precision of knowledge management, thus accelerate the development of competence and enhance the management innovation.

In response to the introduction and promotion of the knowledge management mechanism, and set a reference base for knowledge property's collection, classification, storage, evaluation, reuse and process of key knowledge evaluation, the "Knowledge property Management Method" was issued in April 2019, to reward colleagues who uploaded and study knowledge properties.



▲ Table 4.16 Programs of TOPCO e-Academy



▲ Table 4.17 Website of TOPCO e-Academy



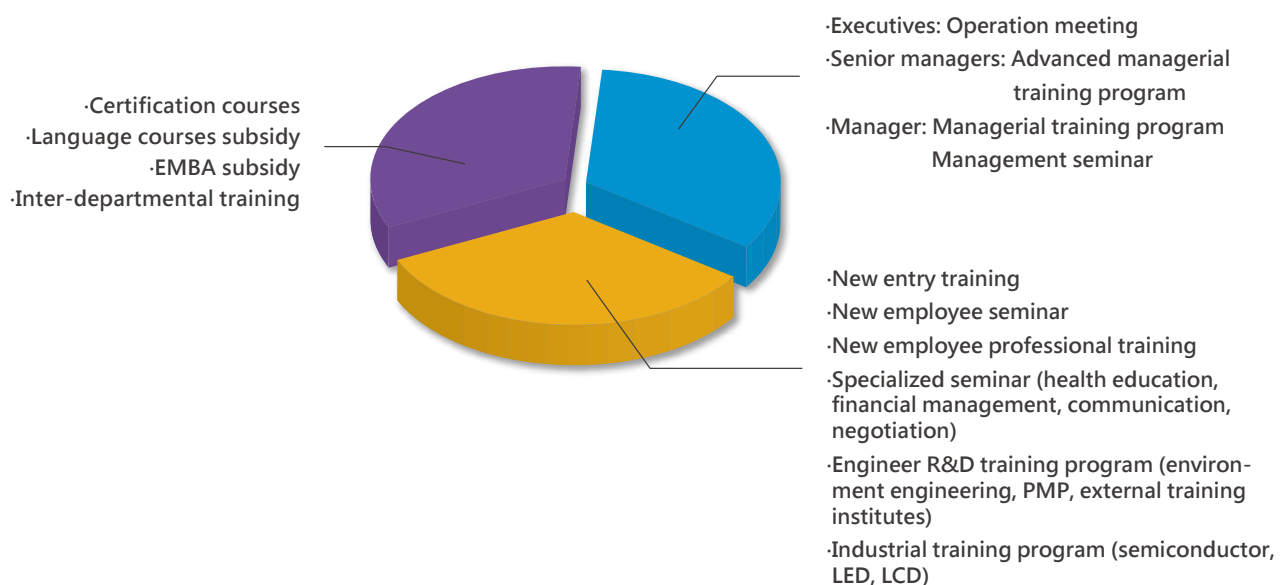
▲ Figure 4.18 TOPCO group's KM platform

We also employ external professional training to enhance the competences of employees, and introduces an external digital learning platform to provide more diversified self-learning channels, to enhance the effectiveness of professional and general knowledge study. In addition, the company has also formulated subsidies to encourage senior managers to pursue EMBA program or other academic curriculum. In 2019, there are 8 senior managers has signed up for miniEMBA/EMBA to enhance their competences and cross-disciplinary leadership, and also expanding the personal network.

To encourage our colleague to continue learning, build up their knowledge and competence, we issue a learning passport to every new employee. Our human resource department has prepare a series of learning course for our colleague, including physical and virtual sessions, They can be categorized to basic courses, general knowledge courses, professional courses and management courses.

According to the company's organizational strategy, job description, job requirements, and questionnaire of personal training needs, the Human Resources Department develop a series of training courses for new employees based on their job development plans, starting from the day one of new employee's on board. Besides to the guidance courses, it also includes daily-life consult, and variety of learning channels: on-the-job training, internal training, expatriate training, and online learning. Expect that colleagues can be more understand the job's requirements, and expectations for future growth.

In addition to a rich curriculum abundance of training course for helping colleague to build up a sound competence, we also provide our employee subsidies for continuing education, ten thousand dollars per year for non-management employees and supervisor, twenty thousand dollars per year for manager, to encourage employee continue learning.



▲ Figure 4.19 Diverse learning course

Comprehensive on-the-job training

TOPCO take the competence development very seriously. Base on company's operation strategies, job requirement and personal performance, in different phase, such as on board, competence development, supervisory and administrative phase, has its own aiming. With the credit in the learning passport, and the improvement of performance, let the employee has their own expectation for growth. The content of the course is not static. The human resources development department changes the course from time to time as the company grows, creating a more diverse learning environment for colleagues.

a. Professional certification training

While we starting the forth decade, our business has expanded from silicon wafer industry to green power industry, solar power generation, LED lighting, green building materials, and water resource renewal and recovery. To face the complexity of competence demand, we introduce internal and external training courses to help employee acquire their professional certificates.

b. Build up the working skill

Through on job training, help employees to combine their academic knowledge with the practices experiment. These courses include: semi-conductor process, international trade practice, import/export practice, and courses related to LCD, LED, and green building material industries.

c. Engineering research and development training plan

Including courses related to new products, new techniques, and introduction of semi-conductor, LCD, LED, solar battery, and green building materials industries.

d. Improve the foreign language ability

Encourage employees to improve their foreign language ability, and promote the language learning. Invite company supervisor to teach in Basic Japanese course and Japanese conversation Course introduce Japanese social culture and customs, to help employee learning language in a contextual dialogue, which will be helpful in future business work.

e. Management competence courses

- ✔ Strategies of leadership development: Courses related to problem analysis and problem solving, executive ability and performance, innovation and development.
- ✔ Commercial management training: Courses related to skill of negotiation, commercial correspondence, commercial management.
- ✔ Integrity management: Courses related to introduction of laws, internal control.
- ✔ General knowledge seminars: health education, investment management, novice and management trainee seminars, CRM practice.

f. Mentor accompany

For every new employees, there is a senior staff from their department to be their mentor, guidance and advice them in the work or in daily-life, and accompany them go through the adaptation phase smoothly.

g. Competence development

TOPCO start the Competence development plan in 2002. Over the years, it has cultivated

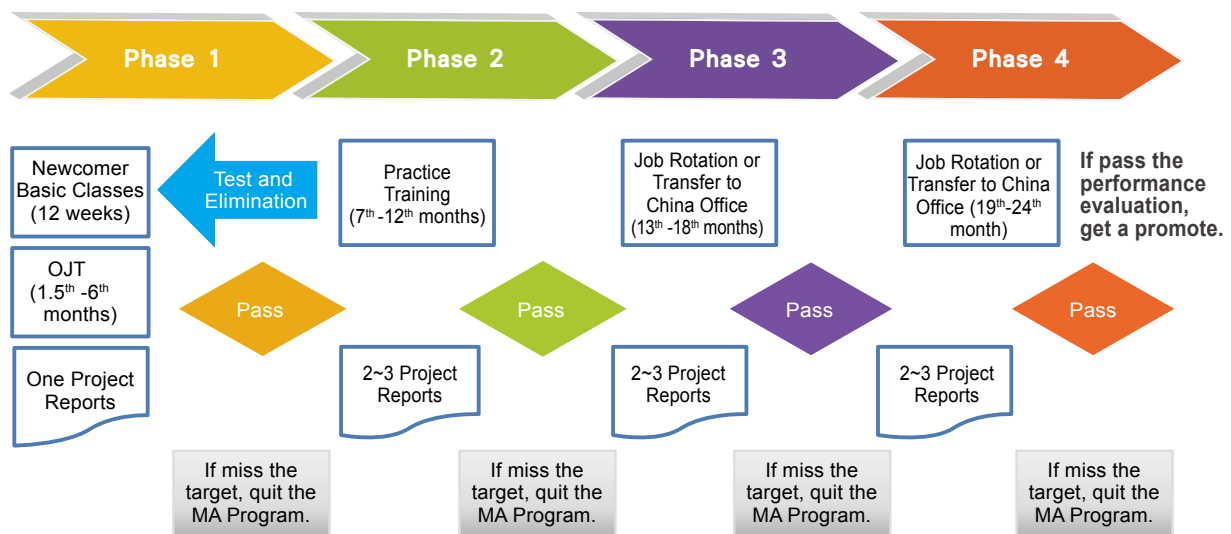


▲ Figure 4.20 Mentor accompany

many outstanding personnel who are capable to create international business, which have not only contributing to TOPCO's achievement and development, but also brought a highly achievement for themselves. With the participate of supervisors and senior staff, employees who participate the training program have improved their professional skill and management competence, and gain practice experience.

Features of Project

- ※ TOPCO enhances staff's professional knowledge and skills through instruction by supervisor and senior colleagues.
- ※ We provide our staff a series of professional course to keep enhancing their specialties and abilities.
- ※ To open up newcomers' perspective and make them fulfill themselves, we offer opportunities of related projects and task assignments.
- ※ Senior staff will be the mentor, sharing experience and offering career guidance through abundant job experience and professionalism.



▲ Figure 4.21 Competence development plan

h. Job rotation

In order to discover employee's diverse career aptitude, we provide a job rotation mechanism, every employee can apply for switching jobs at the approval of their supervisor.

i. Occupational safety and health education

TOPCO pays attention to the quality policy of service and occupational safety and health, implements labor safety and health regulations, install personnel with occupational safety office and occupational safety specialist certifications, regularly conducts various safety and health training and implementation related business, and regularly handles Fire drills and lectures.

j. Working place lecture

In order to take care of employee's health, we regularly holds employee health checks and various health lectures, and arranges medical doctors and traditional Chinese medicine physicians on-site to give advices on health check result and physical and mental health care related issues.

k. Supervisory management Consensus Camp and Staff forum

We hold Supervisory management consensus camps and Staff forums every year to build consensus and establish a communication mechanism.



▲ Figure 4.22 Sharing and discussion with group chairman

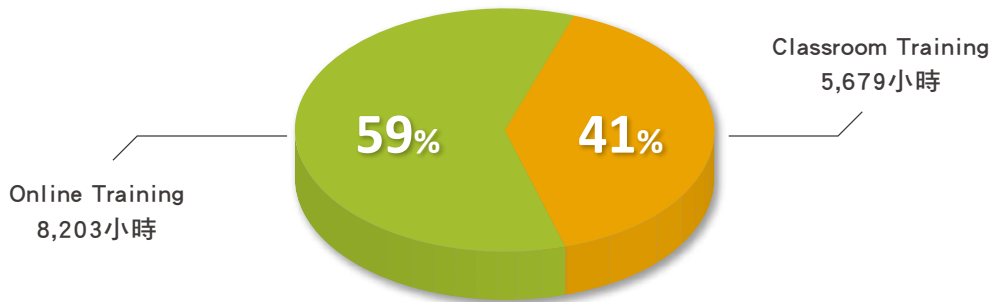
Result of education and training

To implement the competence development, here is the study result achieved by our employees in the last three year and analysis of the training cost.

Table 4.2 Education and training cost for last three years

Year	2017	2018	2019
Education and training cost (NTD)	2,170,901	1,624,103	2,550,067

In 2019, Employees of TOPCO have received total 13,881.53 hours of training, the average was 22.5 per person. In these training course, there were 8,203 hours on classroom training, and 8,203 hours on online training.



▲ Figure 4.23 Total training hours in 2019

TOPCO have comprehensive training courses, every employee, no matter what rank they are, can take all kind of training course, to become a high qualified human resource, capable of contribute to company's goal and business policy, and enhance the competitive advantages.

In 2019, the total training hours for general staff were 11,652.23 hours, for supervisors were 2,215.05 hours, and for administrator were 14.25 hours, the average training time for male employees was 17.19 hours, and for female employees was 32.29 hours.

In 2019, the total training result are listed below:

- There are 626 person have received staff personnel training, total training hour for professional training course and external training were 2,113.5 hours.
- There are 26 person have received engineering personnel training, total training hour for professional training course and external training were 128 hours.
- There are 180 person have received new technology professional training, total training hour for professional training course and external training were 433 hours.

4.3 Fair and transparent performance assessment

TOPCO has a transparent, open and fair performance evaluate system. Employees can set annual goal through professional development review and face-to-face communication with their immediate supervisor, and these goals will be reviewed in personal performance evaluate every year, to be a reference for salary adjustment, bonus payment and future promotion. The percentage of employees receiving regular performance and career development reviews is 100%.

▲ Figure 4.24 A sample of performance review form

4.4 Salary and benefit

To attract and retain competence employee, and reward employees for their performance and long-term contributions, TOPCO provides a competitive overall salary and performance bonuses system, make the salary structure be reasonable and fair, and can motivate employees to enhance their competence and make better performance.

To take care of employees' retirement life and promote labor relations, we follow the Article 56 of the Labor Standards Act, install an employee retirement measure, monthly allocate pension and works' retirement reserve fund, and pay the retirement benefit when employees meet a statutory retirement conditions.

4.4.1 Employee welfare

TOPCO installed an overall remuneration policy and scheme, and performance-based reward system, considerate employee's academic background, seniority, experience, and job content to set up payroll, to attract, motivate, reward, and retain competence personnel. Employee's salary will not be different by their gender, and comply the standard of a social responsible corporation, make the salary scheme be reasonable and fair, and can motivate employees to enhance their competence and make better performance.

We provide a seasonable performance review system to be the reference of promotion and reward, provide appropriate rewards and punishments based on employees' performance. We have institute a reward and punishment system, and published in company's website for employee to follow.

Regarding the conditions for employment, the standard salary of our company's male and female entry level employees is exceed than the statutory requirements.

Table 4.3 Employee basic salary range

Year	Nonsupervisory employee			Mandatory minimum salary
	College graduate	Bachelor	Master	
2019	25,000~29,500	29,500~33,500	36,000~40,000	23,100

Based on the company's profit status, employees' performance evaluation results and the considerations of long-term development, and employees' motivation, TOPCO conducts a comprehensive salary adjustment every year, to show our gratitude to our colleagues for their efforts and contributions in the past year, encourage employee to retained and expecting colleagues to continue good performance and create company profits. Salary adjustment range in the last three years.

Table 4.4 Salary adjustment range in the last three years

Year	2017	2018	2019
Salary adjustment range	4%~5%	4.3%~5%	3.4%~4%

Sharing profit with employees is our basic commitment, to exercise this concept, we provide measures as bonus share, stock warrant, and year-end bonus. According to Article 20 of the TOPCO's articles of association, "... employees' compensation should not less than 4% of company's profit...", we install a performance bonus scheme, to reward employee's hard work in accordance with the company's overall operating status.

Table 4.5 Employee benefit program

Programs	Item	Description
Flexible working hours	Flexible working schedule	Employee can alter their work day start and finish time.
	Mandatory holiday	Work five days a week and two days off.
Various activities held by welfare committee	Activities at company's expenditure	Group activities (such as New Year's party, year-end party, family day, sports meeting, leisure activities and sports games), society activities (such as badminton clubs) and service-oriented activities (such as public welfare activities). Gifts for three Chinese traditional festival. Colleagues' voluntary or spontaneous activities.
	Activities at benefit fund's expenditure	Spontaneous activities (such as company trip, health checks, group buying, etc.). The expenses incurred in participating in this activity can be applied for subsidies within the personal welfare limit (shop in authorized stores must pay the full amount), and the employees should pay outside the limit.
Statutory employee benefits	Mandatory benefits	Labor insurance, National health insurance, allocation of retirement reserve fund. Benefit and solarium: subsidies for childbirth, marriage and funeral.
Other benefits	Physical and mental health, and career development	Provide motorcycle and automobile parking space to employee. Install lactation room, provide a friendly environment for nursing mother Staff quarters for females or expatriates. Training and education, provide allowance for in-service education. Health checkup and health consultation service. Foreign language bonus. Staff[s] children scholarship.

4.4.2 Employee welfare

TOPCO concern employee's health and safety, besides that follow the regulations of labor basic act and labor insurance act, provide labor insurance and health insurance, and allocate works' retirement reserve fund, also we provide employee regular health check, group casualty insurance, and published the HR regulation on company's website for query. Besides these, in 2019, we have conduct a healthy weight loss lecture, and medical health consulting to take care of employee's health.

Above the mandate employee welfare standards, we provide more benefit to fulfill the employee's need, in order to help our employee to keep balance in work, health and life. Therefore, we adopt flexible working schedule, coach system for novice employee, install various society activities, company tripe, family day activities, art appreciation, and other entertainments. We also provide subsidies for wedding, childbirth and funeral, conduct birthday celebrations every month.

2019 is the 30th anniversary of TOPCO, we have conducted a series of celebrating activity:

In response to the health concept advocated by the chairman of the group, and hope that colleagues can exercise more and walk more, the employee welfare committee issue a sports bracelet with the functions of the EasyCard to each employees, reminding colleagues to pay more attention to health through the functional data recorded; Also we have held the speed walk and mini marathon competition at the Sanxia campus of the National Taipei University, to encourage employees to establish a regular exercise habits, and visiting the Taipei University's sports center, our sports business site in the National Taipei University.

In order to improve the physical and mental health of employees and encourage morale at work, the employee welfare committee organized a one-day trip of Yilan in the spring festival and planned a number of two-days company trip to Alishan, Qingjing Farm, Taroko national park, so that employees can choose to take their family to their favorite place.

Every year, we invite out customers and supplier to play softball and golf with us. In the 30th anniversary celebration activities, we conduct two-days TOPCO softball game in Hsinchu, with 16 softball teams participated. We also conduct a TOPCO vs. UMC golf friendly match in Hsinchu, and TOPCO vs. PSMC golf friendly match in Longtan District, to enhance the relationship with our customers and suppliers.

In addition, the Sheung Shui Voluntary Society carried out five voluntary visiting activity to Wugu animal shelter, Happy Mount Colony, and the Sanxia Chunhui institute Center to contribute to the society with practical actions.



▲ Figure 4.25 2019 Spring feast



▲ Figure 4.26 30th Anniversary fast walking and mini-marathon



▲ Figure 4.27 30th Anniversary company trip -- Alishan forest



▲ Figure 4.28 30th Anniversary company trip -- Taroko national park Experience Native tribal life



▲ Figure 4.29 30th Anniversary TOPCO/UMC friendly golf match



▲ Figure 4.31 30th Anniversary -- Wugu district animal shelter



▲ Figure 4.32 30th Anniversary -- Happy Mount Colony charity sale



▲ Figure 4.30 30th Anniversary TOPCO softball games



▲ Figure 4.33 30th Anniversary -- A feast in Sanxia institute

4.5 Health and safety working environment and harmonic in labor relations

Providing a safe, healthy a hygienic working environment is the goal of TOPCO, we continue to improve the Occupational safety and health performance, create a workplace with humanity and health.

Concerning the physical and mental health of our employee

Employees are important property of the corporation, thus we very concern our employee's physical and mental health. We contract with health check center to provide health check, once a year for employee age above 40, and once every two years for employee age below 40.

In 2019, TOPCO have contacted with Taipei medical university hospital, Cathay general hospital, Chihsin health check center, China Medical University Hospital, Chimei medical center, and Youcan health check center to provide hospital health check program for our employee. In 2019, there 314 employee have participated the health check program, is about the 63.7% of our regular employee, the cost of health check program are NTD 2.73 million. The employees no participate the program a novice (have a health check report attached when boarding), and others who are not been mandated to have health check.

Also, company regularly conduct health seminar on various topic, to take care of employee's physical and mental health. Since 2018, we arranges medical doctors and traditional Chinese medicine physicians on-site to give advices on health check result and physical and mental health care related issues. In 2019, we invite doctors from Linkou Chang Gung Memorial Hospital, Taoyuan Psychiatric Center, and traditional Chinese medicine physicians visit our company, to provide health consulting service, there are 118 employees have participate this activity.

In order to encourage employees to exercises more and walk more, in May 2019, we install a health display board in company's intranet, display the walking mileage uploaded from each employee's sport bracelet, through mutual reminding in the group member, make employees to cultivate the habits of exercise.



▲ Figure 4.34 Health display board

Concerning safety and health quality

In order to ensure that employees can work safely in a safe and healthy environment, TOPCO has install personnel with occupational safety office and occupational safety specialist certifications in accordance with the law. The hardware facilities are in compliance with the occupational safety and health act, and implement environmental safety and health management related matters. In 2019, there were no injuries or fatal incidents occurred in the workplace.

Besides that, the workplace regularly organizes fire drills and voluntary inspections, indicating hazard places, arranges OHS education and training for novice employees, and regularly organizes OHS seminars for employees. Ensure the safety of employees, environment and equipment.

Unimpeded and diverse communication channels

To establish unimpeded communication channel between company and employee, TOPCO has setup suggestion box and online suggestion box which are managed by high rank supervisor, so that employees can make constructive suggestions to the company at any time, and can also provide employees a platform to express their personal opinion and complaints, thus can ensure immediate and effective communication.

Also, we have setup a compliant box for sexual harassment petition, to provide the freedom from sexual harassment. Take proper precaution, corrective and punishment measures.

Employee can also through the daily and weekly work report to express their opinion and problem to their superior, as a communication platform between company and employee. Use internal published digital journal, TOPCO family, to help employee learning about the company's status and activities.



▲ Figure 4.35 TOPCO Family digital journal

Equal and non-discriminatory working environment

TOPCO respects employees' human rights, and is committed to creating a open and equal workplace ecology without gender discrimination. The company abides by international human rights conventions and promises to create a good workplace environment so that every employee can give full play to his talents.

Harmony between employers and employees

Worker's rights are highly awarded in these days, to exercise our corporate social responsibility; we abide by related labor acts, to preserve the interest of employer and employee.

In 2019, there were no any cases that related to environmental impact, labor issues, and human rights have been submitted through formal compliant platform. Also, there were no industrial dispute in 2019, our labor relation is harmonious, and there has never been any impact or loss due to labor disputes. To enhance the communication between employer and employee, a labor-management council is convened quarterly, and the representatives elected by employees negotiate with representatives assigned by company to enhance relationship and cooperation.



5. Concerning the sustainable development of environment

Highlight of the 2019

- ✓ Introduce ISO 14064 greenhouse gas emissions verification, and formulate greenhouse gas reduction policies to exercise sustainable business operations.
- ✓ The fuel consumption of business vehicles was reduced by 0.32% compared to 2018.
- ✓ The average electric power consumption per person was reduced by 4.02% compared to 2018.
- ✓ The paper consumption was reduced by 17.2% compared to 2018.

In view of today's global situation, severe issues such as climate change, excessive resource consumption, and energy shortage have all become issues that companies concerned. TOPCO persist in its commitment in environmental sustainability. In 2015, TOPCO has adopted a new CIS, with a vibrant green color, we declare our determination to protect the environment.

TOPCO's prime business is trading, providing knowledge and technical services, but not manufacturing. There is no wastewater discharge or exhaust gases emission issue. But we still aware of out responsibilities for maintain a sustainable environment. We continuously promote energy saving and carbon reduction activities, such as deduct the consumption of electric power, water and office paper. We also aware that out products and services can cause impact to environment, therefore, from choosing the supply sources, product package, and recovery, in each stage we carefully consider the issue of environmental impact, aim at reducing the environmental impact.

5.1 Energy saving and management

Greenhouse gas (GHG) emissions verification and management

In recent years, countries around the world have established a consensus on the control of greenhouse gas emissions, we also aware the requirement of reduce the emission of greenhouse gas. TOPCO concern the global climate change, we striving for use our resources to take the responsibility, according the ISO standard, we systematically conduct GHG emission inventory and record, establish a internal documentation and verification procedures, for implementation of effective improvement plan. Therefore, we stated in 2018, to establish GHG emission management system and verification mechanism, to effectively control the risk of GHG emission, and also promote the image of the corporation.

To response to UN's goal of sustainable development, and take the corporate responsibility, we take measures in the daily operation to saving energy and protecting environment. In TOPCO, the main source of GHG emission are eclectic power and fuel for traffic. We are planning to reduce the consumption of electric power and vehicle fuel to achieve the goal of reducing 1% GHG emission in three years.

Power management

In terms of lighting, since 2013, the HQ of TOPCO has gradually adopted LED lighting devices; Install motion sensing lighting device in the motorcycle parking lot; and the office turns off the lights for 1.5 hours every day during the lunch break. Furthermore, TOPCO HQ has separated to four electric segments, for telecommunication facilities, utilities, 1~5th stories and 6~8th floor of the building, each segment has its own power meter for power management. For Hsinchu, Taichung, Tainan, Kaohsiung offices, also have power management measure. In terms of air condition, through centralized remote control, air condition is turn on at 7:00 AM and turn off at 7:00 PM, setup the room temperature of each floor to saving power. We also conduct maintenance for

water chiller, elevator, and cooling fans periodically. In weekend and holiday, we reduce the use of elevator unit to saving power.

In 2019, the average power consumption per person has reduce by 4.02% compare to 2018. We continue to conduct power management, and educating our colleague to take part in it. We urge that regularly report electricity usage to the supervisor, then we can adjust our power purchase contract for a reasonable capacity. Our power saving goal for 2020: the average power consumption per person reduce by 5% compare to 2019.

Total power consumption:

Table 5.1 Total power consumption for last three year

Unit: kW-h

Power usage (yearly)	2017	2018	2019
Total power consumption of telecommunication	1,606	1,951	2,382
Total power usage for utility	635,120	624,800	621,440
Total power usage of TOPCO HQ building	754,960	758,800	780,400
Other business location	90,002	89,938	105,139
Summary	1,481,688	1,475,489	1,509,361

Transportation

The business vehicles of TOPCO can category by its usage: supervisor's personal usage and company vehicle, total number of cars are 78, each one equipped with GPS device (except for superior personal use) for monitoring the status of each vehicle, control the millage and maintenance, maximum utilization of the vehicle, also, a vehicle in a better condition make less pollution to the atmosphere. Tracking the vehicle with over millage, traffic offense and abnormal increase in fuel consumption, to improve the fuel consumption. Therefore, even the business increased in recent year, the business vehicle usage also increased, but the fuel consumption maintain in a steady level.

Total fuel consumption:

Table 5.2 Total fuel consumption for last three year

Unit: liter

Business vehicle	2017	2018	2019
Fuel consumption	149,217	149,761	149,288
Number of business vehicle	75	75	78

Paper usage management

Through centralized procurement, we control the usage of multi-function printer leases for each floors of the HQ, periodically replace and update equipment when the contract renewal in three years, keep the equipment in best condition to improve efficiency. Paper consumption has continued to decrease in the past three years. In 2019, it reduced more significantly by 17.2%. For using the multi-function printer on each floor, every person can use his/her employee ID to log in to the system, and the management unit can effectively statistics and analysis the paper usage of each unit.

Continuous monitoring can provide accurate paper usage report to each unit for reviewing a proper paper usage. Through this system, asking use to self-management, avoid waste, and promote the awareness of energy saving and carbon reduction. Our goal for paper saving in 2020: Total paper consumption reduce by 20% compare to 2019.

Total paper consumption

Table 5.3 Total paper consumption for last three year

Unit: sheet

Paper usage	2017	2018	2019
Paper consumption	815,000	785,000	650,000

Utilize the remote video conference

TOPCO's operating service bases are all over the world. In daily work, we encourages colleagues in each station to utilize the video conferences for communicate and discuss, so as to improve the efficiency of business operations and saving traveling time, transportation costs, and savings energy.

In HQ, there are 5 video projector, mange by administration department, periodically maintain and renew the equipment for maximize utilization.

Routine promotion

eBusiness procedure

Improve operation process, utilize e-form to reduce paper usage.

Digitalization of marketing resource

Prepare digitalize company profile in traditional Chinese, simplify Chinese, English and Japanese to reduce the paper usage.

No tie in summer

To reduce carbon emission, each year from May to September, except for formal occasions, male colleagues wear shirts but no ties, for energy saving and carbon reduction.

Planning environmental management courses

In 2019, we continue to plan the "Overview and Practice of Workplace Safety and Health" to enhance employees' understanding of the current international standards and requirements related to green product, and safety and health management system.

5.2 Implement of environment friendly policy

TOPCO upholds the company's responsibility for environmental maintenance, responds to energy-saving and environmental protection requirements, assists customers to fulfill their responsibilities and jointly introduce products that meet environmental standards, and promotes recycled products; encourage employees to conduct courses related to corporate environmental management to implement Environmental management policy. In the future, we will continue to grasp the risks of climate change and move towards a milestone of environmental friendliness and sustainable business operations.

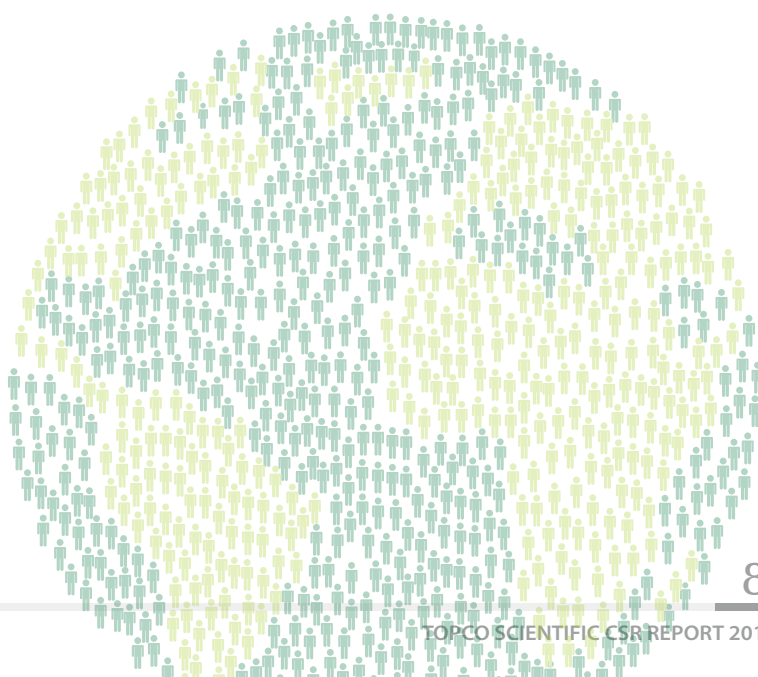
5.2.1 Environment friendly product policy

We urge our supplier to provide products which comply the international environmental standard, fulfill the demand of customer with safe and environment awareness and quality.

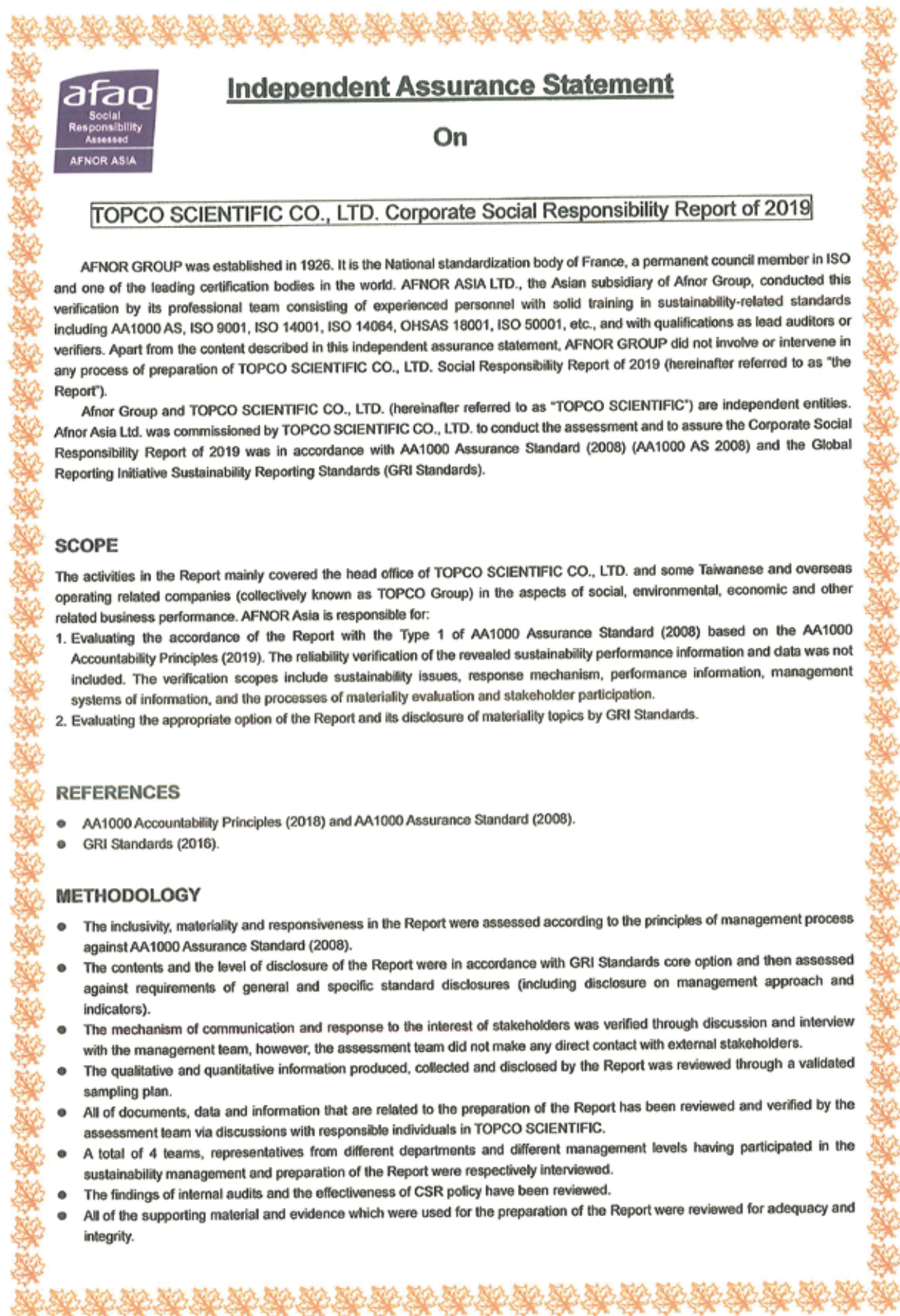
Our major supplier should obtained certification for ISO 14001 environmental management system, and major chemical supplier should comply the UN RoHS with its products and process.



▲ Table 5.1 ISO 14001 certification and Restriction of Hazardous Substances Directive



《Appendix I》 Independent third party assurance statement



CONCLUSION

◆ AA1000 Accountability Principles and AA1000 Assurance Standard

Inclusivity

TOPCO SCIENTIFIC continues to implement an extensive stakeholder engagement program aimed at identifying and understanding stakeholders' interests and informational needs, which broadly includes issues from all parties. Future reports could be improved by the following recommendations :

- Continuously enhance the identification mechanism of existing stakeholders and major issues, collect and understand the reasonable expectations and interests of stakeholders

Materiality

TOPCO SCIENTIFIC has made their sustainability management information public available to enable the stakeholders to assess the management and performance of the company. TOPCO SCIENTIFIC CO., LTD. also plans to develop and implement a decision-making mechanism to focus on major critical issues of its corporate social responsibility and sustainable management. Future reports could be improved by the following recommendations :

- Continuously collect and disclose the meaningful information of sustainable development and strengthen the identification mechanism of meaningful considerations and related effect.

Responsiveness

TOPCO SCIENTIFIC has developed and implemented a stakeholder response mechanism to clearly declare all relevant policies, norms, and codes, communicate with interested parties, and attempt to implement management policies and performance supervision that are in accordance with stakeholders' expectations. Future reports could be improved by the following recommendations :

- Continue to strengthen the response and communication mechanisms of various departments and stakeholders, and strengthen the depth and breadth of data disclosure.

Impact

TOPCO SCIENTIFIC has developed and implemented processes to understand, measure, evaluate and manage the impact of the organization and to provide the necessary capabilities and resources. TOPCO SCIENTIFIC also committed to a comprehensive and balanced disclosure of the organization's impact measurement and assessment of stakeholders and themselves. Future reports could be improved by the following recommendations :

- Strengthen the continuous search and disclosure of relevant information of each operating base, strengthen the disclosure content of the management policy, and more fully present the sustainability context and related sustainability performance.

◆ Global Reporting Initiative Sustainability Reporting Standards

TOPCO SCIENTIFIC has provided a self-declaration which followed the principles of defining report content and quality of GRI Standards. We confirm the related indicators refer to GRI Standards core option in the report have been compliance with guidelines. In accordance with principles of defining report content and quality of GRI Sustainability Reporting Guidelines, TOPCO SCIENTIFIC conducts CSR report writing and information disclosure. Based on the review results, we confirmed that the general standard of the report, the specific standard of content disclosure and the necessary management policies and indicators for major considerations are in line with the GRI Standards core compliance option requirements. Some opportunities for improvement are:

- Strengthen the identification mechanism for stakeholders to pay attention to the importance of issues.
- Strengthen the disclosure of information on major causes, boundaries, management policies and their elements, assessments, etc. of specific topics

ASSURANCE OPINION

In our opinion, the information and data presented in the Report by TOPCO SCIENTIFIC CO., LTD. is satisfactory and provides a fair and balanced representation. We believe the focuses on economic, societal and environmental matters in TOPCO SCIENTIFIC in 2019 are well represented.

Afnor Group has developed a set of protocols for the Assurance of Sustainability Reports based on current practice guidance provided in the AA1000 Assurance Standard (2008) and GRI Standards (2016). We believe that the evidence collected by onsite assessment has exhibited that TOPCO SCIENTIFIC did follow the guidance of AA1000 Assurance Standard (2008) and GRI Standards core option criteria, and their self-declaration in response to the Global Reporting Initiative.

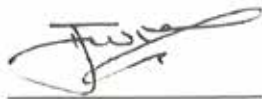
ASSURANCE LEVEL

In accordance with the AA1000 Assurance Standard (2008), we verified this assurance statement corresponding to a moderate level. The scope and methods are as described in this disclaimer.

LIABILITY

This assurance statement is intended for the use of TOPCO SCIENTIFIC CO., LTD. only. AFNOR is not responsible for any other uses. Our responsibility is only based on the scope and methodology described, and to provide stakeholders an independent assurance statement.

For and on behalf of AFNOR :



Trevor Wilmer
The Director for Certification and Assessment
JUN. 09, 2020



AA1000
Licensed Assurance Provider
000-84

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Tel. : +886 3 2208080, Fax : +886 3 2204866, <http://www.asia.afnor.org>

《Appendix II》 Greenhouse gas verification statement



Certificate

Certificat

Greenhouse Gas Verification Statement

THGHG17237-00

TOPCO SCIENTIFIC CO., LTD.

Verification Scope : No.483, Sec. 2, Tiding Blvd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.),
4F.6F, No. 12, Gongye E. 9th Rd., Baoshan Township, Hsinchu County 308, Taiwan (R.O.C.)
and No. 229, Hexing Rd., Zhunan Township, Miaoli County 350, Taiwan (R.O.C.)
Verification Criteria : ISO/CNS 14064-1 : 2006

Objective and Opinion of Verification

AFNOR ASIA in accordance with ISO14064-3:2006 had verified the Greenhouse Emission of the above organization has been examined and reported in accordance with the agreed verification criteria; The quantity of GHG emission have been examined and found to be at assurance level : Reasonable Verification Data, And the results of verification are found no violation of substantive restrictions.

Verification Information

Verification Period : 01-Jan-2019 ~ 31-Dec-2019

Total GHG emissions : 1,244,252 metric tons CO₂e

Direct GHG emissions (Scope 1) : 413,252 metric tons CO₂e

Energy indirect GHG emissions (Scope 2) : 831,000 metric tons CO₂e

Global warming potential (GWP) : Based on GWP Collecting Emissions announced in the Fifth Assessment Report of IPCC in 2013

Power Factor : Citation from 2018's annual power factor announced by Bureau of Energy in July 5,2019

Limiting Factor : None

Date of Issue : 12-MAY-2020

APPROVED BY

Trevor Wilmer
Director for Certification
ON BEHALF OF
AFNOR ASIA

104 - 2011/08

《Appendix III》 index of reference

GRI 102 General disclosure

Item	Indicator	Description	Section	Section name	Page
Current status of organization	102-1	Name of organization	1.1	Current status and	9
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	102-43	Approach to stakeholder engagement	2.3	Stakeholder engagement and major issue	32-36
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GRI 200 Economical topics

Item	Indicator	Description	Section	Section name	Page
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GRI 200 Economical topics

Item	Indicator	Description	Section	Section name	Page
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			4.4	Salary and benefit	71-72
	201-3	Defined benefit plan obligations and other retirement plans	4.4	Salary and benefit	71-74
Market presence	Management approach		4.4	Salary and benefit	71-72
	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	4.4	Salary and benefit	71-72
	202-2	Proportion of senior management hired from the local community	4.1	Employee recruitment and employee structure	60-62

GRI 300 Environmental topics

Item	Indicator	Description	Section	Section name	Page
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	302-1	Energy consumption within the organization	5.1	Energy saving and management	78-81
	302-4	Reduction of energy consumption	5.1	Energy saving and management	78-81
supplier environmental assessment	Management approach		3.2	Promoting supplier cooperation management	46-48
	308-1	New suppliers that were screened using environmental criteria	3.2	Promoting supplier cooperation management	46-48
	308-2	Negative environmental impacts in the supply chain and actions taken	3.2	Promoting supplier cooperation management	46-48

GRI 400 Social topics

Item	Indicator	Description	Section	Section name	Page
Employment	Management approach		4	Create a friendly and LOHAS work environment	58
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	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4	Salary and benefit	71-74
	401-3	Parental leave	4.1	Employee recruitment and employee structure	63
Labor/ Management relations	Management approach		4.5	Health and safety working environment and harmonic in labor relations	75
	402-1	Minimum notice periods regarding operational changes		No significant operational change in 2018	
Occupational safety and health	Management approach		4.5	Health and safety working environment and harmonic in labor relations	75
	403-2	Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities	4.5	Health and safety working environment and harmonic in labor relations	75-76
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GRI 400 Social topics

Item	Indicator	Description	Section	Section name	Page
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	417-2	Incidents of non-compliance concerning product and service information and labeling	3.3	Enhance customer service	49-53
	417-3	Incidents of non-compliance concerning marketing communications	3.3	Enhance customer service	49-53
Customer privacy		Management approach	3.3	Enhance customer service	53
	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	3.3	Enhance customer service	49-52
Socioeconomic Compliance		Management approach	3.1	Follow the international quality management principle, Commitment to product and service quality 38-39	44
	419-1	Non-compliance with laws and regulations in the social and economic area	1.1 3.3	Current status and development Enhance customer service	15 53



《Appendix IV》 Comparison with last reporting

Section 1	Item	2018 CSR report	2019 CSR report
About this report	Publication date	2018 (Jan. 1, 2018 to Dec. 31, 2018) Third edition	2019 (Jan. 1, 2019 to Dec. 31, 2019) Forth edition
Current status of TOPCO	Number of employee Group's total employee number	496 person 1125 person	496 person 1125 person
	Domestic affiliates	11 domestic affiliates	10 domestic affiliates update the English name of ECO TECHNICAL SERVICES Co. Ltd.
	Corporate Governance Stock information Cash dividend	Six Board Meetings Capital NTD 1.817 billion NTD 5.3	Six Board Meetings Capital NTD 1.817 billion NTD 6.5
	Operation performance	NTD 15.88 billion in revenue NTD 1.4 billion net profits	NTD 18.83 billion in revenue NTD 1.7 billion net profits
	Honors	Chairman of TOPCO group Dr. J.W. Kuo has represent Taiwan present the EY Entrepreneur Of The Year award. Anyong Freshmart's perch essence won the World Quality Assessment Gold	Chairman of TOPCO group Dr. J.W. Kuo has been granted "K. T. Li Fellow Award" by IICM. Ranking in Taiwan Top 2000 Survey, No. 58th in service industry, and No. 14th in IC sales channel.

Section 2	Item	2018 CSR report	2019 CSR report
Commitment for exercise social responsibility	Importance evaluate process	Based on two aspects of topics, the stakeholder's concerned and impact to TOPCO's operation.	Based on two aspects of topics, the stakeholder's concerned and impact to TOPCO's operation.
	Sort of major topics		
		1.Economic performance 2.Regulatory compliance: Society 3.Customer privacy 4.Regulatory compliance: Society, Product Liability 5.Marketing communication 6.Supplier environmental assessment 7.Education and training 8.Employment 9.Labor relations 10.Products and services	1.Regulatory compliance: Environmental 2.Occupational safety and health 3.Customer privacy 4.Employment 5.Customer health and safety 6.Marketing communication 7.Products and services indication 8.Education and training 9.Economic performance 10.Market presence
	TSC Thesis Award	In conjunction with the promotion of the New Southbound policy and encourage international exchanges, add two new categories about New Southbound Business Management Research Group and Foreign Student Thesis	Add new categories of Medical and healthcare management, and Public affairs, Non-profit and social enterprise management
Section 3	Item	2018 CSR report	2019 CSR report
Exercise the integrity, professional services	Follow the international standards Quality Management	Completed the re-verification of ISO 9001, and obtain certification for 2018.12.15~2021.12.15.	Introduce a cloud-based customer management system, to manage the customer informations.
Section 4	Item	2018 CSR report	2019 CSR report
Create a friendly and LOHAS work environment	Employee scheme	Update employment status, turnover rate data Install new knowledge management system to enhance comprehensive knowledge	Update employment status, turnover rate data
Section 5	Item	2018 CSR report	2019 CSR report
Concerning environment Sustainable development	Vision of the group	Promoting the foundry service platform, helping Chinese IC design companies seeking suitable OEM manufacturing technologies and accelerate product introduction into the market. Promoting new business in food, tourism, exercise, catering, biomedicine and others, and work intensively in healthcare business. Actively prepare for the Vietnam branch and continue to expand its business realm	Developing overseas markets such as Singapore and Vietnam, consolidate its warehousing business to achieve the purpose of cost structure optimization. Enhance the integration of business of foundry service and semiconductor quartz.

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