

SOLOMON

20
23

SOLOMON Technology Corporation
Corporate Sustainability Report





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About Our Report

To pursue sustainable corporate management and enhance information transparency, SOLOMON Technology Corporation (hereinafter referred to as “SOLOMON”) has issued its first sustainability report for 2023 (hereinafter referred to as the “Report”), with no restatements of information. Through the issuance of the Report, we explain to stakeholders the Company’s measures and performance in continuously building ethical governance, implementing environmental protection and occupational safety measures, and increasing employee compensation and benefits to achieve the goal of sustainable management, hoping that the stakeholders can pay continuous attention to us and give us valuable suggestions, so that the Company can march forward on the path to implementing sustainable corporate management.

Reporting Period and Scope

The Report is the first sustainability report of SOLOMON. The Report discloses the Company’s financial and non-financial information during January 1, 2023 and December 31, 2023. The scope of the Report covers 100% of the business locations in our parent company-only financial statements. The content includes management approaches, material issues, performance, supply chains, and the environment and society. The Report has been published on the Company’s website.

- Current release date: August 2024.
- Next release date: August 2025.

Report Boundary and Scope

The boundary of the Report covers the parent company, SOLOMON Technology Corporation (hereinafter referred to as “SOLOMON”), including its major business locations and plants in Neihu, Nangang, Hsinchu, Taichung, and Kaohsiung. The scope of disclosure for overseas business locations covers: Solomon Science Technology (VN), Solomon Robotics (THAI), Solomon Technology (USA), Solomon Technology (Japan), Solomon Energy Technology (Singapore), and Solomon Trading (Shenzhen). The Company’s subsidiaries include Solomon Energy Technology Corporation, Cornucopia Innovation Corporation, Solomon Goldentek Display Corp., Solomon Goldentek Display (Dong Guan) Ltd., and Yumon International Trade Shanghai Limited Corporation. The financial data regarding operating performance is based on the CPA-audited consolidated financial statements of the parent company and subsidiaries. For the entities and affiliates included in the consolidated financial statements, please refer to the 2023 Annual Report of SOLOMON.

Principles of Report Preparation

The Report has been prepared in accordance with the following international reporting guidelines and frameworks:

- GRI Standards issued by the Global Reporting Initiative (GRI)
- Electrical and Electronic Equipment Industry Standards issued by the Sustainability Accounting Standards Board (SASB).
- Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB)
- The content of the Report has been prepared by SOLOMON and has been reviewed and confirmed by relevant department heads. However, no third-party assurance has been obtained for the Report.

Opinions and Feedback

You are welcome to contact us regarding any feedback or suggestions on the Report.

Department of Infrastructure, SOLOMON Technology Corporation

Address: No. 42, Xing Zhong Rd., Neihu Dist., Taipei City

Telephone: (02)8791-8989

Email: stock@solomon.com.tw

SOLOMON's Website



SOLOMON CSR Section



Message from the Management

With the gradual recovery of the global economy and the promotion of the new technologies of 5G and automotive electronics, the global economy has seen steady growth. However, intensified geopolitical uncertainty has indirectly caused the weakening of the global supply chain and frequent trade restrictions and sanctions, resulting in fluctuations in the supply and demand of upstream and downstream industries. In this environment, enterprises need to adjust strategies more flexibly and quickly to respond to the changing market and industry situation.

SOLOMON Technology Corporation (hereinafter referred to as “SOLOMON”) started as an agent for electronic components and energy equipment, and has since become an agent for US-based Rockwell Automation in Taiwan. In recent years, we have responded more proactively to trends, expanded our technical level and application fields, and promoted AI 3D products to the world through the development of new technologies and new products, in order to meet the constantly changing market demand and seek new growth opportunities. As a global corporate citizen, SOLOMON actively responds to the risks and opportunities brought by climate change and proactively introduces ESG actions in operations and supply chain management. Through comprehensive practices in environmental protection, social responsibility, and corporate governance, we strive to achieve a balance between business development and sustainable management, and continue to contribute to society.

With the support of the Board of Directors in recent years, we have designated a Chief Corporate Governance Officer to provide the information needed by the Board of Directors, assist directors in complying with related laws and regulations, and improve the quality of decision-making. In addition, we have established the Sustainability Promotion Committee to integrate environmental (E), social (S) and governance (G) measures into

daily operations to further improve the governance level of the Company, thereby promoting the sustainable development of the Company.

Looking forward to the future, we will continue to play the role of an industry leader and a technology provider, and work with our suppliers and customers to create win-win values. Through diversified talent recruitment and training, we are committed to taking care of employees, giving back to shareholders, fully implementing corporate governance, and actively fulfilling corporate social responsibility to achieve the goal of sustainable business development.



SOLOMON Technology Corporation

Chairman

Chen Cheng-Lung

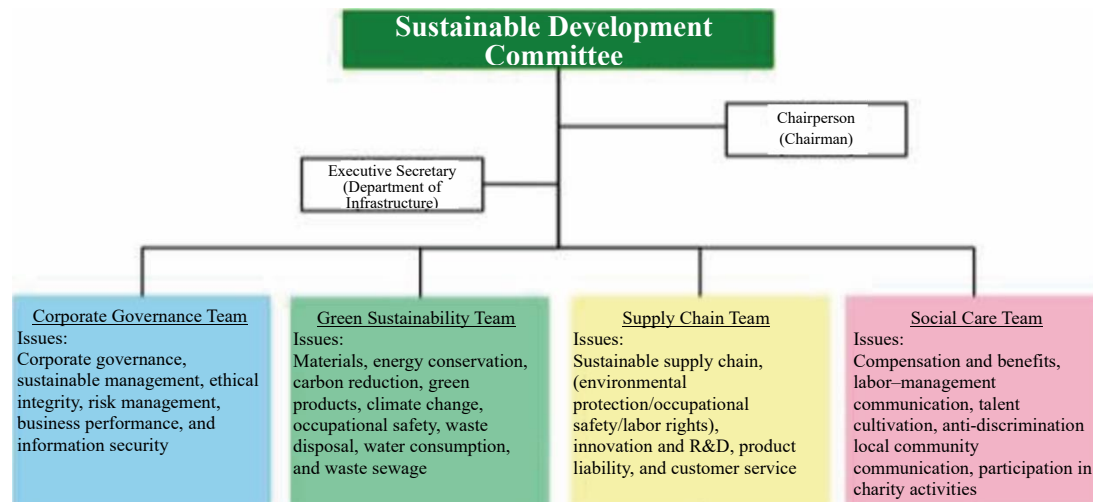
1 Sustainable Management

1.1 ESG Governance

Since 2016, we have disclosed our fulfillment of corporate social responsibility. We have established the “Sustainable Development Principles” as the highest guiding principles for the Company’s sustainability. The Board of Directors approved the “Organizational Rules for Sustainable Development” in November 2023, and formally established the “Sustainable Development Committee” with Chairman Chen Cheng-Lung and two independent directors as the members. The committee is responsible for making decisions about and promoting sustainable development in terms of corporate governance, the environment, society, and economy.

The Sustainable Development Committee operates in accordance with the Sustainable Development Principles. The committee has four sustainable development promotion teams, namely the Corporate Governance Team, Green Sustainability Team, Supply Chain Team, and Social Care Team. The “Department of Infrastructure” is responsible for the overall management of the committee’s operations, integrating the annual plans and plan implementation of the functional teams, and regularly reporting the implementation results of the year’s action plan to the Board of Directors every year. The status and results of ESG implementation in 2023 and the work plan for 2024 have been reported to the Board of Directors in November 2023, covering the Company’s sustainable governance performance, social issue performance, and environmental issue performance.

Structure of the Sustainable Development Committee



1.2 Stakeholder Engagement

The Company identified important stakeholders through discussions based on the five principles of AA1000 Stakeholder Engagement Standard (SES) (responsibility, influence, tension, diverse perspectives, and dependence) in 2023. The five major types of stakeholders identified include shareholders, customers, employees, suppliers, and media. We also made an inventory of the major communication channels:

Stakeholders	Stakeholders' significance to the company	Issue of concern	Communication channel and frequency	Communication practices	Corresponding chapter
Shareholders/ investors	Shareholders are capital providers of a company. A company shall protect the rights and interests of shareholders, treat all shareholders fairly, and ensure that they have the right to fully know, participate in, and decide on the company's material matters.	<ol style="list-style-type: none"> 1. Economic performance 2. Corporate governance 3. Risk management 4. Legal compliance 	<p>Annually: Shareholders' meeting</p> <p>Monthly: Investor section on the official website</p> <p>From time to time: MOPS</p>	<ol style="list-style-type: none"> 1. 64.64% of shares were represented by the shareholders attending the annual general meeting in 2023 2. 12 calls were received from investors 3. 1 investor conference was organized 	2 Corporate Governance
Customers	The Company regards product quality, safety and after-sales service as its highest commitment to customers. Maintaining high customer satisfaction with the Company will help the Company continue to win customers' recognition.	<ol style="list-style-type: none"> 1. Brand image 2. Customer experience and transparent communication 	<p>Customer meeting/monthly</p> <p>Business visit/monthly</p> <p>Employee satisfaction survey/annually</p> <p>Telephone, e-mail/from time to time</p>	<ol style="list-style-type: none"> 1. We paid an average of 21 visits to customers every month for relationship maintenance 2. 244 questionnaires were issued for the customer satisfaction survey 	4.1 Customer Relations
Employees	Employees are an indispensable cornerstone for the Company's operations. The Company	<ol style="list-style-type: none"> 1. Business performance 2. Talent development 	<p>Performance evaluation</p> <p>Employee Welfare Committee</p> <p>Education and training</p>	<ol style="list-style-type: none"> 1. 4 internal labor-management meetings were held 	4.2 Talent Cultivation and Development

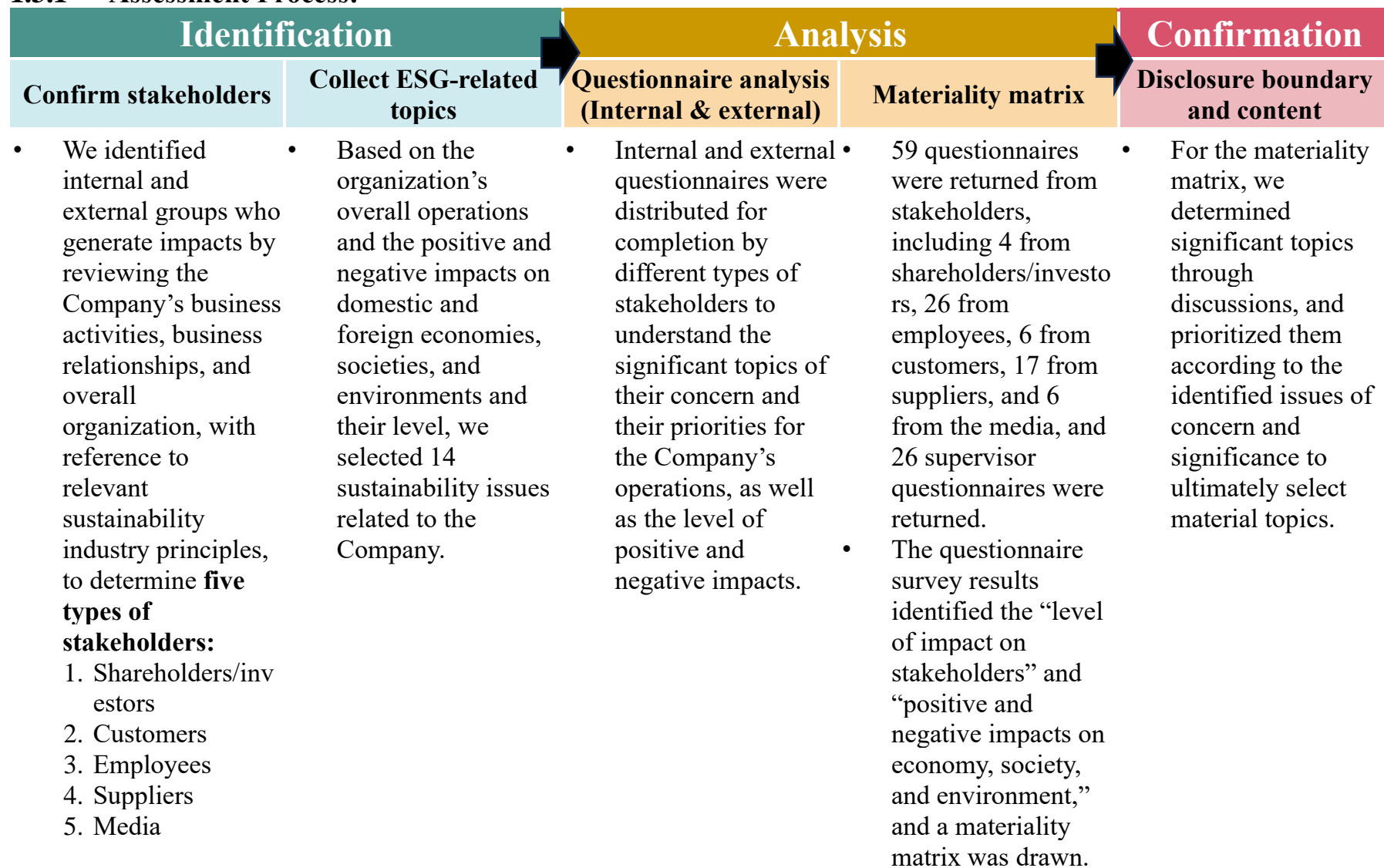
Stakeholders	Stakeholders' significance to the company	Issue of concern	Communication channel and frequency	Communication practices	Corresponding chapter
	is committed to providing employees with a healthy and diversified workplace environment so that they can work without worries.	and management 3. Employee health and safety	Labor–management meeting Grievance email address	2. Employees receiving health check-ups accounted for 68% of the total number of employees 3. 0 employee grievances	
Suppliers	We implement the ESG strategy in supplier management and continue to promote green procurement. We have announced and promoted the SOLOMON Supplier Corporate Social Responsibility Principles, hoping that all our suppliers can contribute to corporate social responsibility.	Sustainable supply chain management	1. ESG promotion for suppliers 2. Supplier evaluation 3. Email address for reporting integrity and ethical issues	1. 169 new suppliers in 2023 2. 100% of new suppliers completed the supplier evaluation survey	3.3 Sustainable Supply Chain
Media	The media is an important bridge between the Company and the outside world. It helps communicate important information to shareholders, customers, suppliers, employees, and other stakeholders, and is	1. Legal compliance 2. Information disclosure transparency	1. Announcement of the Company's products, activity advertisements/from time to time 2. Media interview/from time to time 3. Social media/from time to time	A total of 94 pieces of news and advertisements	2.3 Risk Management and Legal Compliance

Stakeholders	Stakeholders' significance to the company	Issue of concern	Communication channel and frequency	Communication practices	Corresponding chapter
	conducive to establishing and maintaining good two-way relationships.				

1.3 Analysis of Material Topics

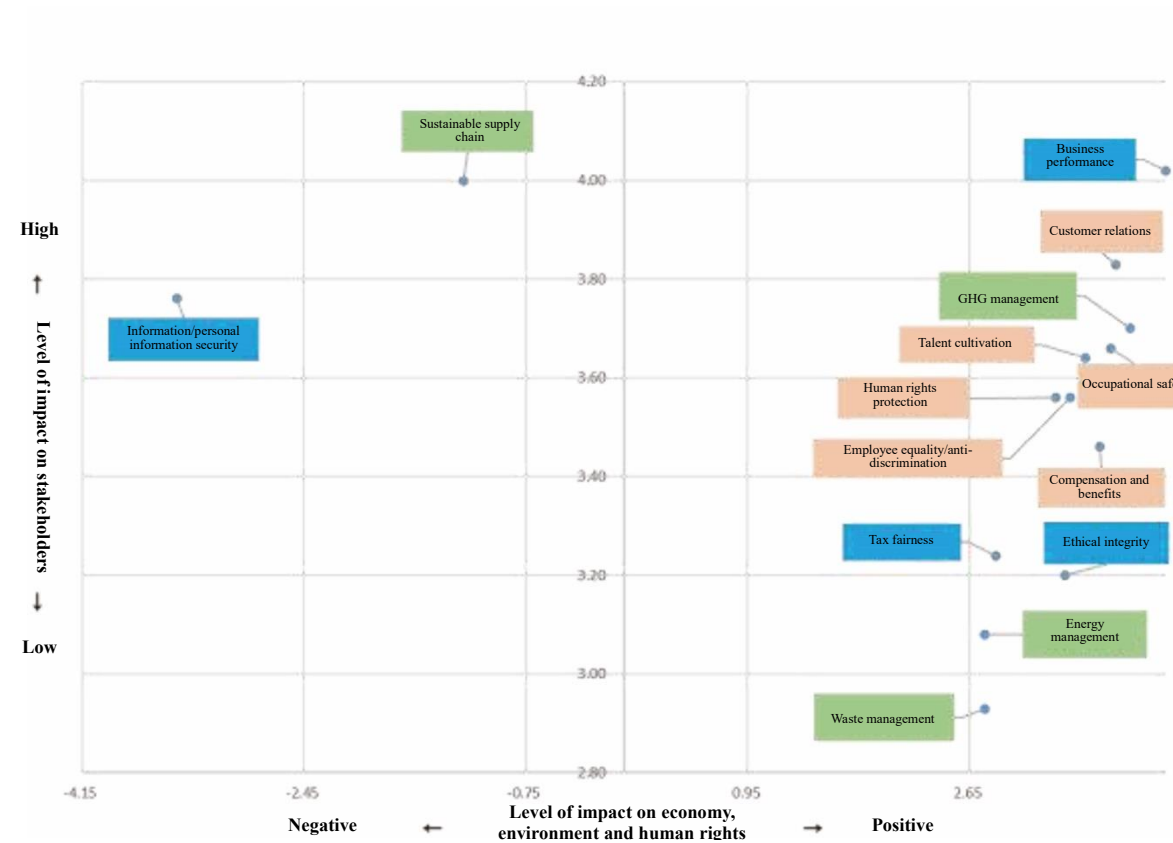
SOLOMON's analysis of material issues for 2023 continues to focus on sustainability context, materiality, integrity, and stakeholders in the identification of material issues. The Company uses the goal of corporate operations, namely achieving sustainable corporate management, as a priority basis for identifying material issues.

1.3.1 Assessment Process:



1.3.2 Material Topic Identification Result

After the final score of the questionnaire survey was calculated, the ESG team members met to select 6 material sustainability topics through communication and discussion



Rank	Aspect	Sustainability topic
1	Corporate governance	Business performance
2	Society	Customer relations
3	Society	Occupational safety
4	Society	Talent cultivation
5	Environment	Sustainable supply chain
6	Environment	GHG management

Environmental (E)	Social (S)	Governance (G)
<ul style="list-style-type: none"> Sustainable supply chain GHG management 	<ul style="list-style-type: none"> Customer relations Occupational safety Talent cultivation 	<ul style="list-style-type: none"> Business performance

1.3.3 Material Topics and Boundary

Sustainability aspect	Material topic	Level of impact	Corresponding GRI topic		Report boundary					Corresponding chapter
			Topic no.	Topic name	Shareholders/ investors	Customers	Employees	Suppliers	Media	
Corporate governance	Business performance	High	201	Economic Performance	V	V	V	V	V	2.1 About SOLOMON
Society	Customer relations	High	416 418	Customer Health and Safety Customer Privacy		V				4.1 Customer Relations
	Occupational safety	High	403	Occupational Health and Safety			V	V		4.3 Workplace Safety and Health
	Talent cultivation	High	404	Training and Education			V			4.2 Talent Cultivation and Development
Environment	Sustainable supply chain	High	308 414	Supplier Environmental Assessment Supplier Social Assessment		V		V		3.3 Sustainable Supply Chain
	GHG management	High	305	Emissions	V	V		V		3.2 GHG and Energy Management

1.3.4 Material Topics and Management Approaches

Material topics	Significance to the Company	Policy or commitment	Action plan	Goal	Evaluation mechanism	Responsible department	Grievance channel
Business performance	Corporate governance is an important mechanism for corporate management. Fulfilling the responsibilities as a corporate operator, creating sound financial performance, and protecting the legal rights and interests of shareholders, as well as the interests of other stakeholders, can ensure the Company's sustainable operations.	<ol style="list-style-type: none"> 1. Establish a sound corporate governance system, formulate the "Corporate Governance Best-Practice Principles," "Ethical Management Principles," and "Code of Ethical Conduct." 2. Take pursuing the best interests of the Company and all shareholders as the operational goal and implement corporate management operations and effective supervision mechanisms to ensure that resources are properly used and enhance competitiveness. 	<ol style="list-style-type: none"> 1. The management regularly holds operations meetings to formulate the Company's operations development strategy plan based on the Company's operations and market development trends. 2. Continue to invest in innovation and R&D and develop more competitive products to enhance the Company's operating profit growth and market competitiveness. 	To achieve the Group's management objectives, the Group's Chairman and various units will discuss to set challenging growth goals and strategic development directions from a big-picture perspective and transform the strategies into specific implementation plans. As such, the annual strategic planning operating procedures and the responsibilities of each relevant unit have been established.	A business management meeting is held every month to track the progress of the KPIs listed in the annual plan report of each unit. The "Annual Strategic Planning and Action Tracking Table" is used to assess whether each unit has implemented strategic actions and review the implementation with the Chairman. If the meeting adopts a resolution to modify the KPIs (quantitative or qualitative) or improve the proposed improvement measures, the Business Management Department will	Business Management Department	e-mail: stock@solomon.com.tw

Material topics	Significance to the Company	Policy or commitment	Action plan	Goal	Evaluation mechanism	Responsible department	Grievance channel
					include the resolution in the meeting minutes. The department will then track the unit's modification of its KPIs (quantitative or qualitative) and follow up on whether the improvement measures have been implemented and the annual goals have been achieved.		
Customer relations	Improving customer service quality.	We offer timely and effective services to customers and make them satisfied with the products provided by the Company to build a good company and product image.	<ol style="list-style-type: none"> 1. Implement the operational aspects of each stage, and continuously make revisions for improvement to achieve the highest customer satisfaction. 2. Provide customers with communication channels to make 	Employee satisfaction survey score \geq 90.	Customer service satisfaction survey.	Operations Department	Automation Business: abu@solomon.com.tw Intelligent Business: vbu@solomon.com.tw Robot Business: rbu@solomon.com.tw LCD Business: lbu@solomon.com.tw Component Business: cbu@solomon.com.tw Energy & Power Business: Technology Business tbu@solomon.com.tw Gas Business gbu@solomon.com.tw

Material topics	Significance to the Company	Policy or commitment	Action plan	Goal	Evaluation mechanism	Responsible department	Grievance channel
			suggestions or address problems in a timely manner. 3. Set the target time for reporting customer problem handling progress to improve timeliness.				
Occupational safety	Providing employees with a safe work environment and protecting their physical and mental health have always been the Company's philosophies. An occupational safety and health management system can effectively reduce the occurrence of occupational accidents.	Employee safety is an issue that the Company takes seriously. With the aim of zero occupational accidents, we organize fire drills every year, formulate response measures and post-disaster recovery plans, and implement various safety prevention measures to ensure the safety of employees at work.	1. Formulate occupational safety and health (ISO 45001) policies and goals. 2. Arrange contracted physicians and nurses to provide consultations, health seminars, and on-site visits to promote the "health management" of employees.	1. Employee occupational safety education and training and disaster prevention drills. 2. Hold regular occupational safety meetings to review occupational safety conditions. 3. 100% of employees receive regular health check-ups.	Implement internal and external audit plans for occupational safety and health.	HR and General Affairs Departments	Grievance email address: 119@solomon.com.tw

Material topics	Significance to the Company	Policy or commitment	Action plan	Goal	Evaluation mechanism	Responsible department	Grievance channel
				4. Zero occupational accidents.			
Talent cultivation	We are committed to providing an equal, inclusive, diverse, and harmonious work environment to foster employee recognition while attracting and cultivating professional talent. We have continued to promote talent investment to enhance our competitiveness in sustainable management.	Uphold people-oriented, legal and equal policies to create a comprehensive workplace environment, strive for personnel development, and provide diversified learning courses to enhance the professional skills of employees and achieve high performance at work.	1. Bridge the gap through industry-academia collaboration, make contact through diverse channels, and provide job opportunities. 2. Provide employees with various professional courses and offer training subsidies to encourage the employees to learn and improve themselves based on their special needs.	340 trainees, with 858 training hours in total.	1. Average hours of education and training per employee. 2. Post-course employee satisfaction survey	HR Department	HR email address suggest_box@solomon.com.tw
Sustainable supply chain	The industrial value chain is an interdependent system. Actively promoting supplier management	Be committed to jointly promoting and implementing sustainable development and responsibilities with upstream, midstream, and	Evaluate based on the Supplier Social Responsibility and Sustainable Development Code of Conduct.	100% of key suppliers sign the Supplier Social Responsibility and Sustainable Development Code of Conduct.	1. Establish supplier management procedures. 2. Annual internal audit plan.	Purchasing unit	Automation Business: abu@solomon.com.tw Intelligent Business: vbu@solomon.com.tw Robot Business: rbu@solomon.com.tw LCD Business: lbu@solomon.com.tw Component Business:

Material topics	Significance to the Company	Policy or commitment	Action plan	Goal	Evaluation mechanism	Responsible department	Grievance channel
	helps increase the overall value, creating a positive influence on society and achieving the goal of sustainable collaboration.	downstream suppliers.					cbu@solomon.com.tw Energy & Power Business: Technology Business tbu@solomon.com.tw Gas Business gbu@solomon.com.tw
GHG management	Extreme weather events may affect business operations and finances, and it is necessary to identify relevant risks and opportunities and incorporate them into operational decision-making to reduce disasters.	Promote GHG inventory and energy saving and carbon reduction plans, and reduce GHG emissions to mitigate the impact of climate change, in order to achieve the goal of environmental management.	The “GHG Inventory Team” performs examinations and reviews every quarter to incorporate energy conservation and carbon reduction in employees’ daily habits.	Set power saving targets Short-term: Reduce by 5% by 2027; medium-term: Reduce by 7% by 2030	ISO 14064-1 GHG inventory	GHG Inventory Team	e-mail: stock@solomon.com.tw

Editorial Policy

In order to pursue sustainable corporate management and enhance information transparency, XX has issued the 2022 Sustainability Report (hereinafter referred to as the Report). Through the issuance of the Report, we explain to stakeholders XX's measures and performance in continuously building ethical governance, implementing environmental protection and occupational safety measures, and increasing employee compensation and benefits to achieve the goal of sustainable management, hoping that the stakeholders can pay continuous attention to us and give us valuable suggestions, so that XX can march forward on the path to implementing sustainable corporate management.

ESG Information Disclosure

Disclosure category	Coverage
Period	The whole year of 2022. In view of the integrity of the data disclosed, if there are operating activities that span across different years, they will be explained in the Report.
Business location	Plants in Taiwan (XX Headquarters, XX Plant) Overseas plants (XX Plant, XX Plant, XX Plant)
Financial data	Consistent with those in the consolidated (parent company-only) financial statements
Environmental, safety and health data	Plants in Taiwan (XX Headquarters, XX Plant) Overseas plants (XX Plant, XX Plant, XX Plant) Subsidiaries (XX Corp.)
Employee data	Plants in Taiwan (XX Headquarters, XX Plant) Overseas plants
Performance in charity activities	XX Company, XX Charity Foundation

Preparation Basis and Information Verification Methods

- The framework based on which the Report has been prepared is the GRI Standards 2021 issued by the Global Reporting Initiative (GRI). The Report also complies with the “Rules Governing the Preparation and Filing of Sustainability Reports by TWSE (TPEX) Listed Companies.” The GRI content index and the XX industry sustainability information disclosure table have been attached as appendixes to the Report for stakeholders’ reference.
- The financial data disclosed in the Report has been audited by XX CPA Firm in accordance with the International Financial Reporting Standards (IFRS), and is presented in NT\$ thousand. The data on environmental protection, employees and occupational safety has been compiled by the responsible departments and confirmed by the departmental heads, and is presented in internationally accepted indicators.
- XX’s plants in Taiwan (XX Headquarters, XX Plant) and overseas plants (XX Plant, XX Plant, XX Plant) have been certified to the IECQ QC 080000:2017 Hazardous Substance Process Management System, IATF 16949:2016 Automotive Industry Quality Management System, ISO 9001:2015 Quality Management System, ISO 14001:2015 Environmental Management System, and ISO 45001:2018 Occupational Health and Safety Management System, and have continued to maintain the validity of the certificates.

Management system	ISO 9001:2015	ISO 14001:2015	ISO 14064-1:2018	ISO 14067:2018
Verification body	SGS	BSI		
Management system	ISO 45001:2018	ISO 27001:2013		
Verification body	SGS			

2 Corporate Governance

2.1 About SOLOMON

SOLOMON Technology Corporation (hereinafter referred to as “SOLOMON”) was established in 1990 and its shares were listed on the Taiwan Stock Exchange in 1996 (stock code: 2359). SOLOMON is headquartered in Taipei and initially entered the market as Taiwan’s first professional agent for European, American, and Japanese electronic components companies. The Company’s main business activities include electricity (covering fuel-fired and gas-fired power generation systems), automated industrial products, displays, and electronic parts. The Company provides services across the Greater China and Asia-Pacific regions such as Hong Kong, Shanghai, Suzhou, Shenzhen, and Dongguan.

SOLOMON started with operating three business groups, namely for power generators, electronic materials (active components, passive components, protection elements, and temperature elements), and welding equipment and their materials. In 1984, the Company worked with Cummins, the world’s largest professional heavy-duty diesel engine manufacturer, to serve as an agent for its products. In 1989, SOLOMON built a new LCD plant in Kaohsiung to engage in the research, development, design, manufacturing, and sale of LCD modules. We have invested in memory design and semiconductor packaging and testing fields. The Battery Module Department has also been established to start technical collaboration with TOSHIBA in the manufacturing of nickel-metal hydride battery and lithium battery modules.

In recent years, we have become a global technical leader with our machine vision solutions. The AccuPick 3D Robotic Bin Picking System won important international awards in the industry and also received the domestic Taiwan Excellence Award in 2018 and 2019. Solvision applies the latest deep learning technology to the identification of industrial defects and characteristics. In order to brand the Company with smart manufacturing, we have actively participated in important international industrial automation exhibitions in recent years, continuously innovated, and strengthened our AIoT capabilities to improve smart manufacturing. The Company adheres to the business goal of “creating value” and

Company name	SOLOMON Technology Corporation
Location of headquarters	No. 42, Xingzhong Rd., Neihu Dist., Taipei City
Main products/services	Automation business, intelligent business, energy and power business LCD business, component business, medical devices
Stock code	2359
Shareholding structure	Domestic corporations 12.31% Domestic individuals 81.63% Foreign institutions and individuals 6.06%
capital	NT\$1,714,711 thousand
Consolidated (parent company-only) operating income in 2023	NT\$4,219,903 thousand
Number of employees	792 (Taiwan: 422 overseas: 370)
Business location	Taiwan: Taipei, Hsinchu, Taichung, and Kaohsiung Northeast Asia: Japan Southeast Asia: Thailand, Vietnam China: Beijing, Shanghai, Suzhou, Shenzhen, Xiamen United States: California

the corporate mission of “satisfying human needs in life,” and strives to create “customer value,” “employee value,” and “shareholder value.”

2.1.1 Company history

Time	Major milestone
1973	Solomon Enterprises Limited was founded and entered the market as a specialized agent for electronic parts and components from Europe and America.
1978	Yih Chuenn Enterprise Co., Ltd. was established to serve as an import agent for generators.
1987	Solomon (USA) Corporation was founded.
1988	Solomon Industry Limited was founded to engage in the R&D, design, manufacturing, and sale of optoelectronic automation products.
1989	Solomon Electronics Limited was established to engage in the R&D, design, manufacturing, and sale of LCD modules.
1990	On May 7, all affiliates were incorporated to form SOLOMON Technology Corporation. On October 30, SOLOMON Technology Corporation was approved to be listed by the Securities and Futures Commission, Ministry of Finance.
1991	The Communication Business Unit was formed to engage in the R&D, design, manufacturing, and sale of smart life management communication systems.
1992	The Smart Card Department was formed to engage in the R&D and sale of IC cards and relevant products.
1994	The Solomon Building in Nangang Dist., Taipei City, was built and put into use.
1995	The Battery Module Department was formed to engage in technical cooperation with TOSHIBA in manufacturing NiMH battery cell modules.
1996	The stock of the Company was listed on December 19.
1997	The Computer Peripheral Business Unit was formed to engage in the sale of computer system components and their peripherals.
1998	The Smart Card Department, Wireless Communication Business Unit, and Optoelectronic Automation Business Unit were incorporated into Solomon Smartnet Corp., Solomon Wireless Technology Corp., and Long Men Technology Corporation, respectively.
1999	Solomon Group was founded officially. The Group merged with Solomon QCE Ltd. in Hong Kong to branch out into overseas and Chinese markets, marking a new milestone. The Group merged with the R&D department of MOTOROLA LCD DRIVER to establish Solomon Systech Limited and engage in the R&D of LCD driver application products. On December 1, Solomon Information Corporation was founded to enter the online education and training field. In December, Solomon Microtech Limited was founded to focus on the R&D of embedded micro controllers.
2000	41% of equity in Solomon Goldentek Display was acquired to reinforce the supply of LCD panels.

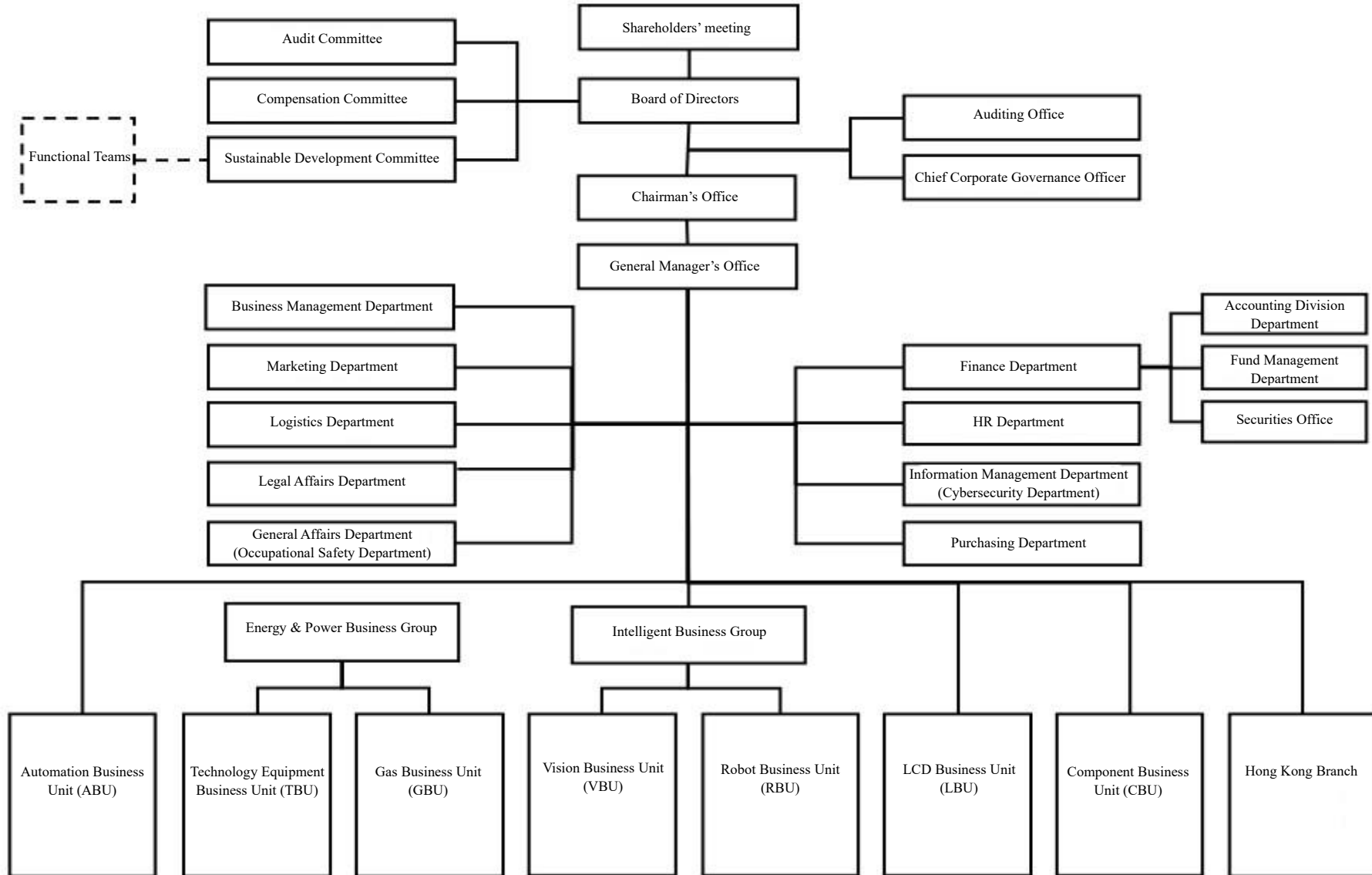
	Solomon Korea (Seoul) Corporation was set up. A new plant in Kaohsiung was put into use.
2001	The organization was reorganized into five business units, namely the Technology Equipment, System integration, Memory, Module, and Component Business Units, the Finance Department, and Administration Department. The Company's LCD Business Unit merged with Solomon Goldentek Display, marking the official takeover of Solomon Goldentek Display by the Company. The Company moved into an office building in Neihu in April. Shou Neng Technology was founded to focus on the supply of battery modules. Solomon Group USA (San Jose) Corporation and Hong Kong Branch was founded.
2002	The System Software Business Unit was formed and then merged with the Application Software Business Unit. The Oracle ERP system went live successfully, laying the foundation of the Digital Nervous System. In April, Yumon International Trade Shanghai Limited Corporation was founded through indirect investment. In September, Solomon Trading (Shenzhen) Ltd. was set up through indirect investment.
2003	The Wireless Network Communication Business Unit was renamed the IA Business Unit, and Wireless Communication Business Unit was set up to focus on the R&D and marketing of wireless network products, including GPRS, WCDMA, WLAN, and other modules, as well as modems and mobile phones using the above modules.
2007	The Company merged with its 100%-owned subsidiary Long Men Technology Corporation. The Company survived and formed the Hygiene Business Unit (HBU) to branch out into niche industries such as hygiene, health care, remote medical equipment, and their core components.
2016	The Automation Business Unit (ABU) was presented with the Best Distribution Performance Award by Rockwell Automation in FY16.
2017	The Automation Business Unit (ABU) officially entered into a contract with MTE, a leading company offering passive harmonic filters in the US, to be appointed as its general agent in Taiwan.
2019	The smart 3D vision scanner and smart 3D random bin picking system won the [Taiwan Excellence Award 2019].
2021	On August 9, the subsidiary Data International Co., Ltd. was renamed Solomon Data International Corporation upon approval by the Taipei City Government. Its stock was officially listed on the Taipei Exchange on September 30 of the same year.
2023	Invested in the establishment of a subsidiary in Japan: Solomon Technology Japan co., Ltd.

2.1.2 Corporate governance structure

The Board of Directors is the Company's highest governance body and decision-making center for major business strategies. The Board of Directors fulfills its supervisory responsibilities with a prudent attitude, and considers the Company's interests as a priority in supervising and directing the Company's management team. It also prevents conflicts of interest, ensures the Company's compliance with various laws and regulations and the Company's Articles of Incorporation, and evaluates operating strategies, ESG performance, and risk control. The Company

has established the “Audit Committee,” “Compensation Committee,” and “Sustainable Development Committee” to report to the Board of Directors on operational activities and decisions on a regular basis to ensure the independence and fairness of corporate operations.

Organizational Chart of the Company



2.1.3 Business Performance and Brand Value

In 2023, global macroeconomic and geopolitical factors still existed. With the post-pandemic reconstruction of business operations and an increasing international focus on ESG and green sustainability, it was as if we were entering a whole new competition. In the face of various operational situations, greater caution must be exercised in assessment and response. For the Group, it has always been our mission to maintain professional R&D capabilities, excellent teamwork, and solid industry experience while continuously creating value for our customers, employees, and shareholders.

The Group's consolidated operating income throughout 2023 amounted to NT\$4.22 billion. The current net profit was NT\$558 million, and the EPS was NT\$3.11, with an increase of 0.44%.

Direct Economic Value Generated and Distributed in the Past Three Years

Unit: NT\$ thousand

	Item	2021	2022	2023
Income	Operating income	3,899,210	5,249,928	4,219,903
Distribution	Operating costs	3,105,248	4,166,414	3,251,184
	Operating expenses	744,671	818,986	825,574
	Employee salary and benefits	675,440	711,704	695,796
	Cash dividends	85,736	154,324	257,207
	Income tax paid	34,153	44,155	135,800
	Social investment	25,797	219	3,178
Retention	Net profit in the current period	216,364	475,943	557,787
	Retained earnings	2,793,372	3,101,223	3,377,752

Tax Policy

In addition to continuing to increase profits and improve financial health, the Company complies with the tax laws and regulations of the countries where the business locations are located, files tax returns and pays related taxes, and supports the governments in promoting major public infrastructure construction, equipment investment and R&D.

In 2023, the government subsidy income was approximately NT\$42,899 thousand.

Tax Information in the Past Three Years

Unit: NT\$ thousand

Item	2021	2022	2023
Pre-tax profit	258,681	655,837	638,524
Income tax expense	42,317	179,894	80,737
Income tax rate	20%	20%	20%

Solomon Group's production capacity and operations structure is as follows:

Unit: Thousand pcs

Year Production volume and value	2023			2022		
Main product (or company name)	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
SOLOMON (medical materials)	6,300	3,362	45,126	6,300	3,596	39,528
Solomon Data International (LCMs)	415	238	36,435	415	350	53,677
Solomon Goldentek Display (LCDs + LCMs)	61,500	13,879	632,345	61,500	18,048	991,684
Total	68,215	17,479	713,906	68,215	21,994	1,084,889

SOLOMON's Industrial Value Chain

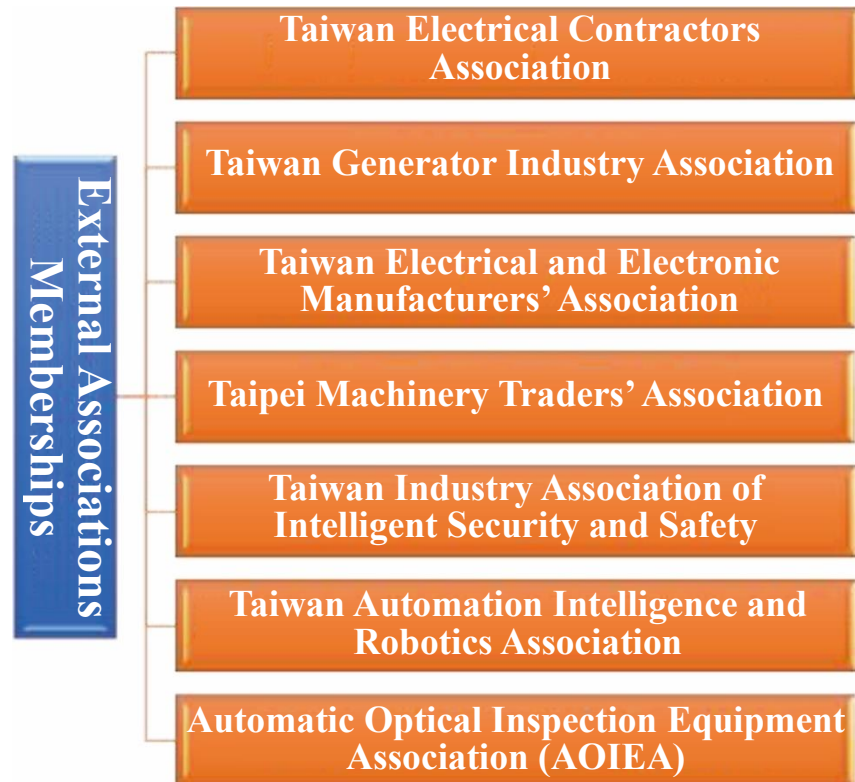
We have expanded our business to the sale of products such as energy generation equipment, automated industrial equipment, air compressor products, visual sensing integration, system development applications, robotic arms, displays and electronic parts, etc. as an agent. We also provides comprehensive integrated system design, engineering and maintenance services.

The relationship among business units in the upstream, midstream and downstream industries is as follows:

Upstream		Midstream	Downstream
Technology Equipment Business Unit	Steel materials, cylinders, armature coils, transformers, cabinets, cables, capacitors, PCB, etc.	Diesel generators (for emergency power) and uninterruptible power systems (UPS) (for power protection)	Technology sector, petrochemical sector, manufacturing sector, public construction, hospitals, financial sector, commercial residential buildings, etc.
Gas Equipment Business Unit	Steel materials, cylinders, armature coils, pistons, etc.	Biogas, natural gas generators	Petrochemical sector, animal husbandry sector, biomass energy, kitchen waste, etc.
Intelligent Business Unit	Industrial automation, power supply, control, PLC, inverters, sensors, etc.	5G private networks, IoT, cloud services, data analysis tools, etc.	Electronics, steel, transportation and logistics, petrochemical and mining, consumer goods, food processing, pulp and paper, public construction, water treatment, etc.
Vision Business Unit	Production and supply of core raw materials and components such as sensors, lenses, lighting systems, processors, etc.	Design and manufacturing of machine vision equipment	Manufacturing, automobiles, medical care, security monitoring, agriculture, retail, etc.
Robot Business Unit	Technical transfer of academic research results to enterprises for R&D	Solutions developed by companies for the production process through technological innovation results	Actual applications in industrial markets and living environment
LCD Business Unit	Glass substrates, coating materials, polarizers and filters, LED chips, light guide plates, etc.	TN-LCD, STN-LCD, TFT-LCD, driver ICs, backlight modules, etc.	Application or sale channels for home appliances, computer products, communication products, etc.
Component Business Unit	Voltage stabilizers, capacitors, inductors, AI chips, phototransistors, protection elements, power ICs, etc.	Sale of electronic parts and components	Industrial control, consumer electronics, power supply, network communication, automotive products, monitoring products

Participation in External Associations

In addition to improving our own product competitiveness, we also actively communicate with various stakeholders. Through participation in industry-related associations, the Company has positive interactions with association members and understands the latest development trends in the industry.



2.1.4 Composition and Operation of the Board of Directors

The Company's Articles of Incorporation specifies that the candidate nomination system shall be adopted for the election of directors and that directors shall be elected by shareholders from the list of director candidates. The Company's Board of Directors has 9 directors with extensive knowledge and experience. They were elected for a term from June 8, 2022 to June 7, 2025. Information on the current members of the Board of Directors is as follows:

The 4 independent directors account for 44.44% of all board members. All the 4 independent directors meet the independence requirements and have served for less than 3 consecutive terms. Among the board members, there is one female director, accounting for about 11.11%. In the future, the Company will continue to focus on the gender equality of the Board of Directors and strive to increase the proportion of female directors.

To achieve the goal of diversification of the Board of Directors, the members of the Board of Directors have rich experience and expertise in industrial technology, operations management, finance, commerce, education, risk management, etc., enabling them to make full discussions with committees and make recommendations for the reference of the Board of Directors to improve the operational performance of the Board of Directors and effectively perform its supervisory functions. Due to business needs, Chairman Chen Cheng-Lung concurrently serves as the General Manager. If the Chairman himself or the juristic person he represents has interests in a meeting agenda item, the Chairman shall explain the important content of the interests at the current board meeting. If the interests may harm the interests of the Company, the Chairman shall not participate in and shall recuse himself from the discussion and voting, and is not allowed to exercise voting rights on behalf of another director. The Company has fully communicated with directors on the recent operations and development strategies of the Company. For the structure and background of the Board of Directors, please refer to [Official Website](#).



Director
Background



2023 Annual
Report

Operation of the Board of Directors

The Board of Directors shall have at least one meeting every quarter in accordance with the Articles of Incorporation. In 2023, a total of 4 board meetings were held, with an average director attendance rate of 100%.

In order to implement corporate governance and enhance the efficiency of the Board of Directors, the Company's directors have formulated the "Board of Directors Performance Evaluation Measures" to specify the performance evaluation cycle, evaluation period, evaluation scope and method, evaluation implementation unit, evaluation procedures and other requirements to be complied with for the Board of Directors. In the 2023 performance evaluation for the Board of Directors, the board members and the agenda working group reviewed directors' awareness of their responsibilities, internal control, participation in the Company's operations, and continuing education, and completed the questionnaire for self-evaluation. The evaluation results were reported to the Board of Directors. Please refer to the 2023 Annual Report for details.

When the Company's directors assume office, they sign a Consent to Act as Director to agree to faithfully perform their duties and exercise due care as a good administrator in accordance with Article 23 of the Company Act. According to the Company's "Corporate Governance Best-Practice Principles" and "Rules of Procedure for Board of Directors Meetings," if a director or the juristic person the director represents has

interests in a proposal listed in the board meeting's agenda, the director shall explain the important content of the interests at the current board meeting. If the interests may harm the interests of the Company, the director shall not participate in and shall recuse himself/herself from the discussion and voting, and is not allowed to exercise voting rights on behalf of another director.

In order to ensure sound financial and business transactions between the Company and related parties and prevent non-arm's length transactions and improper transfer of benefits during the purchase and sale of goods, acquisition or disposal of assets, provision of endorsements and guarantees, and loaning of funds between related parties, the Company has required compliance with the "Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies."

Continuing Education of Directors

To continuously build the professional knowledge and skills of the board members in corporate governance, ethical management, securities regulations, sustainable management, and corporate social responsibility, the Company arranges for or encourages directors to participate in external forums and continuing education courses every year. The continuing education of directors in 2023 is as follows:

Course title	Continuing education hours	Organizer	Participating directors
New-generation Enterprise Threat Management and Prevention: Reconstructing Cybersecurity from the Perspective of Digital Forensics	3	Taiwan Corporate Governance Association	Chen Cheng-Lung, Chen Lu Su-Yue, Chen Jan-Sun, Kao Sheng-Hui Wong Ching-Chang, Wong Chu-Ching, Huang Chung-Yuan
New Economy in the ESG Capital Market	3	Taiwan Corporate Governance Association	Chen Cheng-Lung, Chen Lu Su-Yue, Chen Jan-Sun, Kao Sheng-Hui, Wong Ching-Chang, Wong Chu-Ching, Huang Chung-Yuan
Disclosure of Material Corporate Information and Responsibilities of Directors and Supervisors	3	Taiwan Corporate Governance Association	Huang Ming-Yu
Latest Development and Practices of Money Laundering Prevention and Counter-terrorism	3	Taiwan Independent Directors Association	Huang Ming-Yu
2023 Cathay Sustainable Finance and Climate Change Summit	6	Taiwan Stock Exchange	Huang Ming-Yu
2023 Conference on Awareness of Compliance with the Laws Governing Trading of Equity by Insiders	3	Securities and Futures Institute	Huang Ming-Yu

Course title	Continuing education hours	Organizer	Participating directors
Money Laundering Prevention Practices and Development Trends – A Case Study of the Financial Industry	3	CPA Associations R.O.C. (Taiwan)	Huang Ming-Yu
Accountants' Responsibilities for and Responses to Shareholder Disputes	3	CPA Associations R.O.C. (Taiwan)	Huang Ming-Yu
Net Zero Sustainable Talent Development Workshop [Northern Taiwan] – Enterprise Low-carbon Transition Strategies	9	Taiwan Corporate Governance Association	Huang Chung-Yuan
2023 KPMG Taiwan Business Leader Academy Forum – Business Opportunities and Challenges Under the Net Zero Boom	3	Taiwan Institute of Directors	Wang Wei-Chung
Compliance and Legal Responsibilities of Directors and Supervisors under Corporate Governance 3.0	3	Taiwan Institute of Directors	Wang Wei-Chung

2.1.5 Functional Committees

The Company's Board of Directors has established three functional committees, namely the "Audit Committee," "Compensation Committee," and "Sustainable Development Committee," to provide reference for the Board of Directors' decision-making.

➤ Audit Committee

The Company established the "Audit Committee" in June 2022 to replace the original supervisor system in accordance with the Securities and Exchange Act. The Audit Committee aims to assist the Board of Directors in supervising the quality and integrity of the Company's accounting, auditing, financial reporting, and financial control. The Company's Audit Committee consists of 4 independent directors, serving a term of 3 years. All members elect one of them as the convener and meeting chairperson.

The Audit Committee operates primarily to supervise the following matters:

- Appropriate presentation of the Company's financial statements.
- Appointment (dismissal), independence, and performance of CPAs
- Effective implementation of the Company's internal control.
- The Company's compliance with relevant laws, regulations, and rules.
- Management and control of existing or potential risks of the Company.

The Audit Committee holds at least one meeting per quarter in accordance with the Company's "Organization Rules of the Audit Committee." In 2023, a total of 4 Audit Committee meetings were held, with a member attendance rate of 100%.

➤ **Compensation Committee**

In order to implement corporate governance and improve the compensation system for directors and managerial officers, the Company has established the “Compensation Committee” with the 4 independent directors appointed by the Board of Directors to serve as the 4 members. The Compensation Committee is responsible for assisting the Board of Directors in formulating and regularly reviewing and evaluating the performance evaluation and compensation policies, systems, standards and structures for directors and managerial officers. The committee submits their suggestions to the Board of Directors for discussion and making resolutions. One of the independent directors serves as the convener.

The Compensation Committee holds at least 2 meetings per year in accordance with the “Organizational Rules of the Compensation Committee.” In 2023, a total of 2 Compensation Committee meetings were held, with a member attendance rate of 100%.

According to the Articles of Incorporation, if the Company makes a profit in the year, no more than 2% of the profit shall be appropriated as director remuneration. The percentage of the profit to be distributed as director remuneration shall be determined by a resolution adopted with the consent of a majority of all attending directors at a board meeting with more than two-thirds of board members present and shall be subsequently reported at a shareholders’ meeting. Considering their independence, the Company’s independent directors are not linked to the Company’s operating performance and do not participate in the distribution of director remuneration. They are paid a monthly remuneration.

Transportation allowances for directors are determined by the Compensation Committee and the Board of Directors with reference to the general level in the industry and based on whether the director serves as a member of functional committees.

➤ **Sustainable Development Committee**

In 2023, the Company implemented continuous transformation in response to sustainable development. The Board of Directors approved the “Organizational Rules for Sustainable Development” in November 2023, and formally established the “Sustainable Development Committee.” The Board of Directors resolved to appoint Chairman Chen and 2 independent directors as the members. The “Department of Infrastructure” acts as the “Executive Unit” of the Committee to comprehensively manage the Committee’s operations and integrate the annual plans and execution of each “functional team.” Please refer to [1.1 ESG Governance](#) for details.

Internal Audit Unit

We have established effective accounting and internal control systems to implement ethical management. The internal audit unit, namely, the Auditing Office, has formulated relevant audit plans based on the results of assessment of the risks of unethical behavior. An audit has also been conducted to assess compliance with the unethical behavior prevention plan in accordance with the foregoing plans. Audit findings and improvement results are regularly reported to the Audit Committee.

Audit scope:

The internal audit unit reviews the overall internal control system and operating procedures of the Company, and assesses whether the design and execution of controls are appropriate, in order to achieve the purpose of the internal control system. The scope mainly covers the important operations of the parent company and subsidiaries.

The internal audit organization and its operation are disclosed on the official website



In order to continuously improve the overall professional knowledge of the Company's internal auditors and comply with laws and regulations, the auditors participate in external professional courses in accordance with the law and receive continuing education.

The continuing education courses for the auditors of SOLOMON and the Group's subsidiaries in 2023 are as follows:

Company	Title	Certificate description	Organizer	Continuing education hours
SOLOMON	Chief Auditor	Discussion on the Latest Regulations on Cybersecurity and Audit Practices	Securities & Futures Institute	6
SOLOMON	Chief Auditor	Enhancement of Corporate Sustainable Value and Improvement of the Risk Management System	The Institute of Internal Auditors-Chinese Taiwan	6
SOLOMON	Deputy Auditor	A Case Study on ESG Reporting Compliance Audits	Securities & Futures Institute	6
SOLOMON	Deputy Auditor	Discussion on the Latest Regulations on Cybersecurity and Audit Practices	Securities & Futures Institute	6
Solomon Goldentek Display	Chief Auditor	Digital Transformation and Technology Application for Internal Audits	The Institute of Internal Auditors-Chinese Taiwan	6
Solomon Goldentek Display	Chief Auditor	How Do Auditors Detect Fraud in Financial Statements	The Institute of Internal Auditors-Chinese Taiwan	6

Company	Title	Certificate description	Organizer	Continuing education hours
Solomon Goldentek Display	Deputy Auditor	Law Analysis and Audit Tips for Boards of Directors and Functional Committees (Audit and Compensation)	The Institute of Internal Auditors-Chinese Taiwan	6
Solomon Goldentek Display	Deputy Auditor	How to Adjust the Internal Control System in Response to New ESG Requirements	The Institute of Internal Auditors-Chinese Taiwan	6
Solomon Data International	Chief Auditor	Discussion on the Latest Regulations on Cybersecurity and Audit Practices	Securities & Futures Institute	6
Solomon Data International	Chief Auditor	Enhancement of Corporate Sustainable Value and Improvement of the Risk Management System	The Institute of Internal Auditors-Chinese Taiwan	6
Solomon Data International	Deputy Auditor	Fraud Auditing Practices – A Case Study of Procurement	Securities & Futures Institute	6
Solomon Data International	Deputy Auditor	A Discussion on the Methods of Improving Compliance Auditing Based on Sanction Cases	Securities & Futures Institute	6

2.2 Ethical Management

The Company values ethical management. “Righteousness, Integrity, Diligence and Thrift” have always been the core management philosophies of the Company. We have formulated the “Code of Ethical Conduct” and the “Ethical Management Principles” for compliance by directors, managerial officers, employees, appointees, or persons with substantial control. The HR Department, Legal Affairs Department, and Infrastructure Team responsible for promoting the Group’s corporate ethical management assist the management in establishing and supervising the implementation of ethical management policies and anti-corruption and anti-bribery plans, and regularly report audit results to the Board of Directors. The Company promises that all the Company’s directors, managerial officers, employees, appointees, and persons with substantial control shall comply with laws and regulations, avoid conflicts of interest and pursuing personal gains, fulfill the duties of confidentiality, care, and loyalty, prohibit unfair and insider trading, and have the responsibility to protect and properly use the Company’s assets.

When engaging in business transactions with others, the Company assesses the legitimacy of the counterparty, fully understands the status of the counterparty’s ethical management and compliance with the corporate social responsibility policy, and clearly expresses refusal to directly or indirectly offer, promise, request or accept any improper benefits in any form or name. The Company specifies compliance with the clauses on ethical management and corporate social responsibility in the contract. We adopt a zero-tolerance policy against corruption and bribery, and promise that there will be no corruption and bribery in any form in the course of business activities.

The Company extends the corporate culture and the spirit of integrity to all employees to create a sound market and environment, implementing the principles of fairness and reasonableness, equality and mutual benefits, and integrity. We value and protect consumer rights and interests to implement the Company’s ethical management policy and philosophy. Employees must sign the “Employee Code of Ethical Conduct” when they report to work, and the Company’s suppliers must sign a “Letter of Commitment to Integrity” to promote legal education within and outside the organization. In addition, the Company regularly publishes electronic propaganda and organizes physical courses every year. In 2023, a total of 823 employees participated in education and training on ethical management and laws and regulations, totaling 3,006 hours. This could further incorporate the concept of integrity in employees’ daily work.

Whistleblower System and Protection

In order to establish a corporate culture of integrity and transparency and to promote sound management, the Company has formulated the “Social Responsibility and Ethics Policy” to specify the acceptance and investigation schedule, acceptance unit and investigation unit. We have also established and announced the whistleblowing email address and other acceptance channels on the official website and internal website for use by internal and external personnel. The Company continues to collect and actively deal with customer grievances and employee opinions, and keeps the identity of whistleblowers confidential, prohibits any adverse personnel measures, and allows anonymous reporting to actively prevent unethical, fraud and criminal behavior.

Whistleblowing email address: 119@solomon.com.tw

2.3 Risk Management and Legal Compliance

The Company's corporate development mission is to achieve sustainable management. Implementing comprehensive and rigorous risk assessment management and effective crisis management is a critical cornerstone to ensure sustainable management. In order to reduce the economic loss and negative impact of any risk or disaster events, thereby protecting the rights and interests of all stakeholders and maintaining the Company's image, we actively carry out corporate risk management and crisis prevention, so as to respond to possible crises timely and maintain stable and sustainable corporate operations.

In 2023, the Company did not receive any penalties from competent authorities for anti-competitive, anti-trust and anti-monopoly behavior, corruption, and major violations.

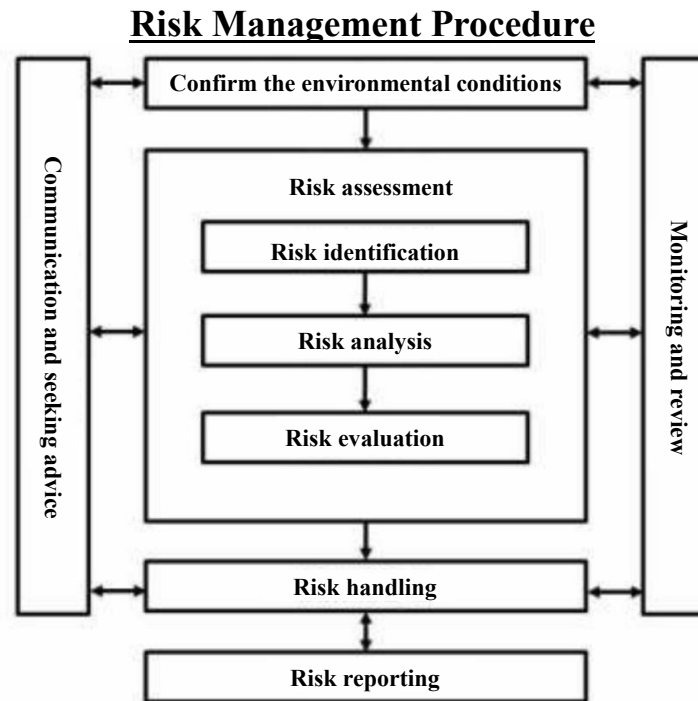
2.3.1 Risk Management Strategy

The Board of Directors, Audit Committee, and Compensation Committee supervise and audit the Company's operations. The Board of Directors communicates corporate social responsibility issues related to economy, environment, and society. The Company has also introduced the ISO 9001 quality management system and referred to the principles of the ISO 30001 risk management system. Through the analysis of internal and external issues and the issues of concern to stakeholders, we understand the environment in which the Company is operating and formulate the Company's management policy to ensure the effective operation of quality management. Risk management standards for the Company's organizational background and stakeholders are established to respond to potential risks and opportunities brought about by environmental changes and take countermeasures or control measures in advance based on risk assessment results. We formulate business plans, conduct strict control through internal operating procedures, continuously make process improvements, and update documents to ensure their timeliness and security. In addition, by having the audit unit conduct audits and inspections from time to time and establishing various management systems, we minimize possible risks. The Risk Management Team shall report the annual audit plan and implementation results to the ESG Development Committee on a regular basis.

2.3.2 Risk Assessment and Management Procedure

Risk management is performed by units at all levels according to their management responsibilities and work requirements. Awareness of risks is required for work plans and various system processes implemented on a daily basis. We have completed the Plan-Do-Check-Action (PDCA) cycle. The Risk Management Team shall appoint the convener of the evaluation team according to the plan. In addition to keeping track of the development of international and domestic risk management systems at any time, the Risk Management Team shall also regularly review the Company's corporate risk management policies and procedures, and submit review and improvement suggestions to the Sustainable Development Committee and the Board of Directors for discussion.

The risk management procedure is as follows:



2.4 Product R&D and Innovation

Solomon Group has a diversified business scope covering energy equipment, smart automated industrial products, AI & 3D visual technology integration, and other applications, and has accumulated decades of industry experience. With the rapid development of open source software, the threshold for software development has been greatly lowered. Meanwhile, the popularization of AI has increased the market demand for AI products and services. Machine vision enables machines to “see” and understand the world around them like human eyes. This is of great significance for making products smarter and improving user experience. In recent years, machine vision combined with deep learning technology has made its application more extensive.

The Company’s AI visual technology has been developed from making robots intelligent to perform identification tasks autonomously and detecting defects too complex to be identified by AOI to being applied to various hardware devices such as AR glasses, IP cameras, mobile phones and tablets, and body cams, and can be seen in manufacturing, logistics, retail, security, and agriculture. In addition, we have worked with PTC, an international AR software manufacturing giant, to provide comprehensive industrial metaverse solutions to help enterprises move toward sustainable management. SOLOMON also demonstrates the feasibility of diversified applications with the “Meta-Airi AI-empowered Solution.” Our advanced 3D machine vision and deep learning software platforms designed ahead of the industry have won the 2023 Taiwan Excellence Silver Award.

2023 Taiwan Excellence Silver Award



Robot technology has made great progress in recent years. Robots can accept human command, run pre-written programs, or act according to the principles set by artificial intelligence technology, and can self-evolve through learning. Their mission is to assist or replace human tasks, such as production, construction, service, or other dangerous tasks. In response to the impact of the pandemic and labor shortages, Taiwan's robot market needs to continuously develop robotic automation processes and artificial intelligence technology and accelerate the introduction of unmanned and remote operation technologies into the manufacturing industry. To meet such demand, it is necessary to continue to develop robotic automation processes and artificial intelligence technology. Improving efficiency is the key to promoting the manufacturing industry that emphasizes production efficiency and yield. The 2023 report of Export Market Research also pointed out that the machine vision market will grow from about US\$1.088 billion in 2023 to nearly US\$2.151 billion in 2032, with a compound annual growth rate of 7.90%.

In 2023, we invested over NT\$126,000 thousand in product R&D, and successfully developed the following products:

- AccuPick: It can suck packages placed randomly on the conveyor belt and arrange them in a specific way
- AccuPick automated packaging system
- AccuPick: It can monitor multiple equipment units remotely and enable manual operation in case of central system shutdowns
- Solvision: It can perform identification in embedded systems and the cloud
- Solmotion: Arm path teaching is completed with a handheld pen

Automation requirements nowadays are becoming more and more complex. SOLOMON's extensive manufacturing and testing expertise enables the Company to stay ahead of the competition in AI and 3D vision applications, including vision-guided robots, vision inspection, and depalletizing. We also provide frontline operators with the latest AI-driven AR solutions. With the most advanced artificial intelligence machine vision solutions, SOLOMON is committed to improving customers' productivity and profitability to create a win-win situation.

Solomon Group will continue to enhance R&D capabilities and business expansion. It has always been our mission to maintain professional R&D capabilities, excellent teamwork, and solid industry experience while continuously creating value for our customers, employees, and shareholders. We will continue to strive for product and service quality and create our own products to meet market demand through technological innovation and application integration, further expanding our overall competitiveness.

3 Environmental Protection

We have always upheld the concept of environmental friendliness and sustainable development in our operations. We have control measures in place for energy, GHG emissions, water resource management, and waste, among others, to minimize the negative impact on the environment.

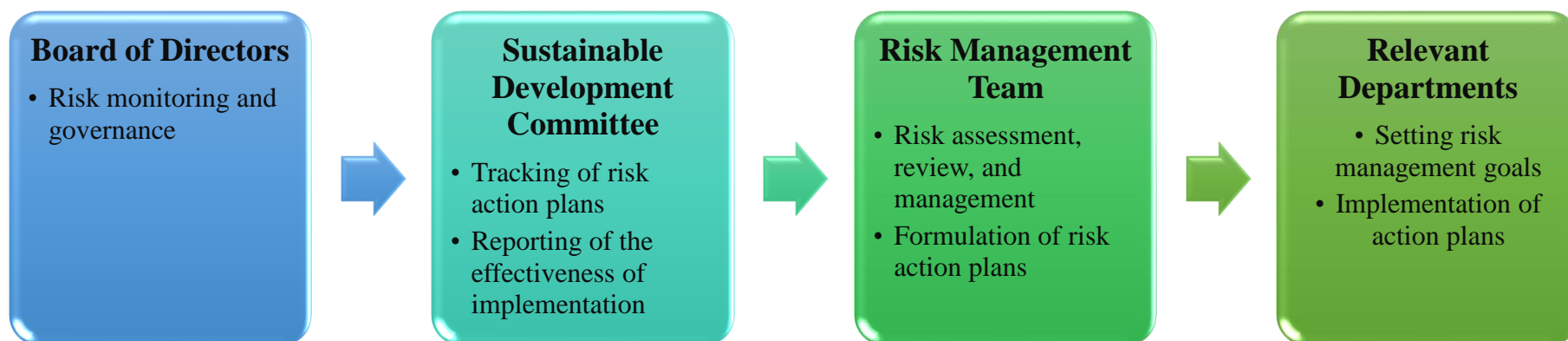
3.1 Climate Action

Due to worsening extreme weather in recent years, climate change issues have received global attention. In addition to identifying risks related to corporate operations, the Company also uses the content and suggestions of the TCFD (Task Force on Climate-related Financial Disclosures) as a reference in disclosing the risks and opportunities of the Company's climate-related issues and formulating strategies and countermeasures.

We have established a risk framework with four core disclosure elements, namely “governance,” “strategy,” “risk management,” and “metrics and targets,” to understand the impact of climate change risks and opportunities on the Company, thereby proposing countermeasures.

Governance

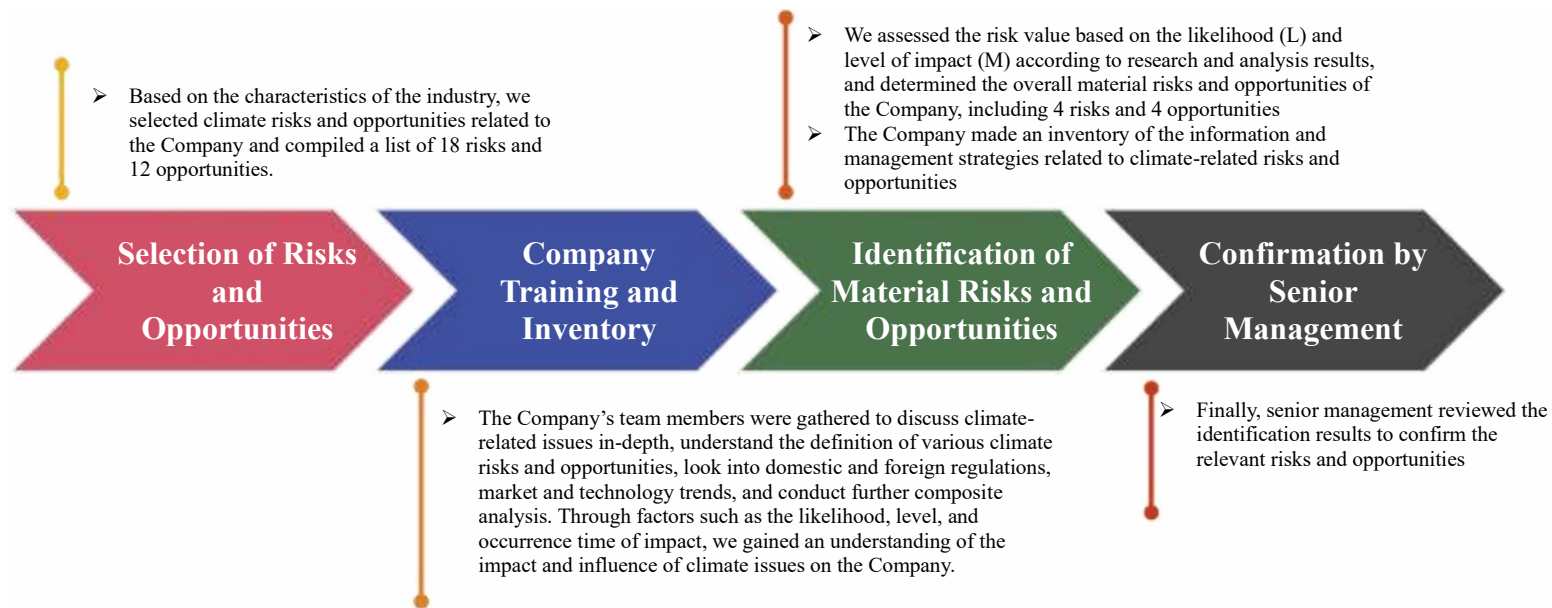
To properly manage climate-related risks and opportunities, the Company has established the “Sustainable Development Committee” to report the results of risk and opportunity identification to the Chairman, General Manager, and department heads at the annual board meeting and formulate control measures. For the organizational structure and operation of the Sustainable Development Committee, please refer to [1.1 ESG Governance](#) for details.



Strategy

SOLOMON takes the urgency of climate risk management seriously. The Sustainable Development Committee discussed and identified climate risks and opportunities through meetings. It collected 18 climate-related risk topics and 12 climate-related opportunity topics, assessed the likelihood of the topics and their level of impact on the Company's operations, and finally, identified four risks and four opportunities. The four risks are "rising costs of raw materials," "rising average temperatures," "energy cost fluctuations," and "changes in customer behavior," and the four opportunities are "using more efficient production and distribution processes," "using new technologies," "changes in income sources," and "optimization and R&D of products and services." The identified topics were discussed for their impact and response mechanisms.

SOLOMON's Process to Identify Climate Change-related Risks and Opportunities



SOLOMON's List of Climate Risks and Opportunities

No.	Issue	No.	Issue
R1	Increasing GHG emissions pricing	O1	Adopting more efficient transportation methods
R2	Strengthening emissions reporting obligations	O2	Using more efficient production and distribution processes
R3	Requirements and supervision of existing products and services	O3	Recycling and reuse
R4	Facing the risk of litigation	O4	Switching to more efficient buildings
R5	Replacing existing products and services with low-carbon goods	O5	Reducing water use and consumption
R6	Failed investment in new technologies	O6	Using low-carbon energy
R7	Cost of low-carbon technology transformation	O7	Adopting incentive policies
R8	Changes in customer behavior	O8	Using new technologies
R9	Market information uncertainty	O9	Participation in the carbon trading market
R10	Rising costs of raw materials	O10	Switching to non-centralized energy
R11	Changes in consumer preferences - industry stigmatization	O11	Changes in income sources
R12	Increase in concerns and negative feedback from stakeholders	O12	Optimization and R&D of product services
R13	Increased severity of extreme weather events such as typhoons and floods		
R14	Changes in rainfall (precipitation) patterns and extreme changes in climate patterns		
R15	Rising average temperatures		
R16	Rising sea level		
R17	Energy cost fluctuations		
R18	Changes in customer behavior		

Note: The items highlighted in yellow in the above table are the identified four risks and four opportunities.

Risk identification and response

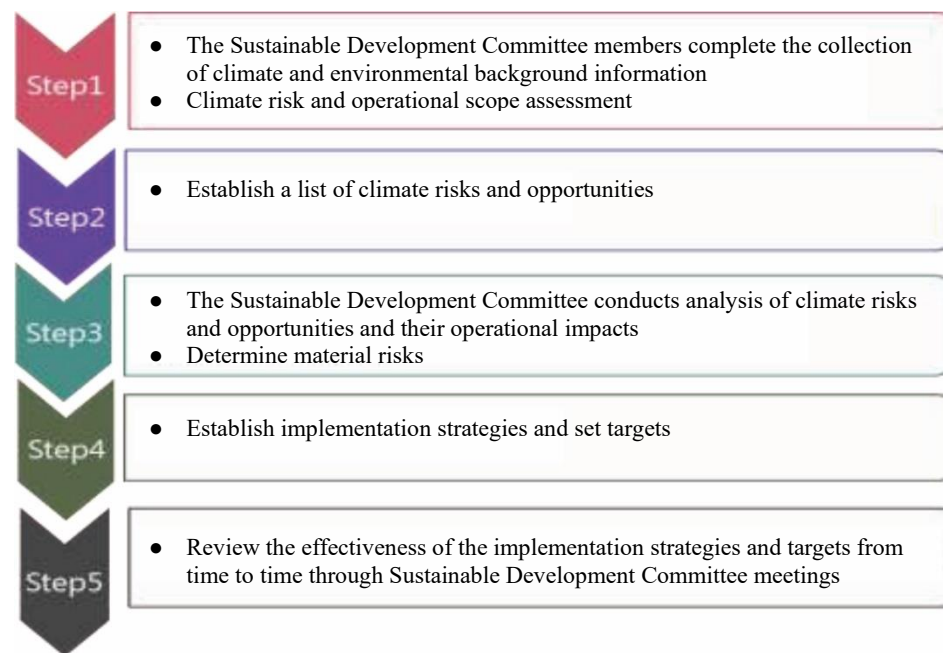
Risk	Potential financial impact	Countermeasure
Rising costs of raw materials	Fluctuating prices of raw materials can result in increased production costs	<ul style="list-style-type: none"> ● Focus on product categories, implement centralized procurement where goods are purchased in large quantities and at low prices, and reduce inventory types. ● Introduce a lean production model in plants to optimize the production process and eliminate waste. ● Establish long-term partnerships with suppliers to strive for more favorable procurement prices. ● Actively seek alternative raw materials to increase product liquidity and flexibility in response to rising costs of raw materials. ● Formulate long-term production procurement plans, including fixed price contracts, to mitigate the impact of sudden energy cost changes on business. ● Track the fluctuation of commodity prices and grasp the procurement schedule to reduce the risk of future price fluctuations.
Rising average temperatures	Increased use of energy leads to higher electricity bills	<ul style="list-style-type: none"> ● Formulate the Company's energy-saving measures, regularly maintain air-conditioning equipment, and increase energy efficiency. ● Reduce paper consumption, carry out document digitization, and reduce carbon emissions. ● Execute carbon inventory every year to understand the Company's main sources of carbon emissions, facilitating the planning of carbon reduction measures.
Energy cost fluctuations	Rising fuel prices result in increased transportation and operating costs.	<ul style="list-style-type: none"> ● Plan to introduce multiple energy combinations to avoid the excessive impact of fluctuations in a single energy source. ● Plan to introduce smart energy-saving systems to reduce consumption and lower costs.
Changes in customer behavior	In response to extreme climate change, customers turn to seeking other advantageous products	<ul style="list-style-type: none"> ● Add a demand change column to the business log in response to changes in customer preferences in order to collect customer demand information immediately. ● Establish a customer feedback mechanism, actively listen to customers, and respond to changes in demand quickly. ● Enhance the Group's brand marketing and risk tolerance. ● Include customer demand analysis in the annual plan and seek alternative products as early as possible.

Opportunity	Potential financial impact	Countermeasure
Using more efficient production and distribution processes	Increasing utilization efficiency to reduce operating costs	<ul style="list-style-type: none"> ● Prioritize equipment with better energy efficiency to reduce the impact on the environment. ● Introduce an occupational safety and health system to protect the safety of employees at work and enhance work efficiency. ● Increase equipment availability to improve production efficiency. ● Reduce delivery time, meet customer needs, and increase inventory turnover.
Using new technologies	Changing customer preferences to improve competitiveness	<ul style="list-style-type: none"> ● Build a clean, low-carbon, safe, and high-efficiency new energy system and make great efforts to promote low-carbon transformation. ● Develop AI vision and PTC augmented reality solutions, systems, and application technologies to significantly reduce operating costs caused by human error in the manufacturing industry while contributing to environmental protection. ● Explore high value-added products.
Changes in income sources	Achieving diversified operations to increase operating income	<ul style="list-style-type: none"> ● Actively explore new markets, new customers, and new products, and diversify income sources. ● Strengthen the maintenance of existing customer relationships and consolidate core income sources. ● Pay close attention to industry dynamics and adjust business strategies in a timely manner. ● Plan new business models and use AI technology to strengthen potential customer development.
Optimization and R&D of product services	Changing customer preferences to improve competitiveness	<ul style="list-style-type: none"> ● Continue to develop new products and overall solutions that improve customer operational efficiency. ● Track new consumption trends at all times, actively develop and introduce new products to meet consumer needs.

Risk management

To control the impact of climate change on the operations of the Company, we have set energy consumption and GHG emissions targets for our offices and plants in each region, and then set energy-saving indicators.

We will adopt relevant action plans to align with the targets. SOLOMON will review the achievement of the targets regularly and continue to expand the effectiveness of energy conservation and carbon reduction.



Metrics and Targets

To control the impact of climate change on the operations of the Company, we set short-term and medium- to long-term targets and regularly review and track the energy consumption and GHG emissions of our offices and plants in each region to achieve the targets and continuously expand the effectiveness of energy conservation and carbon reduction.

Target	Short-term (2027)	Medium- to long-term (2030)
GHG emissions	Decrease by 5%	Decrease by 7%

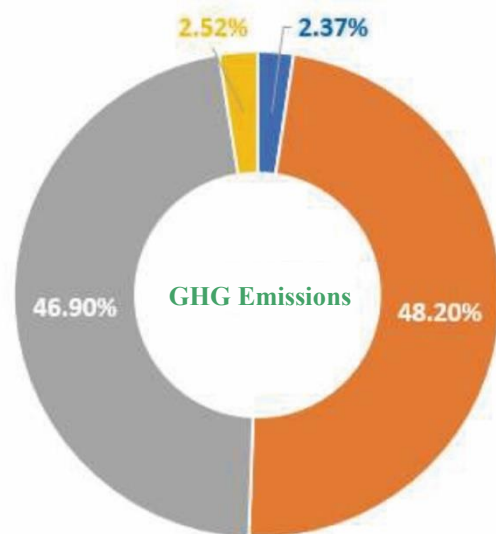
Note: Compared with the base year of 2023.

3.2 GHG and Energy Management

In recent years, global warming has intensified, causing extreme weather and climate change issues to come to light. The Company pays attention to domestic and foreign environmental issues, including global warming, air quality, pollution, and the availability of natural resources. In order to effectively achieve energy conservation and carbon reduction, the Company introduced GHG inventory in 2022. In 2023, the inventory covered all the Group's entities (including subsidiaries) and passed third-party verification to ensure data accuracy. We have also fully examined our carbon emissions to formulate relevant measures for reducing carbon emissions, thereby fulfilling corporate social responsibility.

3.2.1 GHG Emissions

We implemented an ISO 14064-1 GHG inventory project in 2023. We expect to pass the verification by DNV Business Assurance Co., Ltd. in September 2024. The Company's Category 1 emissions mainly came from mobile combustion sources and fugitive emission sources; Category 2 emissions were from purchased electricity; Category 3 emissions were from upstream and downstream sources and employee business travel; Category 4 emissions were mainly from products purchased by the organization. In addition to the energy saving and carbon reduction policies implemented internally, we also hope to conduct GHG inventory to understand the main sources of emissions of the Company, so as to establish more comprehensive reduction measures in the future.



Category 1 Direct GHG emissions and removals: 208.8023 tCO₂e

Category 2 Indirect GHG emissions from purchased energy: 4,288.1001 tCO₂e

Category 3 Indirect GHG emissions from transportation: 4,172.6687 tCO₂e

Category 4 Indirect GHG emissions from products purchased by the organization: 224.1871 tCO₂e

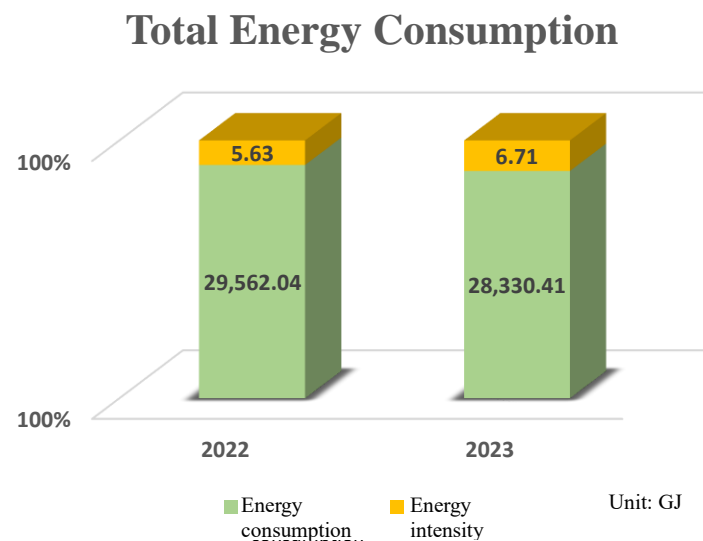
Note 1: The carbon emission factors are converted using the GHG Emission Factor Management Table Version 6.0.4

Note 2: The above GHG inventory data has been verified by a third party to represent the Company's Category 1, Category 2, Category 3 (business travel), and Category 4 emissions.

3.2.2 Energy Management

The main business activities of the Company are serving as a professional agent for electronic components, electricity, and energy and engaging in automation and robotics-related industries. The energy used is mainly purchased electricity, followed by the products purchased by the organization. In order to make good use of resources and save energy, the Company regularly performs machine maintenance to improve the efficiency of machines, and gradually replaces lighting fixtures with energy-saving LED lamps. In addition, the Company also implements energy control in the offices and plants, and turns off non-essential power after hours.

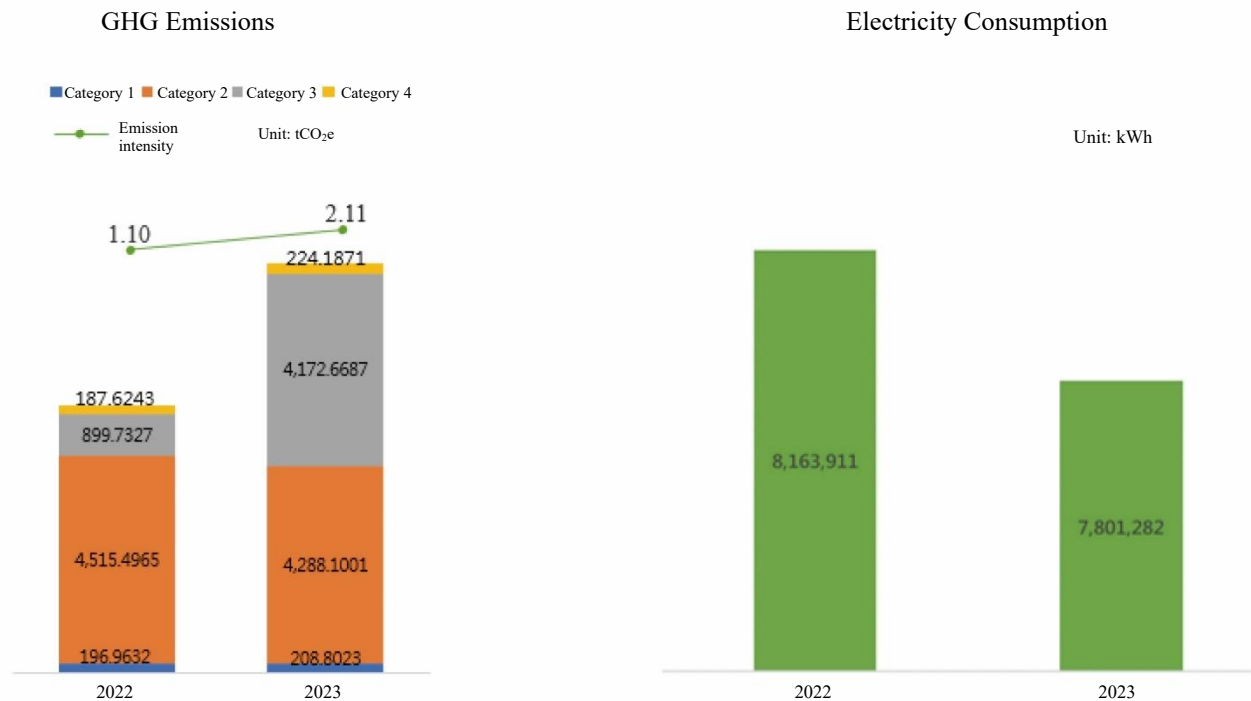
Year	2022	2023
Purchased electricity (GJ)	29,395.37	28,089.67
Automotive gasoline (GJ)	577.64	757.47
Total energy consumption (GJ)	29,973.01	28,847.14
Operating income of the year (NT\$ million)	5,249.93	4,219.90
Energy intensity (GJ)	5.71	6.84



Note: Energy intensity = Total energy consumption (GJ)/Operating income of the year (NT\$ million)

Carbon Emissions Management in the Past Two Years

The Company has been promoting and integrating building environmental protection activities, such as office energy conservation measures, improving the utilization efficiency of various resources, including the efficient use of paper, water, and electricity, properly disposing of industrial waste, sorting recyclable and reusable waste for reuse, and promoting resource recycling, in order to reduce the impact of operations on the environment. We have maintained good power-saving habits in the office. The electricity consumption of Solomon Group continued to decrease in 2023, with a reduction of 4.44% compared to 2022.



Note:

1. Emission intensity = Total GHG emissions/Operating income of the year (NT\$ millions)
2. Energy intensity = Total energy consumption (GJ)/Operating income of the year (NT\$ millions)

3.2.3 Waste Disposal

In terms of waste generation, we adhere to the principle of turning waste into resources and maximizing their use, and try our best to reduce the amount of waste generated. We treat waste mainly by recycling, supplemented by final disposal. The Company's control measures mainly focus on domestic waste. We require our offices and plants to implement waste sorting to avoid disposal problems caused by littering of garbage. Waste is sorted into domestic waste (non-recyclable), plastics, paper, and bottles/cans according to types. We ensure the implementation of waste sorting and recycling. The treatment of all the Company's waste is outsourced to external contractors. All our waste disposal contractors are legal entities. For office operations, we have also made an all-out effort to promote paperless operations or double-sided printing to reduce waste generation as much as possible.

The hazardous industrial waste generated by the Company's subsidiary Solomon Goldentek Display (Kaohsiung + Dong Guan) is as follows:

Unit: Metric tons	Waste item	2021	2022	2023	Treatment	Off-site/on-site treatment
Hazardous industrial waste	Surface treatment sludge	10.19	9.684	35.027	Disposal	Off-site
	Waste organic solvents	1.907	1.989	3.3865	Disposal	Off-site
	Waste activated carbon	4	3.59	2	Disposal	Off-site
	Organic resin waste	0	1.339	0	Disposal	Off-site
	Waste rags	0	0.05	0	Disposal	Off-site
	Waste light tubes	0	0.05	0	Disposal	On-site
	Waste ink	0.05	0	0	Disposal	Off-site
	Waste electronic parts and components	1.04	0.924	0.833	Physical	Off-site
	Subtotal	16.147	16.702	40.414	-	-
General industrial waste	Waste iron	3.64	0.15	6.42	Recycling	Off-site
	Waste paper	21	11.69	18.015	Recycling	Off-site
	Plastic waste	4.37	3.494	3.685	Recycling	Off-site
	Waste glass	16.75	16.75	16.75	Recycling	Off-site
	Domestic waste	48.48	46.75	42.14	Disposal	Off-site
	Subtotal	94.24	78.834	87.01	-	-

3.3 Sustainable Supply Chain

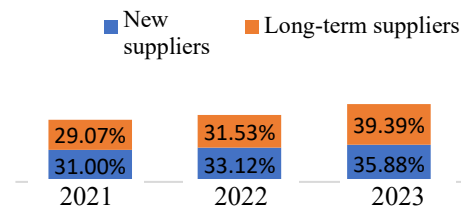
Supply chain management is also a major issue for corporate sustainable development. In addition to striving for sustainable development, we also work with suppliers to ensure the quality of the products they provide and march toward sustainable development. Suppliers are an important partner for our operations. Through effective supply chain management mechanisms, we create a win-win situation with suppliers and drive the sustainable common good of the supply chain.

Management of New Suppliers

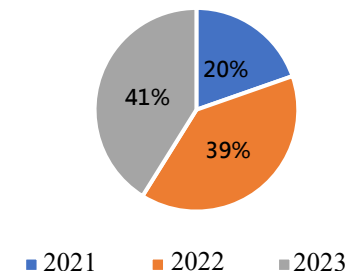
SOLOMON plans to establish supplier environmental and social screening standards in 2024 with reference to the RBA Code of Conduct. All suppliers must sign an “Letter of Commitment to Integrity” and “Occupational Safety and Health Survey Form” to promise that they will not violate the Company’s Supplier Code of Conduct, covering labor rights, environmental protection, safety and health, ethics and management, in order to ensure their compliance with the occupational safety and health requirements of national laws and regulations before purchasing goods and receiving services. We also distribute a self-evaluation questionnaire regarding the “Supplier/Contractor Social Responsibility Guidelines” for suppliers to evaluate their implementation of sustainable development issues related to the environment and society. The Company will then analyze the questionnaire results. For suppliers falling short of standards, we will formulate improvement measures to make continuous improvements with them. Through a series of supplier management policies, we hope to improve the effectiveness of responsible supply chain management, reduce the operational risk of the supply chain, and build partnerships for sustainable growth, moving toward sustainable development.

Through multi-faceted digital transformation, we communicate and collaborate with information and communication suppliers in various aspects. In 2023, a total of 169 new suppliers joined the Group’s supply chain system, and every one of them was reviewed according to the supplier review principles to ensure that they met our environmental and social requirements for suppliers and followed the sustainable supply chain development policy and code of conduct of SOLOMON.

**PROPORTION OF NEW
AND EXISTING
SUPPLIERS**



Overall Supplier ESG Audit Rate



Supply Chain Management Goals

In 2023, we conducted an occupational safety and health performance evaluation for our suppliers, and provided management and assistance according to the evaluation result.

As geopolitical conflicts, inflationary pressure, economic recession, climate events, and cybercrime will be the key factors affecting the supply chain in the future, we need to work with supply chain partners to formulate strategies to mitigate the risks in the supply chain. Higher customer and consumer requirements for products will force the supply chain to change and develop promptly. Modern business activities emphasize technology and innovation, leading to more complex supply chains. Therefore, our supply chain and business activities need to be integrated to support the current and future business development.

We are committed to creating a supply chain that aims at sustainable development. To ensure the safety of work environments in the supply chain, employee dignity and respect, and business operations that promote environmental protection and comply with ethical standards, we have formulated supplier-related management regulations to jointly implement corporate social responsibility and create a sustainable value chain.

Responsible and Sustainable Supply Chain

As a world citizen, we have not only declared and pledged to prohibit the use of metals from conflict mining areas and fulfill our corporate social responsibility, but also required all suppliers to sign a “Declaration for Non-use of Conflict Minerals” and “Supplier/Contractor Social Responsibility Guidelines” to comply with the following:

- ✓ Make sure that all metals including: gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn) are not from mining areas in countries or regions that do not comply with the requirements of “Conflict-Free,” are not obtained through autonomous armed groups or illegal groups, are not from mining areas in conflict regions, and are not obtained through illegal smuggling. (The United Nations Security Council has determined that all minerals from the Democratic Republic of Congo (DRC), Rwanda, Uganda, Burundi, Tanzania, and Kenya are DRC-mined minerals.)
- ✓ The R&D, procurement, manufacturing, provision, or sale of products or services provided by suppliers/contractors shall comply with related laws and regulations and international standards to ensure the information transparency and safety of the products and services. Suppliers/contractors shall also establish and disclose their protection policy for consumers or other stakeholders’ rights and interests and implement them in their operations to prevent products or services from directly or indirectly harming the rights and interests, health, and safety of consumers or other stakeholders.
- ✓ Reduce the purchase and use of raw materials and commodities that are harmful to the environment, and strive to increase the use of green products.
- ✓ Adhere to the ethical management policy and refrain from directly or indirectly offering, promising, requesting or accepting any improper benefits and engaging in unethical behavior such as committing illegal acts or breaching fiduciary duty.
- ✓ Prohibit child labor, forced labor, discrimination, harassment, abuse and improper punishment in any form.
- ✓ Provide employees with appropriate education and training and a safe and healthy work environment.

4 Social Inclusion

4.1 Customer Relations

Solomon Group operates with the aim of “creating value for customers, employees, and shareholders.” Attracting and engaging new customers while maintaining and retaining existing customers are what a company exists and develops for. Despite the fierce competition in the market, we have maintained our advantage and actively cultivated and built relationships with customers to consolidate and develop customer relations, so that the Company can truly gain a competitive advantage. At the same time, we have established a service-oriented business model and optimized our service process, and applied innovative technology to control and improve product quality, providing products and services that meet customer needs in order to enhance customer trust and create a win-win situation.

Service and Grievance Reporting

We provide timely and efficient services to customers, ensure the quality and efficiency of customer grievance handling, and strengthen the control of product quality. Every customer’s problem is handled by dedicated personnel. The consistent maintenance process ensures prompt customer product maintenance and return/exchange. We also provide customers with transparent service channels to quickly collect feedback and problems from each customer. We have established procedures for handling customer grievances:

1. Once a customer grievance is made, notify relevant departments to handle the customer grievance.
2. Hold a project meeting for product or service confirmation and discussions according to the customer grievance.
3. After review by unit personnel, fill out the “Abnormality Handling Form” for analysis, and proceed according to the “Procurement Management Procedure” and “Production Management Procedure.”
4. Customer service personnel verify the results and report to relevant units for confirmation before making a response to the customer grievance.
5. After the grievance is closed, it is included in regular review and confirmation items.

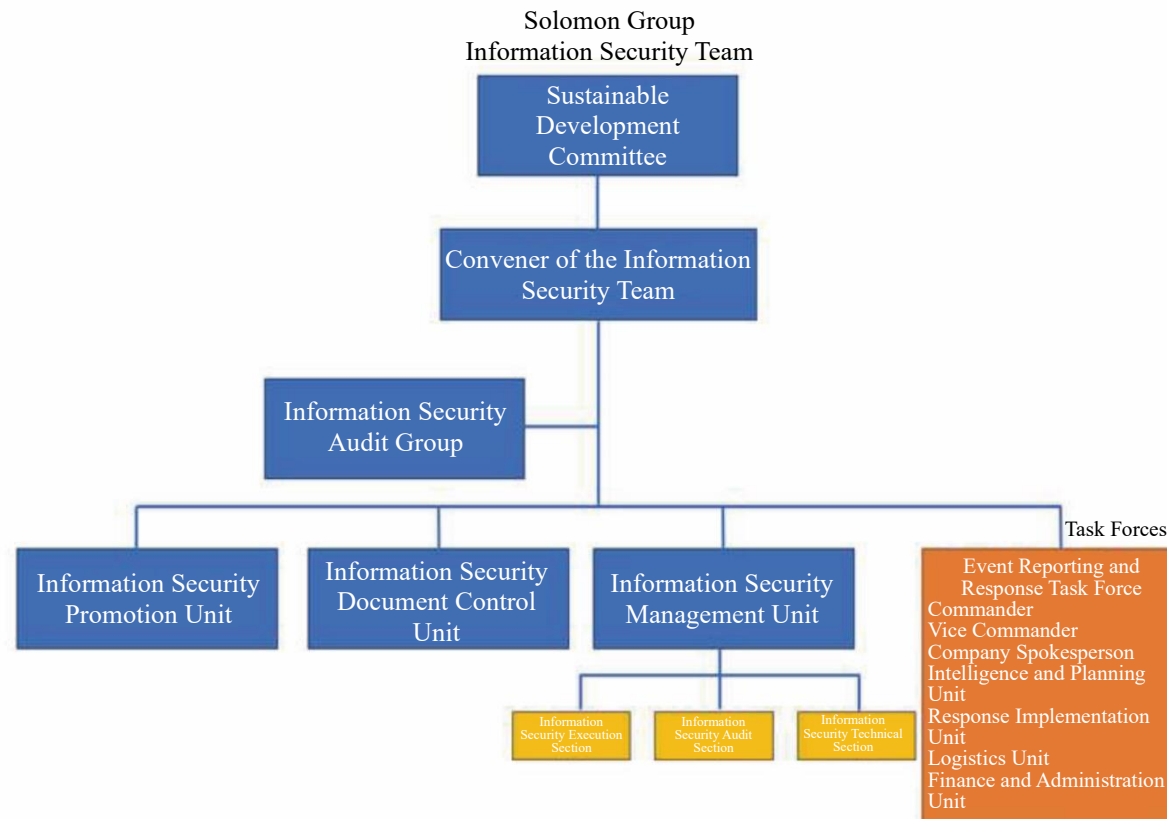
Customer Grievance Channel



Customer Information Security and Privacy Protection

SOLOMON is committed to respecting and protecting the privacy and confidentiality of customers, and has established relevant response measures and management regulations to protect the privacy of customers or investors. In order to maintain the effective implementation of the cybersecurity management system and personal data protection management system, ensuring the continuous and stable operation of cybersecurity management and personal data protection management and enhancing the overall cybersecurity and personal data protection management, the Company has established a functional team for information security, with the Sustainable Development Committee as the convener, to direct the Company's cybersecurity and personal data protection management and demonstrate the support of the management.

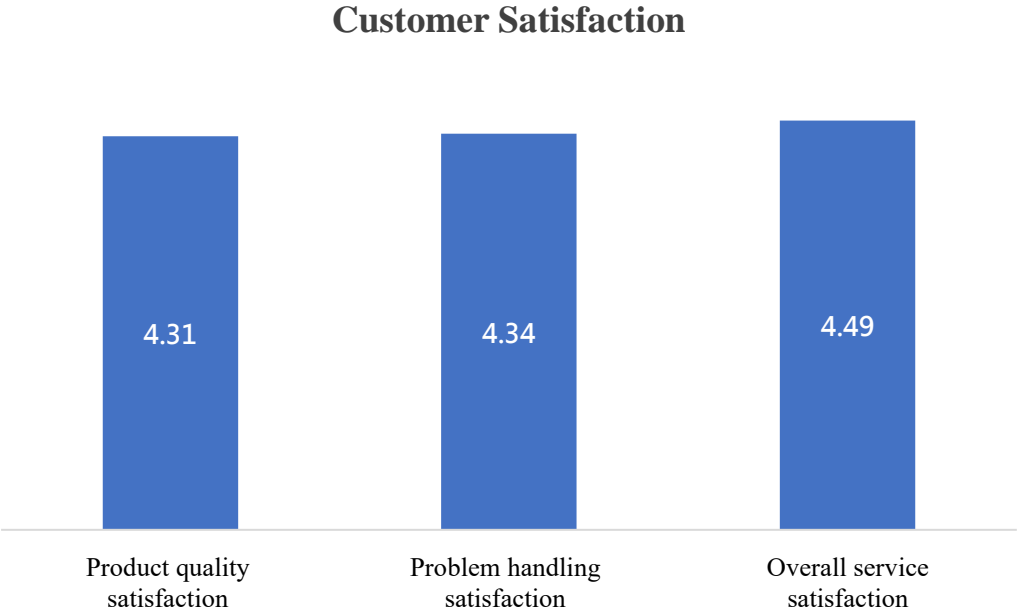
We received no grievances concerning breaches of customer privacy in 2023.



Customer Satisfaction

SOLOMON continues to uphold the service philosophy of “putting customers first and enhancing customer satisfaction.” The sales unit conducts a customer satisfaction survey on products or services in the fourth quarter of each year to confirm, compile, and analyze the feedback information from the customer satisfaction survey results, and provides the information to relevant unit heads for reference.

We gather statistics based on the scores in the “Customer Satisfaction Survey Form” to understand customers’ current satisfaction and expectations toward the Company, and use them as a reference for adjusting strategies. For items with lower scores, we analyze the cause and adopt corrective and prevention measures with the responsible unit, and, if necessary, convene meetings with relevant units to discuss improvement and review measures to thoroughly implement various projects to improve customer satisfaction and increase customer satisfaction scores for the items. The highest score for customer satisfaction is 5. In the customer satisfaction survey on product quality, problem handling, and overall service in 2023, the average score reached 4.49. The results are shown in the following chart:



Note 1: The bar chart shows the average satisfaction for the service of each business unit in 2023.
Note 2: The satisfaction options in the questionnaire are: Very Satisfied: 5 points; Satisfied: 4 points; Neutral: 3 points; Unsatisfied: 2 points, and Very Unsatisfied: 1 point.

4.2 Talent Cultivation and Development

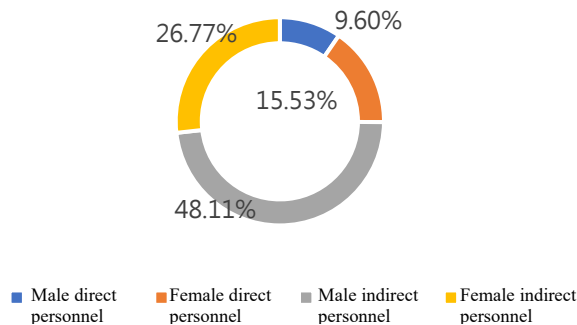
We value the labor rights of employees, create a happy and safe workplace, provide our colleagues with friendly and equal job opportunities, implement a gender equality policy, and create a mutually respectful atmosphere. We provide a competitive compensation level to increase the loyalty of employees to the Company, reduce employee turnover, and ensure the stable development of the Company's operations. The Company has a complete training system and organizes various training courses from time to time to enrich the professional skills of our employees and enhance their workplace competitiveness. Meanwhile, transparent career paths allow employees to anticipate their future career development. In addition, the Company has introduced the ISO 45001 Occupational Safety and Health Management System to strengthen the Company's occupational safety and health management performance, effectively protecting the physical and mental health of employees.

4.2.1 Employee Overview

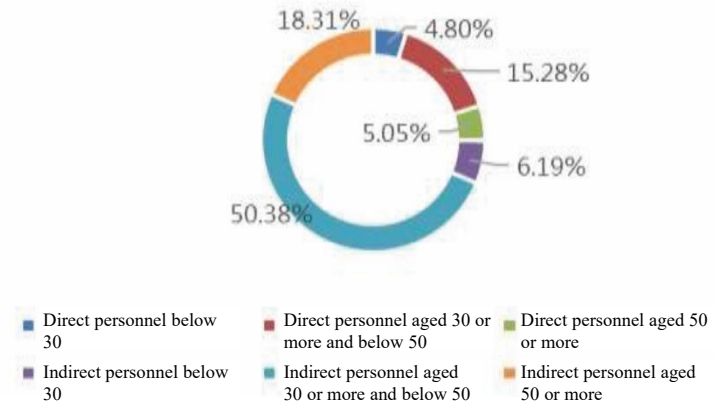
The Company continues to recruit more technical talent and employ local people to provide more comprehensive services. At the end of 2023, the Company had 792 employees. In addition, there were 10 non-employee workers, including contracted workers and dispatched security and cleaning personnel, to ensure the quality of the work environment.

Employee statistics by gender and age:

Distribution of Employees by Gender in 2023



Distribution of Employees by Age in 2023



Employee Statistics by Gender and Age

Diversity statistics/Year			2021		2022		2023		
			871		817		792		
			Number of people	Percentage	Number of people	Percentage	Number of people	Percentage	
Director	Gender	Male	6	85.71%	8	88.89%	8	88.89%	
		Female	1	14.29%	1	11.11%	1	11.11%	
	Age	Below 50	3	42.86%	1	11.11%	1	11.11%	
		50-65	1	14.29%	4	44.44%	4	44.44%	
		65 or more	3	42.86%	4	44.44%	4	44.44%	
	Education	Postgraduate degrees	4	57.14%	5	55.56%	5	55.56%	
		Colleges and universities	3	42.86%	4	44.44%	4	44.44%	
		Others	0	0.00%	0	0.00%	0	0.00%	
Employees	Direct	Gender	Male	111	12.74%	86	10.53%	76	9.60%
			Female	140	16.07%	124	15.18%	123	15.53%
		Age	Below 30	60	6.89%	38	4.65%	38	4.80%
			30 or more and below 50	156	17.91%	138	16.89%	121	15.28%
			50 or more	35	4.02%	34	4.16%	40	5.05%
		Education	Postgraduate degrees	0	0.00%	0	0.00%	0	0.00%
			Colleges and universities	5	0.57%	4	0.49%	3	0.38%
			Others	246	28.24%	206	25.21%	196	24.75%
	Indirect	Gender	Male	394	45.24%	392	47.98%	381	48.11%
			Female	226	25.95%	215	26.32%	212	26.77%
		Age	Below 30	61	7.00%	62	7.59%	49	6.19%
			30 or more and below 50	418	47.99%	403	49.33%	399	50.38%
			50 or more	141	16.19%	142	17.38%	145	18.31%
		Education	Postgraduate degrees	113	12.97%	99	12.12%	108	13.64%

			Colleges and universities	417	47.88%	417	51.04%	394	49.75%
			Others	90	10.33%	91	11.14%	91	11.49%

Note:

Percentage of direct personnel below 30 = (Total number of direct personnel below 30 at the end of the year / Total number of employees at the end of the year)*100%.

Percentage of indirect personnel with postgraduate degrees = (Total number of indirect personnel with postgraduate degrees in the year / Total number of employees at the end of the year)*100%.

The decrease in the number of employees in 2023 was due to the impact of external markets after the pandemic, as well as some employees returning to their hometowns for family reasons.

Talent Recruitment and Diversity & Equality

SOLOMON is mainly engaged in electricity (covering fuel-fired and gas-fired power generation systems), automated industrial products, displays, and electronic parts. A robust human resource is the key to the sustainable management of the Company. In order to attract outstanding talent, we provide competitive compensation and benefits to reward employees for their performance and long-term contributions, driving their loyalty to the Company and motivating them to be engaged in the Company.

In addition, the Company ensures information transparency and openness in promotions and provides employees with good job performance with promotion opportunities. The Company recruits and selects employees through open selection procedures while adhering to meritocratic principles and the philosophy of putting the right people in the right places. We strongly believe that “only with the right people can problems be solved.” Outstanding professional talent is the key to leading the Company toward creating performance and value and continuously accumulating experience in innovative fields in order to achieve sustainable management.

New Employees in the Past Three Years

Item/Year		2021		2022		2023	
Statistics on new employees and employee turnover		Number of people	Percentage (Note)	Number of people	Percentage (Note)	Number of people	Percentage (Note)
New employees		140		122		128	
Age	Below 30	20	2.30%	24	2.94%	16	2.02%
	30 or more and below 50	95	10.91%	83	10.16%	84	10.61%
	50 or more	25	2.87%	15	1.84%	28	3.54%
Gender	Male	103	11.83%	92	11.26%	90	11.36%
	Female	37	4.25%	30	3.67%	38	4.80%
Education	Postgraduate degrees	35	4.02%	26	3.18%	43	5.43%
	Colleges and universities	96	11.02%	92	11.26%	80	10.10%
	Others	9	1.03%	4	0.49%	5	0.63%
Region	Taiwan	138	15.84%	118	14.44%	122	15.40%
	Overseas	2	0.23%	4	0.49%	6	0.76%

Note 1:

The statistics are based on the total number of employees at the end of the year (December 31).

Note 2:

New hire rate = (Total number of new employees in a specific category in the year / Total number of employees in the year)*100%.

For example, female new hire rate = (total number of new female employees in the year / total number of employees in the year)*100%.

Turnover rate = (Total number of employees in a specific category leaving the Company in the year / Total number of employees in the year)*100%.

For example, the turnover rate of employees below 30 = (total number of employees below 30 leaving the Company in the year / total number of employees in the year)*100%.

Employee Turnover in the Past Three Years

Item/Year		2021		2022		2023	
Statistics on new employees and employee turnover		Number of people	Percentage (Note)	Number of people	Percentage (Note)	Number of people	Percentage (Note)
Employee turnover		120		127		131	
Age	Below 30	18	2.07%	17	2.08%	13	1.64%
	30 or more and below 50	90	10.33%	82	10.04%	83	10.48%
	50 or more	16	1.84%	28	3.43%	35	4.42%
Gender	Male	90	10.33%	93	11.38%	96	12.12%
	Female	30	3.44%	34	4.16%	35	4.42%
Education	Postgraduate degrees	35	4.02%	31	3.79%	35	4.42%
	Colleges and universities	79	9.07%	90	11.02%	90	11.36%
	Others	10	1.15%	6	0.73%	6	0.76%
Region	Taiwan	118	13.55%	121	14.81%	126	15.91%
	Overseas	6	0.69%	6	0.73%	5	0.63%

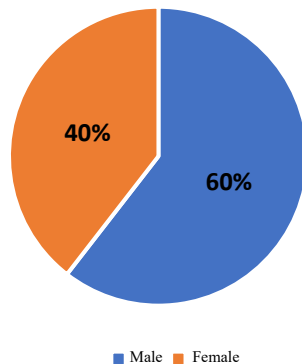
Employee Performance Evaluation

The Company has established the Compensation Committee to regularly review the compensation policy and plan transparent evaluation and reward and punishment systems, creating a positive competitive atmosphere among employees. We uphold the concept of treating employees equally. We have different performance evaluation systems for general personnel, management personnel, sales personnel, and R&D personnel. Different performance evaluation and measurement systems are given according to different jobs, and evaluation and measurement results are used as the basis for year-end bonuses, salary adjustments, and promotions. We also incorporate employees' core skills and performance related to corporate social responsibility in the evaluation to strengthen the overall awareness of the employees and the Company about sustainable development, consolidating the Company's competitiveness in sustainable development.

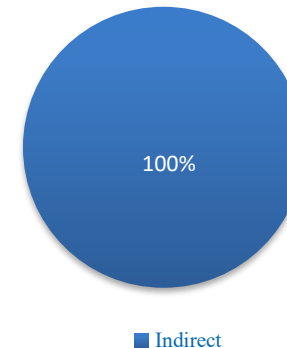
Employees and their line managers can have direct communication about their performance evaluation results. For employees with outstanding performance, this can not only recognize their performance in the year, but also allow for discussion about setting goals for future career planning. On the other hand, employees with unsatisfactory performance evaluation results can directly communicate with their supervisors to find out their shortcomings in performance and make improvements. For employees who does not meet the minimum evaluation threshold, we will enhance guidance and conduct improvement tracking through the performance improvement plan to help improve the employee's job performance.

Evaluation statistics for 2023

Employee gender



Employee category



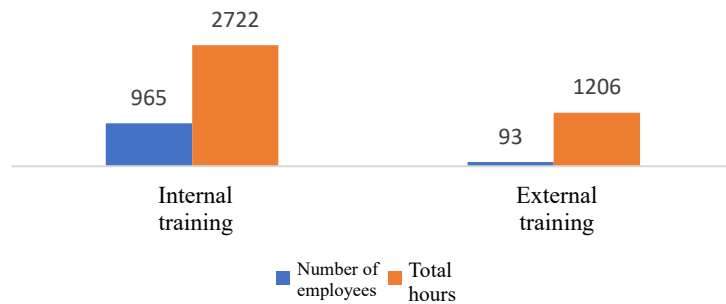
4.2.2 Talent Cultivation

Employee Education and Training

In order to improve the professional skills of our colleagues, we formulate training plans and implement training goals every year according to the Company's development needs. We also actively encourage our colleagues to take professional courses related to their job duties. Aiming for the continuous growth of our employees, we provide diverse learning channels, so that they can demonstrate their professionalism and achieve self-improvement. Each department drafts their education and training plans and organizes education and training according to their own needs. Employees' continuing education is divided into internal and external training, so that relevant personnel can apply what they have learned. In response to the trend of diversified education and training in recent years, we give our colleagues access to more information in different aspects.

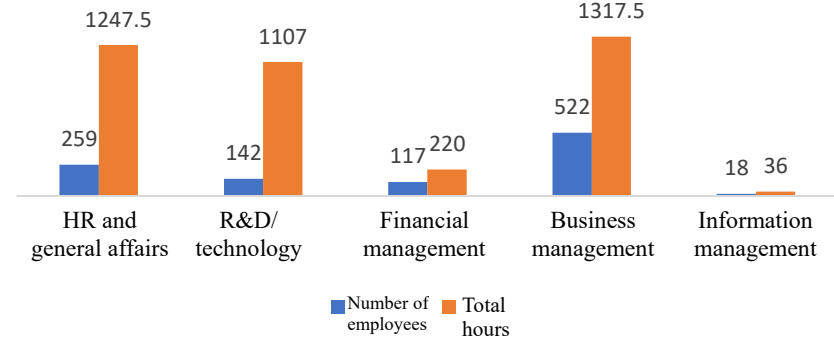
Training Hours of All Employees

Unit: Person/hour



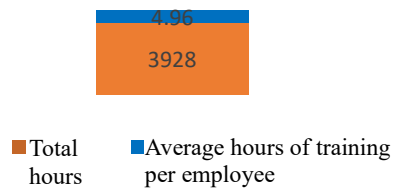
Employee Training Statistics by Category

Unit: Person/hour



Training Hours of All Employees

Unit: Person/hour



PERCENTAGE OF EMPLOYEES TRAINED

Unit: Person/hour



Note: The average training hours for all employees are (Total training hours of all employees in the year / Total number of employees at the end of the year).

Employee Salary and Benefits

SOLOMON is committed to rationalizing the employee salary structure, regularly participating in market salary surveys, formulating reasonable salary and reward policies, and paying employees based on their positions, education and work experience, and expertise. The Company's compensation policy differentiates compensation based on employees' achievement of performance goals. The Company does not treat employees differently in terms of compensation, benefits, promotions, salary adjustments, work conditions, and employment rights. In order to make sure that employees' personal compensation can reflect their job performance, all employees regularly receive performance and career development reviews. The review results will be taken into consideration for the promotion of employees in the workplace, so that employees with special technical expertise can grow into professionals in their fields through efforts, and employees with management capabilities and leadership potential can also grow into management, providing them with plenty of space for career development. In addition, the Company holds regular labor-management meetings on a quarterly basis to promote benefit improvement and organizational harmony.

Item	Employee benefits
Basic benefits	The Company enrolls in labor insurance, health insurance, and pension systems and takes out group insurance for all employees.
Work-life balance and health	<ol style="list-style-type: none"> 1. According to related labor laws and regulations, employees are entitled to one health check-up each year. 2. The Company organizes employee safety and health lectures from time to time and hires professional medical personnel to provide health consultations. 3. We provide diverse club activities to allow employees to interact with each other after work while maintaining good health and well-being.
Travel subsidies	<ol style="list-style-type: none"> 1. To encourage employees to enjoy both work and life and achieve balanced development in work, life, and leisure, we provide employees with travel subsidies. 2. Discounts for accommodations and meals at contracted hotels.
Family care	<ol style="list-style-type: none"> 1. We set up a warm, qualified breastfeeding room, creating a friendly breastfeeding environment in the workplace and supporting the breastfeeding of working mothers. 2. The Company signed a collaborative agreement with HESS Educational Organization to provide employees with preferential childcare solutions.
Other benefits	<ol style="list-style-type: none"> 1. Wedding cash gifts, bereavement money for employees or their family members who pass away, and childbirth cash gifts for employees or their spouses who give birth. 2. Condolences money for employees hospitalized due to injury and illness 3. Emergency aid for employees. 4. We provide bonuses for the Mid-Autumn Festival, Dragon Boat Festival, and Chinese New Year to reward employees for their hard work. 5. 10 free inter-bank withdrawals or transfers per month for payroll accounts.

Parental Leave

In accordance with related laws and regulations, the Company's employees who are eligible for unpaid parental leave may apply for such leave. We also encourage them to apply for reinstatement to return to work upon expiration of such leave.

Unpaid parental leave for employees/Year	Gender	Statistics		
		2021	2022	2023
Number of employees eligible for unpaid parental leave	Male	5	7	5
	Female	2	0	5
Number of employees who applied for unpaid parental leave	Male	0	2	1
	Female	1	2	4
Number of employees who should be reinstated from unpaid parental leave (A)	Male	0	2	1
	Female	1	2	4
Number of employees who were actually reinstated from unpaid parental leave (B) (including early reinstatement)	Male	0	2	1
	Female	1	1	2
Reinstatement rate (B/A)	Male	-	100%	100%
	Female	100%	50%	50%
Number of employees still in employment for 12 months after reinstatement from unpaid parental leave in the previous year (C)	Male	-	0	1
	Female	1	1	1
Retention rate (C/B in the previous year)	Male	-	-	50%
	Female	100%	100%	100%

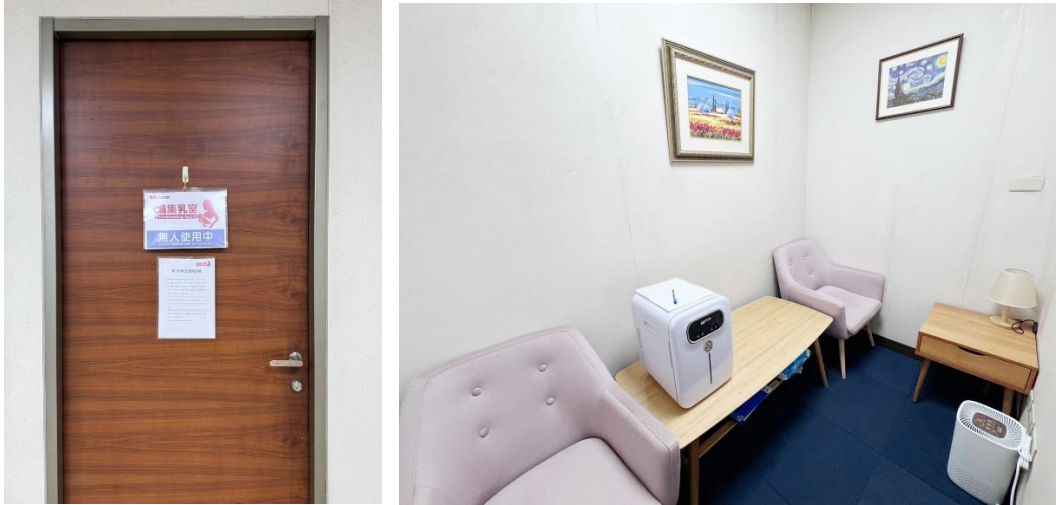
Note 1: The number of employees eligible for unpaid parental leave is based on the number of male and female employees who have applied for maternity leave and paternity leave in the past three years.

Note 2: Reinstatement rate = (Total number of employees actually reinstated in the year / Total number of employees who should be reinstated in the year)*100%.

Note 3: Retention rate = (Total number of employees still in employment for 12 months after reinstatement in the previous year / Number of employees actually reinstated in the previous year)*100%.

Friendly and Warm Breastfeeding Room

Nurturing a healthy next generation not only benefits the family, but also facilitates sustainable corporate management and national social progress and development. In order to create a friendly workplace that ensures gender equality for working mothers, the Company has set up a breastfeeding room to reduce the burden of breastfeeding on employees, thereby satisfying their needs to take care of their children more comprehensively and thoughtfully.



Reading Room

In order to stimulate employees to have higher efficiency and more diversified thinking at work, and to promote the Company's operation development and growth together, besides organizing internal education and training and book clubs from time to time, we have also planned an open book reading area to provide various books and magazines, so that employees can gain knowledge outside of their work field, and obtain physical, mental and spiritual growth.



Retirement and Benefits Policy

In order to secure the post-retirement life of employees, we have established pension plans for full-time employees. We also make a pension contribution of 2% of the total salary on a monthly basis and deposits it into a special account with the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee to fully protect the rights and interests of employees.

Since July 1, 2005, SOLOMON has had its defined contribution plan in place in accordance with the “Labor Pension Act.” The plan is applicable to employees who are of Taiwanese nationality. The Company deposits a labor pension distribution of 6% of the salary of the employees who choose to opt in to the labor pension scheme under the “Labor Pension Act” into their personal accounts with the Bureau of Labor Insurance every month. The pension is paid monthly or at once to the employees based on the amount of money in their personal pension accounts and the accumulated gains.

Pension statistics in 2023: NT\$40,082 (unit: NT\$ thousand)

Defined Benefit Plan (Old Pension System)

- A monthly pension contribution of 2% of employees’ monthly salaries is made and deposited to the dedicated account. If the amount of pension contributions in the account reaches the total present value of pensions required for all employees to apply for payment of their pensions after they meet the criteria for retirement, the making of such contribution may be suspended upon approval by the local competent authority.

Defined Benefit Plan (New Pension System)

- Since July 1, 2005, for employees who choose to opt in to the labor pension scheme under the “Labor Pension Act,” a monthly pension contribution of no less than 6% of the employees’ monthly salaries is made and deposited to their personal pension accounts set up by the Bureau of Labor Insurance. This allows the employees’ pensions to accrue wherever they work without being affected by job changes or the closure or close-down of business entities. Such pension accounts are owned by the employees.

In addition, the Company has also adhered to the principle of protecting employees. If employees’ positions must be adjusted or they become unfit due to the Company’s business development, the Company will give them early notice in accordance with the Labor Standards Act and provide them with sufficient time to do job handover and prepare for working in a new environment. The Company will also pay severance pay to the employees who become unfit according to the Labor Standards Act.

Minimum Notice Periods for Significant Operational Changes

10 days in advance for employees who have continuously worked for the Company for more than three months but less than one year.

20 days in advance for employees who have continuously worked for the Company for more than one month but less than three years.

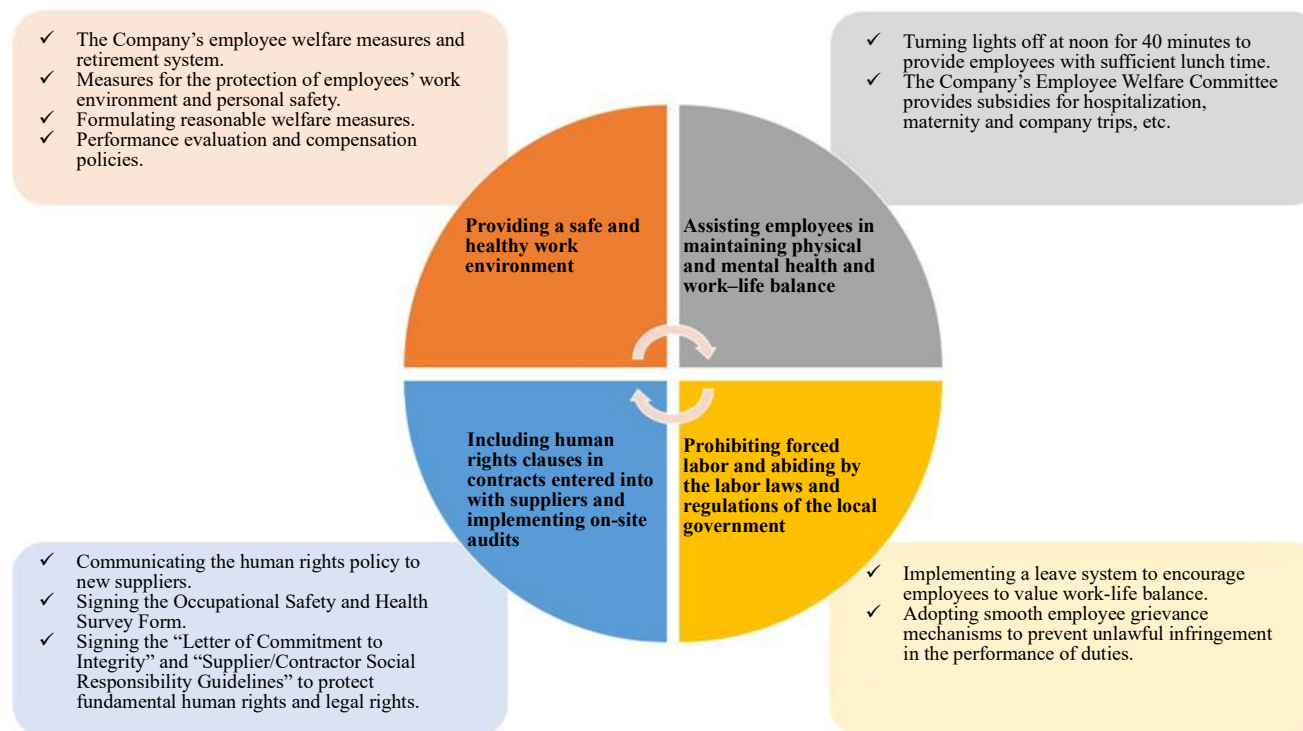
30 days in advance for employees who have continuously worked for the Company for more than three years.

4.2.3 Human Rights Policy

We are committed to protecting employees' fundamental human rights and supporting and following international human rights conventions, including the "United Nations Universal Declaration of Human Rights," the "United Nations Global Compact," the "United Nations Guiding Principles on Business and Human Rights," the International Labor Organization's "Declaration on Fundamental Principles and Rights at Work," and local laws and regulations, to ensure that we provide a work environment that fully protects human rights. SOLOMON respects the freedom of association of employees, cares for disadvantaged groups, prohibits child labor, eliminates all forms of forced labor and hiring and employment discrimination, and eradicates any act involving infringement and violation of human rights. We protect gender equality and treat all employees fairly. All our employees' employment contracts are drawn up and signed in accordance with the law. Employees have the right to terminate their employment contracts. There are no relationships beyond employment contracts, e.g. forced (compulsory) labor, or discrimination within the Company. SOLOMON's compensation policy also ensures that the salary of employees is not differentiated due to gender, age, race, religion, or political stance.

SOLOMON's human rights management policies and specific plans are summarized as follows:

Human Rights Protection



We comply with the labor human rights laws and regulations in each business location, and communicate important messages on human rights protection and labor rights protection to new and existing employees. Smooth labor-management communication helps promote labor-management collaboration, enabling employees to understand the Company's production plans, business overview, and market conditions while allowing the Company's management to timely grasp the labor conditions of the employees and even build a friendly workplace based on their needs. The Company complies with laws and regulations. Our internal human resource and administrative management complies with the local labor laws and regulations of each business location. At least one labor-management meeting is held every three months as required by law, with management representatives including the Chief Corporate Governance Officer and the head of the HR department to coordinate labor-management relations. Regular mutual communication and dialogue can promote labor-management collaboration and allow employees to express their opinions and seek better labor conditions from the Company, effectively improving workers' status.

The Company has also established diverse communication channels. Through two-way communication, employees can fully express their opinions. Due diligence will be conducted after a grievance is received by dedicated personnel. The Company will keep the whistleblower's personal information confidential, and will not treat the whistleblower unfavorably if the grievance is verified.

In 2023, the labor–management relationship in the Company was harmonious, and there were no incidents of human rights violations, gender inequality, harassment, or other labor–management disputes.

Gender Equality and Harassment Prevention	Labor–management Meeting	Employee Communication Channels
<p>The Company has established the “Measures for the Prevention of Sexual Harassment in the Workplace and Principles for Establishing Guidelines on Grievances and Disciplinary Actions” to develop a grievance system and a handling procedure. The Company also regularly implements relevant education and training. There were no grievances on gender equality in 2023.</p>	<p>With the aim of working together to help the Company’s operations, we coordinate labor relations, promote labor–management collaboration, improve work efficiency, and ensure a workplace that protects the physical and mental health of employees. In 2023, a total of 4 labor–management meetings were held, and both parties engaged in various negotiations and operations to help protect each other’s rights and interests in a fair and just manner, achieving a win-win situation.</p>	<p>In order to build a good labor–management relationship, we have employee grievance mechanisms in place, including an employee grievance email address (hr@solomon.com.tw). All grievances made will be investigated and handled by the HR department or unit heads. There were no grievances made in 2023.</p>

4.3 Occupational Safety and Health

To effectively control occupational safety and health in the offices and plants, provide employees with a safe work environment, and pay attention to their physical and mental health, we have complied with the Occupational Safety and Health Act, and our Energy & Power Business Unit has been certified to the ISO 45001 Occupational Health and Safety Management System. Other plants also follow the implementation method under the management system in line with the Company's safety and health policy in order to ensure that all workers adhere to the safety and health policy of the Company, building a safe, comfortable and healthy work environment.

Workers Covered by an Occupational Health and Safety Management System in 2023

Management system/laws and regulations	Inspection type	Number of people	Percentage
Occupational Safety and Health Act	Internal inspection	299	99%
	Labor inspection	299	99%
ISO 45001	Internal audit	45	100%
	External audit	45	100%

Hazard Identification and Risk Assessment

The Company has conducted hazard identification based on the hazards that each unit may face according to the nature of their work. We have established the "Hazard Identification and Risk Assessment Form" to list these possible hazards and conduct risk assessments on their frequency, likelihood, and severity (if they occur). According to the identified hazard types, we then formulate protective and preventive measures to reduce the likelihood and severity of these hazards.

Incident Investigation

We have established incident reporting and investigation management procedures to systematize and document accident investigation, analysis, and statistics. With these procedures, in the event of an incident, personnel from relevant units can be contacted quickly to assist in on-site handling to reduce or prevent the expansion of the incident. We are committed to preventing the occurrence of disasters to ensure the safety of employees. We also provide education and promotion materials so that employees can understand how to prevent disasters and have something to refer to and follow when formulating or revising work rules.

Incident Investigation and Handling Process

Incident type	Handling process
Near miss	Department concerned (fill in the “Incident Investigation Form”) → Occupational safety and health management personnel (investigation and analysis) → Department head (sign off) → Occupational safety and health management personnel (record retention).
Disasters	Department concerned (fill in the “Incident Investigation Form”) → Occupational safety and health management personnel (investigation and analysis) → Department head (sign off) → Unit head (sign off) → Occupational safety and health management personnel (record retention).
Work-related disasters	Department concerned (fill in the “Work-related Disaster Investigation and Handling Form”) → Occupational safety and health management personnel (investigation and analysis) → Administrative unit (investigate the current status of the injured employee and suggest approval of the employee’s leave for the work-related injury) → Department head (sign off) → Unit head (sign off) → Occupational safety and health management personnel (statistics and record retention).

Measures for the Prevention of Occupational Safety and Health Impacts

The Company has established the “Contractor Occupational Safety and Health Management Procedure” to require contractors or individuals entering the Company’s plants or offices to follow relevant regulations. First, procurement or sales personnel explain the Company’s regulations on occupational safety and health management to the contractor, and then the person in charge of the workplace is responsible for applying for a work permit, informing the contractor of the working area and hazardous factors, and asking it to perform appropriate protective measures before it starts construction. During the construction, the person in charge will monitor the contractor’s compliance with the relevant regulations. Finally, occupational safety and health management personnel will formulate relevant regulations on contractor management, prepare contractor access cards, perform audits, and assist each unit in implementing contractor management.

Before the contractor starts construction, safety and health management personnel will hold a construction coordination meeting to explain the Company’s contractor-related regulations, and the contractor must fill out the “Work Permit Application Form” according to the operation details. If there is any hot work or special hazardous work, the contractor must apply for an additional hot work permit or special hazardous work permit, which will be verified by occupational safety and health management personnel.

Work-related Injury Analysis

The work-related injuries that occurred in SOLOMON in the past three years were mainly falls and cuts. After an incident occurred, we conducted relevant investigations immediately, and then formulated and promoted improvement measures according to the type of the incident, in order to reduce the recurrence of the same incident.

Statistics on Work-related Injuries and Work-related Ill Health

Statistics/Year		2021	2022	2023
Total hours worked (Note 1)		1,728,064	1,627,464	1,571,328
Fatalities caused by work-related injuries (Note 1)	Number of people	0	0	0
	Percentage	0	0	0
Severe work-related injuries (Note 2)	Number of people	0	0	0
	Percentage	0	0	0
Recordable work-related injuries (Note 3)	Number of people	0	2	0
	Percentage	0	0.25	0
Work-related ill health	Number of people	0	0	0
	Percentage	0	0	0
Recordable work-related ill health (Note 3)	Number of people	0	0	0
	Percentage	0	0	0

Note 1: The percentage is calculated per 200,000 working hours.

Note 2: Severe work-related injuries: Severe injuries causing employees to be unable or less able to recover to their state of health before the injuries within six months. However, the number of fatalities should be excluded from the statistics.

Note 3: Recordable work-related injuries or work-related ill health: Work-related injuries or work-related ill health that lead to any of the following circumstances, such as death, departure from work, work restrictions or transfer of work, medical treatment beyond first aid, or unawareness, or major injuries or ill health diagnosed by physicians or other licensed medical professionals (even if they do not cause death, departure from work, work restrictions or transfer of work, medical treatment beyond first aid, or unawareness). The statistics should include the number of fatalities.

Statistics on Work-related Injuries and Work-related Ill Health by Type

Type/Year		2021	2022	2023	Hazard and improvement description
Type of work-related injuries	Falls	0	1	0	Personnel's motorcycles skidded on B1, and anti-slip paint has been reapplied
	Cuts	0	1	0	Employees are asked to wear gloves when performing duties

Occupational Safety and Health Education & Training and Meetings

To enhance the overall occupational safety awareness and work safety of employees, we focus on occupational safety-related education and training. New employees must complete 3 hours of occupational safety and health education and training after joining the Company, so that they can understand the Company's occupational safety policy. Active employees must also complete 3 hours of online occupational safety training courses every year, and after the courses, we arrange tests and surveys to ensure course quality. In addition, the Company also organizes regular emergency response and disaster prevention drills to ensure that employees can respond to emergencies and reduce the impact of disasters.

The Company holds an occupational safety meeting every three months, and labor and management representatives are sent to participate in the meetings. The meetings examine the Company's existing occupational safety policies, review recent occupational accidents, and respond to employees' occupational safety-related opinions. The Company also timely communicates the latest relevant information to employees through internal websites and employee suggestion boxes while collecting their opinions and feedback on occupational safety and health to establish smooth communication channels. The engagement of employees allows the Company to formulate complete and company-oriented occupational safety policies.



Employee Health Management and Health Promotion

To ensure the physical and mental health of employees and maintain the Company's overall competitiveness, new employees are required to undergo health check-ups when they report to work. The Company also provides health check-ups more frequently than is required by law to active employees. For employees with abnormal health check-up results, the Company will have on-site medical personnel examine the health check-up report data of previous years to conduct evaluation and make recommendations, and carry out health management-related measures and preventive vaccinations based on the health check-up results.



In addition, the Company regularly arranges for employees to receive breast cancer, cervical cancer and oral cancer screening, and bone mineral density tests by integrating medical resources to ensure the health of our employees, prevent the occurrence of work-related injuries and ill health, and enable early diagnosis and treatment at the time of occurrence. The Company organizes a health check-up at the end of each year. In 2023, 68% of employees received a health check-up.

In addition to complying with government regulations on employee health and continuously improving employee health and safety and health performance, we also provide employees with various health promotion materials from time to time, including those related to the prevention of metabolic syndrome and dengue fever, flu vaccination, and a smoke-free workplace, providing them with a safe, secure and healthy workplace.

4.4 Social Engagement

As a member of the overall society, we give back to society, fulfill our social responsibility, and are interdependent with our investors, employees, local communities, and other stakeholders. To get the ball rolling, we exert our influence and fulfill our corporate social responsibility. We work with local organizations at our business locations to ensure that resources can be provided to those truly in need. In addition to engaging in public welfare, we also respond to the Group's call and make donations to the charitable foundation founded by the Group. We will make the best use of resources through the collective efforts of the public, striving to make the society a better place.



Item	Activity	Implementation performance
1	Tamkang University Industry-Academia Collaboration Program for Cultivation of R&D Elites	A donation of NT\$210 thousand
2	Sponsoring the Development Center for Spinal Cord Injuries for rehabilitation and training expenses	A donation of NT\$7,500
3	National Taiwan University Cancer Center	A donation of NT\$2.86 million
4	Genesis Social Welfare Foundation	Donation of invoices
5.	Cih Yue Charity Foundation	A donation of NT\$100 thousand

Appendix

GRI Index

Terms of Use	SOLOMON Technology Corporation has reported in accordance with the GRI Standards for the period from January 1 to December 31, 2023
GRI 1	GRI 1: Foundation 2021

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
GRI 2: General Disclosures 2021					
The organization and its reporting practices	2-1	Organizational details	2.1 About SOLOMON	15	
	2-2	Entities included in the organization's sustainability reporting	About Our Report	2	
	2-3	Reporting period, frequency and contact point	About Our Report	2	
	2-4	Restatements of information	About Our Report	2	
	2-5	External assurance	About Our Report	2	
Activities and workers	2-6	Activities, value chain and other business relationships	2.1.3 Business Performance and Brand Value	19	
	2-7	Employees	4.2.1 Employee Overview	48	
	2-8	Workers who are not employees	4.2.1 Employee Overview	48	
Governance	2-9	Governance structure and composition	2.1.4 Composition and Operation of the Board of Directors	23	
	2-10	Nomination and selection of the highest governance body	2.1.4 Composition and Operation of the Board of Directors	23	
	2-11	Chair of the highest governance body	2.1.2 Corporate Governance Structure	18	

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
	2-12	Role of the highest governance body in overseeing the management of impacts	2.1.4 Composition and Operation of the Board of Directors	23	
	2-13	Delegation of responsibility for managing impacts	1.1 ESG Governance	5	
	2-14	Role of the highest governance body in sustainability reporting	1.1 ESG Governance	5	
	2-15	Conflicts of interest	2.1.4 Composition and Operation of the Board of Directors	23	
	2-16	Communication of critical concerns	2.2 Ethical Management	28	
	2-17	Collective knowledge of the highest governance body	2.1.4 Composition and Operation of the Board of Directors	23	
	2-18	Evaluation of the performance of the highest governance body	2.1.4 Composition and Operation of the Board of Directors	23	
	2-19	Remuneration policies	2.1.5 Functional Committees	25	
	2-20	Process to determine remuneration	2.1.5 Functional Committees	25	
	2-21	Annual total compensation ratio		-	Confidentiality regulations/Salary should be kept confidential
Strategy, policies and practices	2-22	Statement on sustainable development strategy	Message from the Management	4	
	2-23	Policy commitments	4.2.3 Human Rights Policy	57	
	2-24	Embedding policy commitments	4.2.3 Human Rights Policy	57	
	2-25	Processes to remediate negative impacts	2.2 Ethical Management	28	
	2-26	Mechanisms for seeking advice and raising concerns	2.2 Ethical Management	28	
	2-27	Compliance with laws and regulations	2.3 Risk Management and Legal Compliance	29	

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
	2-28	Membership associations	2.1.3 Business Performance and Brand Value	19	
Stakeholder engagement	2-29	Approach to stakeholder engagement	1.2 Stakeholder Engagement	6	
	2-30	Collective bargaining agreements	4.2.3 Human Rights Policy	57	
GRI 3: Material Topics 2021					
Material Topics	3-1	Process to determine material topics	1.3 Analysis of Material Topics	7	
	3-2	List of material topics	1.3 Analysis of Material Topics	7	
Economic					
★ Economic performance					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	2.1.3 Business Performance and Brand Value	19	
	201-2	Financial implications and other risks and opportunities due to climate change	3.1 Climate Action	33	
	201-3	Defined benefit plan obligations and other retirement plans	4.2.2 Talent Cultivation	52	
	201-4	Financial assistance received from government	2.1.3 Business Performance and Brand Value	19	
Environmental					
Energy					
GRI 302: Energy 2016	302-1	Energy consumption within the organization	3.2.2 Energy Management	40	
	302-3	Energy intensity	3.2.2 Energy Management	40	
	302-4	Reduction of energy consumption	3.2.2 Energy Management	40	

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
★ Emissions					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	3.2.1 GHG Emissions	39	
	305-2	Energy indirect (Scope 2) GHG emissions	3.2.1 GHG Emissions	39	
	305-3	Other indirect (Scope 3) GHG emissions	3.2.1 GHG Emissions	39	
	305-4	GHG emissions intensity	3.2.2 Energy Management	40	
	305-5	Reduction of GHG emissions	3.2.2 Energy Management	40	
	305-6	Emissions of ozone-depleting substances (ODS)		-	No such emissions
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions		-	No such emissions
Waste					
GRI 306: Waste 2020 Management Approach	306-1	Waste generation and significant waste-related impacts	3.2.3 Waste Disposal	42	
	306-2	Management of significant waste-related impacts	3.2.3 Waste Disposal	42	
GRI 306: Waste 2020	306-3	Waste generated	3.2.3 Waste Disposal	42	
	306-4	Waste diverted from disposal	3.2.3 Waste Disposal	42	
	306-5	Waste directed to disposal	3.2.3 Waste Disposal	42	
★ Supplier environmental assessment					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
	308-1	New suppliers that were screened using environmental criteria	3.3 Sustainable Supply Chain	43	

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
GRI 308: Supplier Environmental Assessment 2016	308-2	Negative environmental impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain	43	
Social					
Employment					
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	4.2.1 Employee Overview	48	
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.2.2 Talent Cultivation	52	
	401-3	Parental leave	4.2.2 Talent Cultivation	52	
Labor/management relations					
GRI 402: Labor/Management Relations 2016	402-1	Minimum notice periods regarding operational changes	4.2.2 Talent Cultivation	52	
★ Occupational safety and health					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 403: Occupational Health and Safety 2018 Management Approach	403-1	Occupational health and safety management system	4.3 Workplace Safety and Health	59	
	403-2	Hazard identification, risk assessment, and incident investigation	4.3 Workplace Safety and Health	59	
	403-3	Occupational health services	4.3 Workplace Safety and Health	59	
	403-4	Worker participation, consultation, and communication on occupational health and safety	4.3 Workplace Safety and Health	59	

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
	403-5	Worker training on occupational health and safety	4.3 Workplace Safety and Health	59	
	403-6	Promotion of worker health	4.3 Workplace Safety and Health	59	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	4.3 Workplace Safety and Health	59	
GRI 403: Occupational Health and Safety 2018	403-8	Workers covered by an occupational health and safety management system	4.3 Workplace Safety and Health	59	
	403-9	Work-related injuries	4.3 Workplace Safety and Health	59	
	403-10	Work-related ill health	4.3 Workplace Safety and Health	59	
★ Training and education					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	4.2.2 Talent Cultivation	52	
	404-2	Programs for upgrading employee skills and transition assistance programs	4.2.2 Talent Cultivation	52	
	404-3	Percentage of employees receiving regular performance and career development reviews	4.2.1 Employee Overview	48	
Diversity and equal opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	4.2.1 Employee Overview	48	
Non-discrimination					

Topic	Disclosure item	Item description	Chapter	Page	Reasons for omission/Necessity explanation
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	4.2.3 Human Rights Policy	57	
Local communities					
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	4.4 Social Engagement	64	
★ Supplier social assessment					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	3.3 Sustainable Supply Chain	43	
	414-2	Negative social impacts in the supply chain and actions taken	3.3 Sustainable Supply Chain	43	
★ Customer health and safety					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 416: Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	4.1 Customer Relations	45	
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	4.1 Customer Relations	45	
★ Customer privacy					
GRI 3: Material Topics 2021	3-3	Management of material topics	1.3.4 Material Topics and Management Approaches	11	
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	4.1 Customer Relations	45	

SASB Index


Topic	SASB code	Disclosure item	Content	Corresponding chapter
Energy Management	RT-EE-130a.1	Total energy consumed (GJ) Percentage grid electricity (%) Percentage renewable (%)	Total energy consumed: 28,089.67 (GJ) Percentage grid electricity: 100% Percentage renewable: 0%	3.2 GHG and Energy Management
Hazardous Industrial Waste	RT-EE-150a.1	Amount of hazardous waste generated (metric tons), percentage recycled (%)	Amount of hazardous waste generated: 127.4235 metric tons Percentage recycled: 35.21%.	3.2.3 Waste Disposal
	RT-EE-150a.2	Number and aggregate quantity of reportable spills (number), quantity recovered (kg)	0 spills, 0 kg	3.2.3 Waste Disposal
Product Safety	RT-EE-250a.1	Number of recalls issued; total units recalled	No product recalls.	None
	RT-EE-250a.2	Total amount of monetary losses as a result of legal proceedings associated with product safety	No monetary losses as a result of legal proceedings associated with product safety.	2.3 Risk Management and Legal Compliance
Product Lifecycle Management	RT-EE-410a.1	Percentage of income from IEC 62474-compliant products (%)	No income from IEC 62474-compliant products.	None
	RT-EE-410a.2	Percentage of income from products certified to an energy efficiency certification (%)	No income from products certified to an energy efficiency certification.	None
	RT-EE-410a.3	Income from products manufactured using renewable energy	No income from products manufactured using renewable energy.	None
Materials Sourcing	RT-EE-440a.1	Description of the management of risks associated with the use of critical materials	Due to the fluctuation of international prices of metal materials, the Company has placed long-term orders to ensure supply sources and prices, and actively	3.1 Climate Action

Topic	SASB code	Disclosure item	Content	Corresponding chapter
			sought secondary suppliers or alternative materials.	
Business Ethics	RT-EE-510a.1	Description of policies and practices for prevention of corruption and bribery and anti-competitive behavior	We have established anti-corruption management measures and anti-corruption incident investigation and management procedures	2.2 Ethical Management
	RT-EE-510a.2	Total amount of monetary losses as a result of legal proceedings associated with bribery or corruption	No monetary losses as a result of legal proceedings associated with corruption and bribery.	2.3 Risk Management and Legal Compliance
	RT-EE-510a.3	Total amount of monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	No monetary losses as a result of legal proceedings associated with anti-competitive behavior regulations	2.3 Risk Management and Legal Compliance
Activity Metrics	RT-EE-000.A	Number of units produced by product category	Medical devices: 3,362 (thousand pcs). LCD+LCM: 13,879 (thousand pcs).	2.1.3 Business Performance and Brand Value
	RT-EE-000.B	Number of employees	792	2.1 About SOLOMON

Climate-related Information of TWSE/TPEX Listed Companies

Risks and Opportunities of Climate Change for the Company Related Countermeasures Adopted by the Company

Item	Countermeasures				
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	The Company has established the Sustainable Development Committee, chaired by the General Manager, and its various teams conduct identification of climate-related risks and opportunities through discussions in meetings.				
2. Describe how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	Risk	Potential financial impact		Opportunity	Potential financial impact
3. Describe the financial impact of extreme climate events and transition actions	Rising costs of raw materials	Fluctuating prices of raw materials can result in increased production costs		Using more efficient production and distribution processes	Increasing utilization efficiency to reduce operating costs
	Rising average temperatures	Increased use of energy leads to higher electricity bills		Using new technologies	Changing customer preferences to improve competitiveness
	Energy cost fluctuations	Rising fuel prices result in increased transportation and operating costs.		Changes in income sources	Achieving diversified operations to increase operating income
	Changes in customer behavior	In response to extreme climate change, customers turn to seeking other advantageous products		Optimization and R&D of product services	Changing customer preferences to improve competitiveness
4. Describe how climate risk identification, assessment, and management processes	We implement the following in accordance with our risk management policy				

Item	Countermeasures	
are integrated into the overall risk management system		<ul style="list-style-type: none"> • The Sustainable Development Committee members complete the collection of climate and environmental background information • Climate risk and operational scope assessment <ul style="list-style-type: none"> • Establish a list of climate risks and opportunities <ul style="list-style-type: none"> • The Sustainable Development Committee conducts analysis of climate risks and opportunities and their operational impacts • Determine material risks <ul style="list-style-type: none"> • Establish implementation strategies and set targets <ul style="list-style-type: none"> • Review the effectiveness of the implementation strategies and targets from time to time through Sustainable Development Committee meetings
5. If scenario analysis is used to assess resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be described.	In response to the impact of climate-related risks and opportunities on the Company's strategies and financial planning, we adopt corresponding strategies with reference to the TCFD's climate scenario analysis.	
6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators	Risk	Countermeasure
	Rising costs of raw materials	<ul style="list-style-type: none"> ● Focus on product categories, implement centralized procurement where goods are purchased in large quantities and at low prices, and reduce inventory types. ● Introduce a lean production model in plants to optimize the production process

Item	Countermeasures	
and targets used to identify and manage physical risks and transition risks.		and eliminate waste. <ul style="list-style-type: none"> ● Establish long-term partnerships with suppliers to strive for more favorable procurement prices. ● Actively seek alternative raw materials to increase product liquidity and flexibility in response to rising costs of raw materials. ● Formulate long-term production procurement plans, including fixed price contracts, to mitigate the impact of sudden energy cost changes on business. ● Track the fluctuation of commodity prices and grasp the procurement schedule to reduce the risk of future price fluctuations.
	Rising average temperatures	<ul style="list-style-type: none"> ● Formulate the Company's energy-saving measures, regularly maintain air-conditioning equipment, and increase energy efficiency. ● Reduce paper consumption, carry out document digitization, and reduce carbon emissions. ● Execute carbon inventory every year to understand the Company's main sources of carbon emissions, facilitating the planning of carbon reduction measures.
	Energy cost fluctuations	<ul style="list-style-type: none"> ● Plan to introduce multiple energy combinations to avoid the excessive impact of fluctuations in a single energy source. ● Plan to introduce smart energy-saving systems to reduce consumption and lower costs.
	Changes in customer behavior	<ul style="list-style-type: none"> ● Add a demand change column to the business log in response to changes in customer preferences in order to collect customer demand information immediately. ● Establish a customer feedback mechanism, actively listen to customers, and respond to changes in demand quickly. ● Enhance the Group's brand marketing and risk tolerance. ● Include customer demand analysis in the annual plan and seek alternative products as early as possible.
7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.	No internal carbon pricing is currently in use.	

Item	Countermeasures						
8. If climate-related targets are set, the activities covered, the scope of GHG emissions, the planned schedule, and the progress of each year shall be explained; if carbon offsets or renewable energy certificates (RECs) are used to achieve the targets, the source and number of the carbon offsets or the number of the RECs shall be described.	<p>To control the impact of climate change on the operations of the Company, we set short-term and medium- to long-term targets and regularly review and track the energy consumption and GHG emissions of our offices and plants in each region to achieve the targets and continuously expand the effectiveness of energy conservation and carbon reduction.</p> <table><tr><th>Target</th><th>Short-term (2027)</th><th>Medium- to long-term (2030)</th></tr><tr><td>GHG emissions</td><td>Decrease by 5%</td><td>Decrease by 7%</td></tr></table> <p>(Note: Compared with the base year of 2023)</p> <p>The Company’s strategies for energy saving and carbon reduction and GHG reduction are as follows:</p> <ol style="list-style-type: none">1. Water resource saving: The Company has fully switched to the use of water-saving facilities to reduce water resources wasted and used, such as touchless water faucets, urinal flush valves, and water-saving toilets. We have also enhanced the water leakage management system, and check pipes and toilets from time to time to reduce water leakage and losses.2. Energy-efficient air conditioning: We reinforce the control of the use of air conditioning (e.g. by having Taipower install water chiller unit temperature adjusters to keep the air conditioning at 26°C), and has installed air conditioning timers, which can help reduce about 2% of electricity consumption (carbon emissions) every year.3. Energy-efficient lighting: The use of lighting equipment is further controlled (e.g. by turning lights off during lunch breaks, before getting off work, and when not in use), which can help reduce electricity consumption (carbon emissions) by 1%.4. Garbage sorting and recycling: Since we are not a manufacturer, we do not generate hazardous waste. For general domestic waste, waste sorting and recycling bins are set up for waste reduction and resource recycling to protect the environment.	Target	Short-term (2027)	Medium- to long-term (2030)	GHG emissions	Decrease by 5%	Decrease by 7%
Target	Short-term (2027)	Medium- to long-term (2030)					
GHG emissions	Decrease by 5%	Decrease by 7%					
9. GHG inventory and assurance status, as well as reduction targets, strategies, and concrete action plans (indicated in 1-1 and 1-2) separately.	As shown in the table below						

1-1 GHG inventory information

Describe the GHG emissions (tCO₂e), intensity (tCO₂e/NT\$ million), and data coverage and assurance status for the most recent two years.

The Company's GHG emissions inventory is currently under self-management and disclosed voluntarily in order to understand the current trends and respond to them early. It has not yet been assured by an external third-party verification body.

Category	2023		2022		Assurance body and assurance description (verification certificate)
Scope 1	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	
Parent company	208.8023	0.05	196.9632	0.04	The Company implemented an ISO 14064-1 GHG inventory project in 2023, and the Company's emissions have been verified by DNV Business Assurance Co., Ltd., which mainly included: Category 1 emissions mainly from mobile combustion sources and fugitive emission sources. Category 2 emissions from purchased electricity. Category 3 emissions from employee business travel. Category 4 emissions mainly from products purchased by the organization.
Scope 2	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	
Parent company	4288.1001	1.02	4515.4965	0.86	
Scope 3	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	Total emissions (tCO ₂ e)	Intensity (tCO ₂ e/NT\$ million)	
Parent company	4396.8558	1.04	1,087.3570	0.21	

Note: SOLOMON's consolidated operating income in 2022 was NT\$5249.93 million and the consolidated operating income in 2023 was NT\$4219.90 million. The Company's subsidiaries will complete the inventory in accordance with the schedule required by the competent authority.

1-2. GHG reduction targets, strategies, and concrete action plans

Describe the GHG reduction base year and its data, reduction targets, strategies, and concrete action plans, and the achievement of the reduction targets.

To control the impact of climate change on the operations of the Company, we set short-term and medium- to long-term targets and regularly review and track the energy consumption and GHG emissions of our offices and plants in each region to achieve the targets and continuously expand the effectiveness of energy conservation and carbon reduction.

Target	Short-term (2027)	Medium- to long-term (2030)
GHG emissions	Decrease by 5%	Decrease by 7%

(Note: Compared with the base year of 2023)

The Company's strategies for energy saving and carbon reduction and GHG reduction are as follows:

1. Water resource saving: The Company has fully switched to the use of water-saving facilities to reduce water resources wasted and used, such as touchless water faucets, urinal flush valves, and water-saving toilets. We have also enhanced the water leakage management system, and check pipes and toilets from time to time to reduce water leakage and losses.
2. Energy-efficient air conditioning: We reinforce the control of the use of air conditioning (e.g. by having Taipower install water chiller unit temperature adjusters to keep the air conditioning at 26°C), and has installed air conditioning timers, which can help reduce about 2% of electricity consumption (carbon emissions) every year.
3. Energy-efficient lighting: The use of lighting equipment is further controlled (e.g. by turning lights off during lunch breaks, before getting off work, and when not in use), which can help reduce electricity consumption (carbon emissions) by 1%.
4. Garbage sorting and recycling: Since we are not a manufacturer, we do not generate hazardous waste. For general domestic waste, waste sorting and recycling bins are set up for waste reduction and resource recycling to protect the environment.

The background is a solid teal color. On the right side, there is a vertical image of a person's arm wearing a teal long-sleeved shirt, which blends into the background color.

SOLOMON

SOLOMON Technology Corporation

Address : No. 42 Xingzhong Rd., Neihu Dist., Taipei City 11494 Tel : 02-8791-8989