

**King Slide®**  
King Slide Works Co., Ltd.  
**2020 CSR REPORT**





# About the Reports

## Compilation Basis

Dear readers, you are welcome to read the CSR report of King Slide Group (hereinafter referred to as “King Slide”). The content structure of this report was compiled mainly by referring to the Global Reporting Initiative (referred as GRI) issued by the “GRI Sustainability Reporting Standards (referred to as GRI Standards, GRI Standards). With reference to the United Nations Sustainable Development Goals and other international programs, to expose all aspects of King Slide Group’s information. We sincerely invite everyone to understand that we insist in these three-faceted efforts and determination to pursue sustainable development. Which are "transparent corporate governance", "social partnerships and win-win" and "Environmentally sustainable development".

## Report Management

This report will be issued every year, and the data disclosed are from King Slide’s own statistics and survey results; financial data is published after being certified by an accountant; the data required by the law to be tested is measured or certified by an impartial organization. The actual data is then presented in the usual way of numerical description; the selection and priority of issues are collected through questionnaire surveys, suggestion boxes, etc., from internal and external channels also with discussions from CSR implementation group and then through statistical analysis.

## Issuance Profile

Current issuance date: July 2021

Last issuance date: July 2020

Next issuance date: scheduled at July 2022

King Slide publishes a corporate social responsibility report on a regular basis every year, and publishes it in the social responsibility section of the company website ( [https://www.kingslide.com/csr\\_report](https://www.kingslide.com/csr_report) )

## Coverage and Category

Covering time: January 1st to December 31st, 2020

Category: King Slide Technology Co., Ltd.  
King Slide Works Co., Ltd.

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to visit King Slide’s Official Website



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## 1.1 Message from the Chairman

Since its establishment in 1986, King Slide has been committed to developing innovative products that are applicable to different fields. Today it has become a world-renowned original design manufacturer of server rail kits, industrial rail kits, high-end kitchen rail kits, and hinges. With excellent quality, user-friendly design, highly automated and advanced production technology, as well as innovative R&D capabilities, King Slide has successfully promoted its brand on the global stage and established a leading position in the industry. King Slide has cumulatively applied for more than 3,000 patents and built a strong mechanical technology foundation. Our continuous revolutionary innovation and forward-looking vision have enabled us to develop the most advanced products, making King Slide a designated brand for leaders in the high-end kitchen and international server markets.

For more than 30 years, we have insisted on upholding four major brand principles: customer-centric, outstanding quality, innovative design and business sustainability. While pursuing growth, we also make our best effort to fulfill our social responsibilities. Social responsibility is not only the unilateral effort of the company but also the support and practice of the entire staff team. Meanwhile, King Slide also complies with the international standards including ISO9001, ISO14001, ISO45001, and the Responsible Business Alliance (RBA) Code of Conduct. We integrated these international standards with our environmentally friendly manufacturing processes to strengthen our commitment to product quality, environmental protection and sustainability. We will never compromise on our quality for lower costs - this is our promise to our customers. We will never devastate the environment for profit - this is our social responsibility.

For the employees, King Slide puts its best effort to provide an excellent and safe working environment, as well as comprehensive training so that new employees can better understand the characteristics of this industry and enhance their professional skills. Employees are highly encouraged to offer their skills and talents to contribute to the community. King Slide publishes this social responsibility report every year to show our commitment and the work we have put in to fulfil social responsibility, protect the environment and achieve sustainability.





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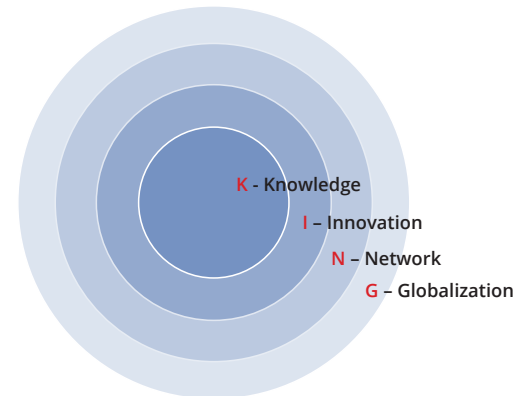
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## 1.2 Message from the General Manager

The value of an enterprise lies in its responsibility. The responsibility includes our constant care for employees, shareholders, customers, and all stakeholders in society.

The founding of King Slide symbolized the optimal connection between knowledge, innovation, and network, allowing our brand to “slide” into the global market and become a global player.



It has always been our business philosophy and goal to promote King Slide's green products globally while conveying and establishing a green brand image to our customers. King Slide promises to support and follow the RBA Code of Conduct and requires our suppliers to comply with any relevant policies, including the Conflict Minerals Policies.

In order to follow through with our business philosophy and achieve our goals, we continue our effort in the following areas:

1. R&D of products: We insist on developing innovative products that are user-friendly, convenient, safe, energy-saving, easily dismantled, and are applicable to a wide range of industries. We develop and select green materials that are recyclable and reusable. We are fully aware of resource scarcity and always strive to achieve a balance between business development and our environment.
2. Process technology and human capital development: We are constantly researching and seeking advanced processes that are more environmentally friendly, pollution-free, and energy-saving, as well as integrating our R&D into manufacturing processes. In addition to fulfilling corporate social responsibility with regard to energy conservation and environmental protection, we have also formed an advanced production

technology team to enhance the development of human capital by replacing labor intensive work with human intelligence.

In the future, King Slide will continue to uphold the spirit of corporate social responsibility, together with the company's business philosophy and business goals, we will lead all employees, suppliers and partners to work towards sustainable development, environmental protection, and continuous contribution to society.





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## 1.3 SDG Correspondence of Annual Results

**Corresponding chapters:****5.4.1 Public welfare participation**

- Collaborated with Andrew Charity Association and **donated** Food Boxes every month to disadvantaged families.

**Corresponding chapters:****CH6 Occupational safety and health, and health management**

- No occupational disease occurrences among employees. The occupational disease rate was 0.
- **1124** participants in the employee health checkup.
- Won the **Excellence Award** of “Promoting Equal Rights in the Workplace” from the Southern Science and Industry Park of the Ministry of Science and Technology.
- Obtained “**Health Workplace Certification - Health Promotion Medal**” from the Health Promotion Administration, Ministry of Health and Welfare.
- **1670** participants in health promotion activities.
- Employee health checkup is held annually and health tracking management system helps to supervise.
- Cooperated with the local Luzhu Health Center to set up smoking cessation classes.
- In our weight loss competition, Participants lost **1.56** kg on average, a total of **82.7** kg was lost.
- Implement measures related to the prevention of the COVID-19.
- Cooperated with local competent authorities to carry out epidemic prevention advocacy.

**Corresponding chapters:****5.2 Staff training and development, 5.4.2 Industry-academy cooperation and business visits**

- More than **14,000** training hours in total.
- **Industry-academy cooperation** with Chung Hua University of Medical Technology and Kao Yuan University to cultivate talents and provide internship opportunities.
- Provided employees with a learning system and diversified learning courses.

**Corresponding chapters:****5.1.2 Employee retention, 6.3 Employee health management**

- The retention rate for **parental leave** applicants was **94.4%**.
- Provided **work protection apron** and priority parking spaces for pregnant female employees.
- Won the **Excellence Award** in “Promoting Equal Rights in the Workplace” from the Southern Science and Industry Park of the Ministry of Science and Technology.

**Corresponding chapters:****7.3 Water resources management**

- The wastewater recovery rate of King Slide Works' manufacturing process is about **68.9%**.
- Water quality testing is **compliant with** water pollution prevention and control regulations.

**Corresponding chapters:****5.1 Employee relations, 2.2.4 2020 Business report**

- The standard salary of entry-level employees was **1.04 times** better than the local minimum salary.
- We have had more than 10 consecutive profit-making years. The after-tax EPS in 2020 was **NT\$11.65**.



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## 1.3 SDG Correspondence of Annual Results



**Corresponding chapters:**  
**2.2.2 Awards received by the Company**

- Filed **142** patent applications in 2020, **388** cases were approved.
- Immense R&D potential and a large number of patents. As of December 2020, the Company filed **3,003** patent applications, and **2,541** cases were approved.



**Corresponding chapters:**  
**4.3.7 Investigation on conflict minerals, 7.4 Waste management, 4.3.8 Sign an environmental certificate that guarantees no prohibited/restricted substances**

- Suppliers were required to formulate conflict mineral surveys showing **0** conflict minerals.
- Suppliers were required to guarantee that all substances **comply with** international environmental regulations in manufacturing processes.
- Waste recycling rates of King Slide Works and King Slide Technology reached 93.9% and 96.41%, respectively, with an average increase of **0.15%** from 2019.
- Reduction in solid waste was reduced to 14.98 kg/thousand sets of products, which was **1.45** kg/thousand sets of products less compared to 2019.



**Corresponding chapters:**  
**7.1.2 Environmental protection expenditure, 7.2 Energy management**

- A total of NT\$ 5.991 million was invested in environmental protection.
- The annual emissions of air pollutants, nitrogen oxides, decreased by 2.3% compared to 2019.
- King Slide Works is expected to reduce its emissions of CO2e by **2511.582** tons.
- King Slide Technology is expected to reduce its emissions of CO2e by **1571.93** tons.



**Corresponding chapters:**  
**5.4.1 Public welfare participation**

- **Donated books** to local libraries to achieve the goal of book sharing and environmental protection.



**Corresponding chapters:**  
**5.3.2 Employee relations and employee rights protection**

- had **no** cases of human rights violations, corruption and discrimination.
- had an open grievance mechanism to actively promote harmonious labor relations. The Company had **0** labor dispute cases.



**Corresponding chapters:**  
**4.3 Partners of King Slide**

- had more than three years of business relationship with **98%** of suppliers.
- Procurement from domestic suppliers accounted for **98%**.
- Completed **100%** of the audits on major suppliers.



## 2. Company Overview

With a dedication to develop and innovate based on customer needs, King Slide forms top-notch R&D teams to develop quality green products that are functional, user-friendly, safer, and more convenient for users.

**142**  
patents

- In 2020, we applied for 142 patents.

**388**  
cases

- In 2020, 388 cases were approved.

NTD\$  
**12.22**

- 2020 after-tax EPS was NTD\$12.22.
- 2019 after-tax EPS was NTD\$16.35.
- 2018 after-tax EPS was NTD\$18.64.

**1,372**  
employees

- 2020 total employee number was 1,372.

NTD\$  
**48.01**  
billion

- 2020 revenue was NTD\$4.801 billion.
- 2019 revenue was NTD\$4.869 billion.
- 2018 revenue was NTD\$4.436 billion.

NTD\$  
**11.65**  
billion

- 2020 net profit was NTD\$1.165 billion.
- 2019 net profit was NTD\$1.558 billion.
- 2018 net profit was NTD\$1.776 billion.



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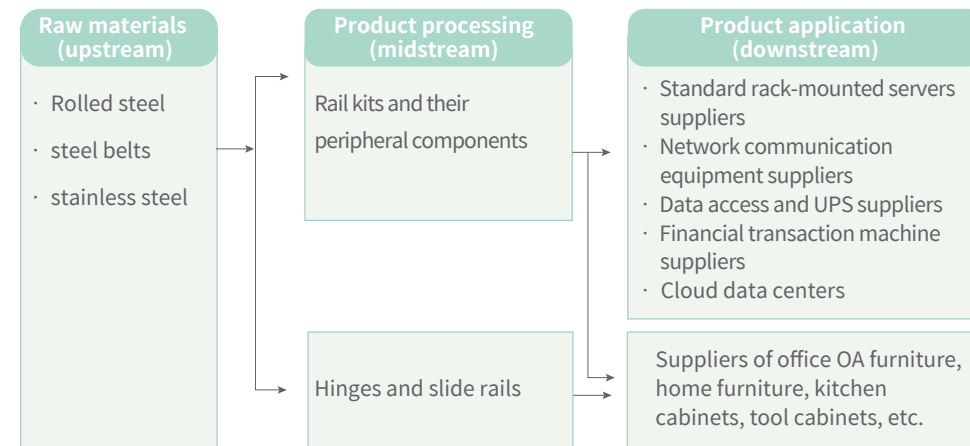
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## 2.1 About King Slide

## Trademark: King Slide Works Co., Ltd. | Stock Code: 2059

King Slide Works was founded in 1986 as a manufacturer of hinges, slide rails and other products. Building on decades of experience in progressive stamping and surface treatment technology, we have developed an integrated design capability through consolidating the designs of tooling, equipment, and mechanical products. As we continued to innovate, King Slide brand is now internationally recognized for our consistent creation of reliable and innovative server rail kits, industrial slides, electronic components and other mechanical products. Our commitment to design user-friendly and top-quality green products have earned us trust and lasting business relationships among international server, communication network EMS and ODM, and allow us to become a designated supplier for leading companies in the furniture, kitchen cabinets and home appliances industries.

## 2.1.2 Association between upstream, midstream, and downstream industry participants



## 2.2 Operation Overview

“Outstanding quality”, “Innovative design”, and “Customer-centric” are King Slide's business philosophies. Over the years, King Slide has played its role in improving people's life quality at home, offering high-quality and competitive products to businesses in various fields. At present, in addition to our head office in Taiwan, we have set up sales networks around the world to serve major customers. We have sales locations in the U.S.A., Canada, Europe (UK, Netherlands, Poland and the Czech Republic, etc.), Central and South America, Australia, China, and Japan.

## 2.1.1 Product application

King Slide's Rail kits products are mainly used in servers, network communications, cloud data centers, and their peripheral equipment, followed by kitchen cabinets. Hinges and Slide rails are mainly used in furniture, steel cabinets, tool cabinets, office furniture, wooden furniture and furniture for interior decoration industries. Our products can be understood as an extension product of the computer, furniture and kitchen cabinets industry.





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(1) Sales (supply) areas of major products (services) of King Slide in 2020:

Products Area	Rail Kits	Slide Rails	Hinges	Others	Total
Taiwan	24%	0%	3%	1%	28%
China	20%	0%	0%	0%	20%
U.S.A.	27%	0%	0%	1%	28%
Other	23%	1%	0%	0%	24%
Total	94%	1%	3%	2%	100%



(2) Market supply

Rail kits	The rail kit market for servers and their peripheral equipment has high barriers to entry. Unlike in the past when major foreign manufacturers had significant influence over the trend of new products, King Slide has become the industry leader (2-3 years ahead of other suppliers) that integrates customer needs from different applications in the field, playing a key role in setting new product trends. We now work closely with our clients on product development to drive mutual growth, while creating series of self-developed market-leading products. Overall, issues arising from the excess market supply are limited.
Slide rails and hinges	Growing demand and increased competition led to oversupply and fierce price competition of slide rails and hinges. As a result, several western manufacturers halt production of European standard slide rails and hinges while their customers shift orders to South East Asia for price considerations. China and Taiwan are the main beneficiaries of this trend, with manufacturers seeing undersupplied export demand, especially for those with large scale, stable quality and price competitiveness.

(3) Market growth potential:

3C products	In the long run, the primary driver of demand for the cloud server industry will come from the telecommunication, financial, large manufacturing industry, and government agencies. Along with the prevalence of low-to-mid end handsets, we believe demand for servers will only increase. In the future, we expect to see significant business opportunities from our close cooperation with IBM, HP, DELL, ORACLE, and other white box companies in the market. Any changes in the exterior design, of the server and related network communication, storage, UPS, KVM, or other peripheral products, towards rack-mounted design will increase the demand for rail kits.
Traditional market	The traditional consumer market and real estate market are recovering gradually which would bring benefit to the Company’s business.
Steel cabinets	International suppliers are increasing the pace of order transfer to reduce costs and avoid production restrictions. We believe that with the basis of our performance, our business will continue to grow in the future.



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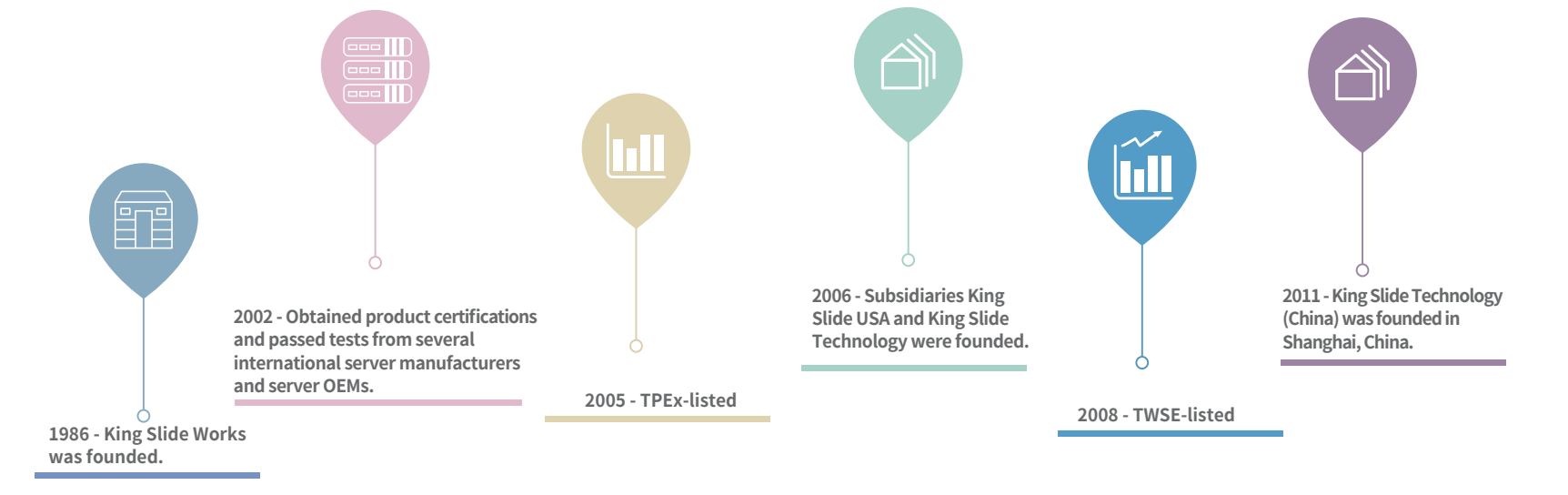
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2.2.1 Company history

King Slide Works’ production is based in Luzhu District, Kaohsiung City. The address is No. 299, Shunan Road, Luzhu District, Kaohsiung City, and its subsidiary, King Slide Technology is located in the Southern Science Industrial Park. The Company currently has 1,372 employees and is a member of the Kaohsiung City Federation of Industries, Importer and Exporters Association of Taipei, Taiwan Mold & Die Industry Association, Taiwan Surface Finishing Association, Taiwan Furniture Manufacturers’, Taiwan Electrical and Electronic Manufacturers’ Association, and Taiwan Woodworking Machinery Association. The figure below shows the milestones of King Slide Works.



2.2.2 Awards received

I. Our Promise

Brand Name	Description of product application and brand value
King Slide	Server rails (Innovative mechanical products that combine high-end technology and precision with user-friendly and safety design)
King Slide	Kitchen rails (Innovations in products’ ease of use, diverse appearance, and safety mechanisms)



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II. Awards, products, and certifications

King Slide was rated as an Authorized Economic Operator (AEO) for three consecutive years from 2007 to 2009, signifying our efforts and contributions in enhancing the job market. Examples of our achievements are as follows: 2009 Taiwan Superior Brands from the Ministry of Economic Affairs, 5-star A+ enterprise by Commonwealth Magazine from 2009-2010, the gold medal for Best of KBIS 2010 in Chicago, U.S.A., Excellence Award from International Woodworking Fair Atlanta, U.S.A. in 2010, and the Taiwan Excellence Award in 2011, 2013, and 2016. In 2013, President Lin Shu-Chen was invited to the Innovation and Entrepreneurship Forum of Commonwealth Magazine. King Slide was elected the best Small and Medium-Sized Enterprise in Asia by Forbes Magazine in 2015. These achievements show that King Slide's R&D capability and operating performance have been recognized by the government and the entire manufacturing industry.



King SlideThe awards received are as follows:

• 2007~2009	Authorized Economic Operator for three consecutive years	• 2011~2013	Taiwan Excellence Award
• 2008~2009	Top 200 High Growth Small and Medium-Sized Enterprises in Asia by Forbes Magazine for 2 consecutive years	• 2015	Best Small and Medium-Sized Enterprise in Asia by Forbes Magazine
• 2009	Taiwan Superior Brands Award from the Ministry of Economic Affairs	• 2016	Taiwan Excellence Award
• 2009~2010	5-star A+ enterprise by Commonwealth Magazine	• 2019	Taiwan Excellence Award - Silver Award
• 2010	Gold Medal for Best of KBIS 2020 in Chicago, U.S.A.	• 2020	Taiwan Excellence Award
• 2010	Excellence Award from International Woodworking Fair Atlanta, U.S.A.	• 2020	Excellent business of the National Taxation Bureau electronic invoice

III. R&D and Operation:

King Slide firmly believes that developing functional, top quality, and highly competitive products are the basic requirements to ensure business sustainability. Over the years, we have turned this belief into action, designing new technologies not only for our products, but also for automatic progressive stamping and automated machinery and equipment used during our production. We have always stood by our customers and friends from all over the world, providing support to each other while achieving sustainable growth together. We will present the recent breakthrough in our technology and products in the next paragraph.

In recent years, the popularity of open racks has resulted in a sharp increase in the demand for rail kits used in the related field. The slide rails used in this field has different requirements from those used in standard cabinets. New designs and concepts related to installations, operating functions, and strength verification must be introduced. As the Company continued to invest in research and development, we have successfully developed several slide rails and related products for open racks. With long extension yet high load-bearing capacity, the slide rails have innovative designs such as fast and convenient installation and removal, multiple

stops, positioning and other safety mechanisms. While we continue to innovate, we have applied for patents that would help secure our competitive advantage in the current open rack applications. In addition, we have continued to meet customer needs and develop more models for the standard cabinets market, while further increasing the use of slide rails related to servers. Regarding the high-end slide rails and hinges products, we have been developing extension products to build more comprehensive product lines. Apart from our products, we have put a lot of effort into our production lines, aiming for a reduction in manpower as well as an improvement in product quality and production efficiency. Several automated production lines and automated production equipment have been developed to produce server-related application slides and high-end cabinet-related slide rails and hinges, etc.



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Year	Number of patents
2020	Filed 142 patent applications, and 388 cases were approved.

IV. Environmental protection, safety and health

King Slide is committed to environmental protection, safety and health management and has established related environmental, safety and health management systems and policies. Over the years, we have gain approvals from competent authorities, and our products have passed various quality and safety certification tests.

Passed ISO 9001 Quality Management System

Passed ISO 14001 Environmental Management System

Passed ISO 45001 Occupational Health and Safety Management System

Passed IECQ QC080000 Hazardous Substance Process Management System

Passed AEO certification test

Received Badge of Accredited Healthy Workplace



ISO 9001: 2015 certification of King Slide Works  
Issuing authority: DNV.GL  
Effective date: 2019/09/01 - 2022/09/01  
Verification code: 3810-1995-AQ-RGC-RvA



ISO 9001: 2015 certification of King Slide Technology  
Issuing authority: DNV.GL  
Effective date: 2019/09/01 - 2022/09/01  
Verification code: 3810CC1-1995-AE-RGC-RvA



AEO certification of King Slide Works  
Issuing authority: Customs Administration, Ministry of Finance  
Effective date: 2020/07/17  
Certificate No.: TWAE0-109000007



AEO certification of King Slide Technology  
Issuing authority: Customs Administration, Ministry of Finance  
Effective date: 2013/10/25  
Certificate No.: TWAE0-102000053



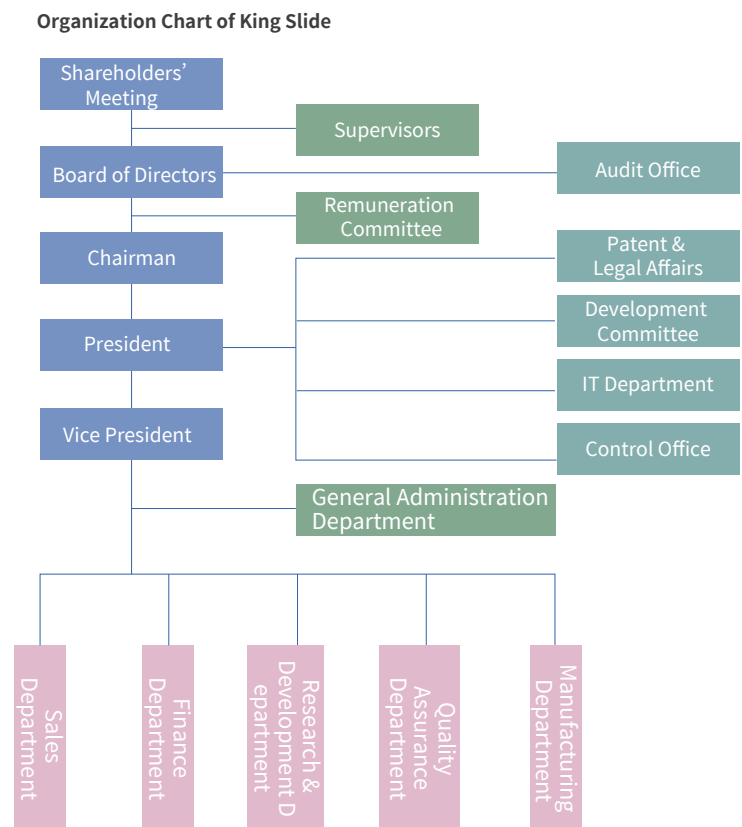
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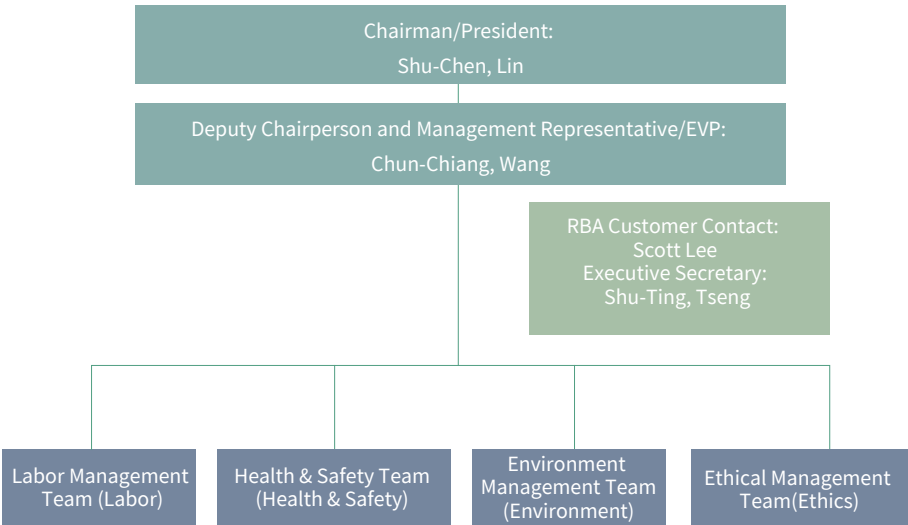
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2.2.3 Organization system



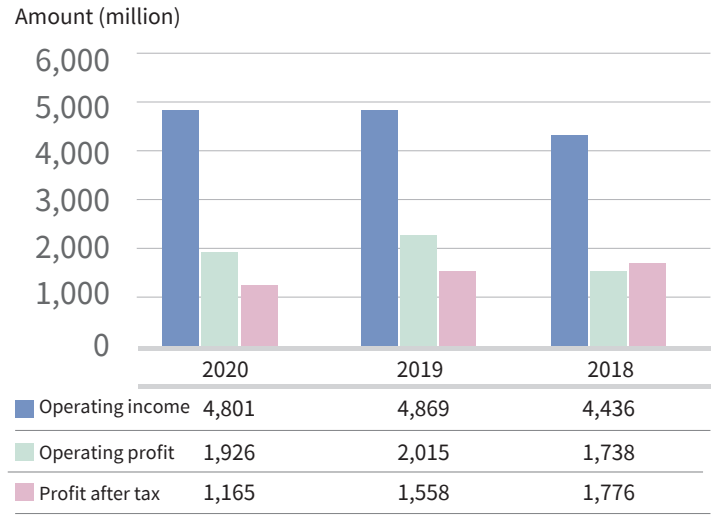
King Slide Group has set up a RBA Committee to serve as the highest decision-making authority for the company's corporate social responsibility. It is responsible for promoting various CSR plans and formulating corporate social responsibility policies. The CEO serves as the chairperson of the RBA committee, and the Executive Vice President is appointed as the deputy chairperson and management representative to review various RBA issues.

RBA Committee Structure of King Slide Group



2.2.4 2020 Business Report

I. King Slide’s Performance





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II. Income and Expenditure, and Profitability Analysis

The consolidated revenue and net operating profit in 2020 decreased by 1.38% and 2.66% from 2019, respectively. Due to currency appreciation, the Company incurred a foreign exchange loss of NT\$516,012 thousand in the current year compared with that of NT\$198,978 thousand in 2019, contributing NT\$317,034 thousand to the difference in profit before tax. The Company was not able to reflect the costs from currency appreciation and rising steel price to our customers promptly, resulting in a decrease in gross profit amounting to NT\$102,145 thousand. Operating expense decreased by NT\$48,603 thousand as COVID-19 results in fewer business trips for exhibitions; interest income decreased by NT\$97,661 thousand due to a drop in interest rate. The aforementioned factors led to a 25.26% decrease in net income, with after-tax EPS NT\$12.22.

To conclude the performance in 2020, the Company would still see positive growth in operating income if the effect from the sharp appreciation of NT Dollar was excluded. The construction of a new plant featuring intelligent production lines has started in 2020, and is expected to be completed by the first quarter of 2022, operations shall begin in the second quarter of 2022. We believe this will help us improve business performance further for our shareholders in the near future.



The Ground-Breaking Ceremony of King Slide Technology Plant II

Items		2020	2019	2018
Capital Structure (%)	Debts Ratio	16.85	15.67	10.10
	Non-liquid assets	635.66	836.39	751.36
Solvency (%)	Current ratio	799.32	825.27	926.31
	Quick ratio	762.98	786.54	878.67
	Times interest earned ratio	136.66	179.17	N/A
Profitability (%)	Ratio of return on total assets	8.99	13.10	16.84
	Ratio of return on equity	10.66	14.98	18.83
	Ratio of pre-tax income over paid-in capital	161.82	212.45	227.90
	Profit margin	24.25	32.00	40.03
	Earnings per share (NT\$)	12.22	16.35	18.64



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III. R&D and government subsidies

R&D expenses and main development status of King Slide in 2020:

- (1) In response to the planning of the new generation products, R&D continues to develop new slide rail kit products to be applied in standard and open rack cabinets, or other special cabinets. R&D studies all aspects of the product and considers all users in each stage, from early design to the end-users, then consolidates and evaluates product functionality, convenience, and safety. The goal is to create more diversified and efficient products under the restriction of limited spaces, this applies to slide rail kits, cable management and other products. This is also the direction for future product development in order to develop products that match market needs.
- (2) Regarding the channel market, high-end slide rails and hinges, since series of products have already been developed, the Company is currently gathering more application insights for the existing standard products in order to build a more comprehensive product line to meet the demands of the new modern styles. Meanwhile, we actively use the insights collected to develop products with functional features that appeal to users. This will also enhance the Company’s competitiveness and value in the markets for high-end kitchens, office cabinets and toolboxes. In response to higher production needs, we actively develop and introduce more advanced automated production equipment to achieve smart production, thereby enabling the Company to create low-cost and high-efficiency production conditions for all of its products.

Government subsidies in 2020

Items	Government Agency	Content	Amount of subsidies (NTD)
Trainees of the Dual system	Kaohsiung-Pingtung-Penghu-Taitung Regional Branch, Workforce Development Agency, Ministry of Labor	Subsidies for Dual System of Vocational Training Project	34,731
Job training plan	Kaohsiung-Pingtung-Penghu-Taitung Regional Branch, Workforce Development Agency, Ministry of Labor	Subsidies for a job training plan	On hold due to Covid-19
Total			34,731

2.3 Business Content

The important use of King Slide's products



Rail kits and peripheral components for server

- 1. Rack-mounted servers, UPS, rack-mounted Internet communication facilities, TAPE, and other related peripheral equipment for computer networking and Cloud data centers.
- 2. Electric vehicles, massage chairs, ATM, multi-functional printers, automobiles, OA furniture, kitchen cabinets, industry-tool and steel cabinets.



Slide rails, hidden hinges

OA furniture, kitchen cabinets, furniture, etc.



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2.4 Product’s Health and Safety

King Slide is committed to ensuring product safety per our policy, all products must pass strict loading and life cycle test. Product safety is a top priority oversee by the top management. In addition to conducting regular employee training on product safety, we also identify, monitor and assess product safety risk, setting zero product safety issues as our target. We promise thorough investigation and ensure proper remedial procedures are in place in case of product safety issues. During this reporting period, 0 cases of product safety issues have incurred.

- (1) Rail kits  
Major server brands have been rolling out plans related to green energy and resource conservation. Since significant costs arose from the energy consumption of running the server and its cooling system, these companies therefore aim to improve by adopting more energy-saving and power-saving hardware technologies. King Slide’s thin and safe rail kits as well as our CMA increase the cooling efficiency of servers and enhance heat reductions. Various safety designs were also developed by King Slide to allows operators to perform their maintenance job on servers and other electronic devices safely and conveniently. All of our products have undergone frequent reliability tests, at our own site and by external third party including the major server brands.
- (2) Hinges and slide rails :  
The future development of these conventional consumer products will be in line with the market trend driven by a high standard of living, efficiency, user convenience, and aesthetics. King Slide strives to develop mechanical products that provide greater convenience and safety to customers while conserving electricity and resources. We have developed several safety mechanisms on the slide rails and our products have passed various reliability tests. All products are certified by third parties such as Intertek on international standards including KCMA (The Kitchen Cabinet Manufacturers Association) and ANSI/BIFMA (The Americans National Standards Institute/The Business and Institutional Furniture Manufacturer’s Association).

2.4.1 Business strategy

The business strategies of King Slide place great importance on employee training of our management, marketing and R&D talents, our long term policy focuses on fostering our team and talents. Other important guidelines are as follows:



2.4.2 Important production and sales policies

- (1) To continue to win orders from international and domestic sellers of computer servers, networking and communication equipment, as well as cloud data service providers, while adopting a new-product-driven sales approach to gain market share.
- (2) To leverage the current brand recognition to promote both our mature lines to international cabinet suppliers, and the newly developed high-end kitchen lines to the international sellers of system furniture and channel partners. The goal is to build a global sales network and establish King Slide’s brand globally.
- (3) To establish global distribution channels with local outlets to offer total solutions to customers with comprehensive product lines.



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2.4.3 Production policy

King Slide's goal is to rationalize the production procedures with an intellectual production management system, proactively adopt lean manufacturing, cut down production and warehousing costs. Low added value products will be outsourced as a whole or outsourced for processing to increase the Company's product value.

2.4.4 Future development strategies

- (1) Our short to mid-term strategy is to increase the market share of our rail kits in the computer server market and cloud data centers, and further promote the use of King Slide's rail kit in the peripheral products of these fields.
- (2) In the long term, we aim to develop functional products that bring a more convenient life and are applicable to a wide variety of industries, in order to increase market share and build customer loyalty.
- (3) To set up global warehouses and sales bases gradually and establish global flexible production bases to shorten the delivery time, striving to win orders from new clients.

2.4.6 Policy of environmental management

King Slide actively promotes energy and resource conservation and waste reduction. We developed policies that include the following: to continue to improve the efficient use of raw materials, reduce packaging, ensure proper waste recycling, reuse water recovered from our wastewater treatment system and reduce energy consumption to reduce carbon footprint and other negative environmental impacts. Although our product is only a part of the final products (e.g., cabinet), we still monitor and strive for design and manufacturing improvements.

To promote our green policies and fulfil our social responsibility, we require all employees to lower pollution and hazard levels in all aspects of our work while complying with the standards of ROHS and other government regulations. We also invite our suppliers to commit to the development of green products and the use of recyclable and reusable materials.

The control office and the environmental task force are responsible to undertake the relevant administrative and legal compliance work regarding the Company's environment, health and safety policy. All of the company's manufacturing activities have received certification for ISO 14001, the international standard for environmental management systems.

The Company sets reduction targets for greenhouse gases, water usage and industrial waste, and implements various environmental management measures to achieve water, electricity and waste reduction.

2.4.5 Quality policy

King Slide's products are sold directly to suppliers instead of end consumers, therefore, the potential health and safety concerns related to consumers is limited. In terms of customer service, we have formulated "customer complaint handling procedures" which provide a channel for customer complaints. The feedbacks are discussed in our monthly quality review meeting to make improvements and increase customer satisfaction.



2.4.7 Hazardous substance management

I. Hazardous substance management

In order to effectively implement the management of hazardous substances in all products, we adopted the IECQ International Standard for Hazardous Substance Process Management System (IECQ QC080000) in 2018 and passed the test in January 2019, establishing a complete, systematic, and clear management procedure. The procedures ensure the proper implementation of the management system, focusing on the needs and expectations of stakeholders, management of risks and opportunities, product design and development, the input of raw materials to the output of the final product, documentation of information, and final customer satisfaction, etc.

II. Hazardous substance management of products

Driven by the desire to comply with international regulations and the expectation of our stakeholders, and to reduce the impact on the ecological environment, King Slide conducts monthly reviews on the current status of our hazardous substance management in accordance with international regulations, customer requirements, and trends on environmental protection, and updates our regulations accordingly. As of 2020, all of our products have complied with international regulations and customer requirements.



King Slide Works Factory IECQ QC080000 Certificate  
Issuing authority: DNV.GL  
Effective date: 2019/01/30 - 2022/01/29  
Certification code: TW-HSPM-1582



King Slide Technology Factory IECQ QC080000 Certificate  
Issuing authority: DNV.GL  
Effective date: 2019/01/30 - 2022/01/29  
Certification code: TW-HSPM-1582-2





# 3 Corporate Governance and Core Values

King Slide is committed to maintaining the highest ethical standards and effective accountability mechanism. We are convinced that good corporate governance can build a solid foundation for operational development, which would enable us to provide high-quality products and services to the market, and increase company value in the long run.



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3.1 Current Status of Corporate Governance

Our corporate governance policies are set in accordance with “Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies” and other related laws and regulations. These policies include Rules of Procedure for Board of Directors Meetings, Procedures for Handling Internal Material Information, Rules of Procedure for Shareholders’ Meetings, Internal Control System, Internal Audit System, Procedures for the Acquisition and Disposal of Assets, External Party Lending, Endorsement and Guarantee Procedures, and Regulations Governing Subsidiaries.

We arrange relevant courses for the Board of Directors and Supervisors so that they can better understand the Company when they are newly appointed or when in service. In addition, we provide on-job training to communicate to new employees about the Company’s system and policies and to stipulate performance evaluation and reward and penalty systems.

Descriptions of King Slide’s corporate governance practice and implementation status of Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies are as follows:

Items	Description
Equity structure and shareholder’s rights	<ul style="list-style-type: none"><li>· King Slide has dedicated staff responsible for handling shareholders’ suggestions or disputes.</li><li>· We receive monthly updates of the shareholding status from our directors, supervisors and major shareholders and maintain a healthy community with our major shareholders.</li><li>· We have formulated “Procedures for handling transactions with specific companies, affiliated entities and affiliated persons” and “Management guidelines for short and long term investments” with dedicated personnel handling the associated matters.</li><li>· The Company has formulated procedures for handling material insider information to prevent insiders trading on undisclosed information.</li></ul>
Composition and Responsibilities of the Board of Directors	<ul style="list-style-type: none"><li>· Our Board of Directors consists of seven members, three of whom are independent directors. The composition considers diverse backgrounds, professional competence and experience.</li><li>· We hold regular reviews on the independence of our external auditors. The result of the recent review was presented in the Board meeting on February 26, 2021. The review shows the CPAs, Chen Jhen-Li and Jia Ling-Chiang, from Deloitte &amp; Touche fulfil the independent criteria of King Slide to carry out the company review. The associated statement was made by the auditors.</li></ul>
The situation of establishing communication channels with stakeholders	<ul style="list-style-type: none"><li>· We have multiple communication channels including telephone hotlines, fax, post and emails. In addition, we set up a Stakeholders section on our official website, with dedicated staffs assigned to reply and communicate matters related to corporate social responsibilities.</li></ul>
Information Disclosure	<ul style="list-style-type: none"><li>· King Slide discloses our financials, business operations and corporate governance information on our website at <a href="https://www.kingslide.com">https://www.kingslide.com</a>.</li><li>· We have dedicated staff responsible for collecting and disclosing company information. Related financial and business information is disclosed at Market Observation Post System (MOPS).</li><li>· The Company has a designated spokesperson and a web page updating information on investors’ conferences and presentation materials.</li></ul>
The implementation status of the establishment of nomination, remuneration, or other types of functional committee	<ul style="list-style-type: none"><li>· Remuneration Committee was established on December 22, 2011.</li></ul>



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3.1.1 Board of Directors

Six Board of Directors’ Meetings were held in 2020. Our “Rules of Procedure for Board of Directors Meetings” were formulated in accordance with “Regulations Governing Procedure for Board of Directors Meetings of Public Companies”. We disclose attendance details and important board decisions at MOPS. ([http://mops.twse.com.tw/mops/web/t93sc03\\_1](http://mops.twse.com.tw/mops/web/t93sc03_1))



The screenshot shows the 'Public Information Observation Station' (公開資訊觀測站) website. It displays the 'History of Major Events' (歷史重大訊息) for King Slide (川湖). The table lists several events from 2019, including the 108th Annual Meeting of Shareholders and the 108th Board Meeting. The table has columns for 'Company Name' (公司代號), 'Company Name' (公司名稱), 'Announcement Date' (發言日期), 'Announcement Time' (發言時間), 'Main Content' (主旨), and 'Detailed Information' (詳細資料).

公司代號	公司名稱	發言日期	發言時間	主旨	詳細資料
2059	川湖	108/02/27	16:07:17	公告董事會決議召開108年股東常會相關事宜	詳細資料
2059	川湖	108/02/27	16:10:23	董事會決議股利分派	詳細資料
2059	川湖	108/03/19	15:17:48	本公司於108/3/20參與英林證券法人說明會	詳細資料
2059	川湖	108/06/26	14:31:28	公告本公司108年股東常會重要決議事項	詳細資料
2059	川湖	108/06/26	14:31:43	本公司訂定股利分派之現金紅利配息基準日	詳細資料

King Slide has 3 seats of Independent Director, and maintains multiple communication channels such as our official website, telephone hotlines, fax, emails, with dedicated staff responsible for replying to matters relating to corporate social responsibilities. We assess the independence of external auditors, and request the issuance of a Declaration of Independence from them. Our Supervisors are updated with the latest development of the business via audit reports provided by the Board of Directors or the audit unit, or via the relevant data provided by the finance or business department. In addition, managers from each department will be asked to make specific reporting when necessary. Employees, shareholders and other stakeholders can contact our supervisors through letters, employee suggestion boxes, or emails. Shareholders’ Meetings are held annually to determine the business strategies, conduct reviews and provide suggestions on the operation of relevant departments.

Pursuant to the “Rules of Procedure for Board of Directors Meetings”, we provide details on the names of independent directors, the relevant agendas, reasons for avoiding conflicting interests, and the voting decisions with respect to the avoidance of conflicting interests agendas. Relevant cases are as follows:

I. The names and main education background of King Slide’s 2020 Directors and Supervisors are as follows.

1. 2020 King Slide Works’ Board of Directors and Supervisors and Their Educational Background

Title	Name	Gender	Nationality	Accumulated training hours (hr)
Chairman	Lin Tsung-Chi	Male	ROC	46
Director	Long Shen Investment Inc. Rep.: Lin Tsung Lung	Male	ROC	27
Director	Wang Chun-Chiang	Male	ROC	33
Director	Chiu Yen-Chih	Male	ROC	42
Independent Director	Cai Wen Zhi	Male	ROC	15
Independent Director	Lee Wen Chang	Male	ROC	30
Independent Director	Hsu Fang-Yih	Male	ROC	24
Supervisor	Yin Li Investment Inc. Rep.: Lin, Jhang A-Jhu	Female	ROC	22
Supervisor	Wu Min Zhen	Male	ROC	40

The above Directors and Supervisors have more than 5 years of work experience in commerce, law, finance, accounting or any other fields necessary for our business. For further information on the education background of King Slide’s Directors or their concurrent positions, please refer to the official website: [https://www.kingslide.com/investor\\_manage\\_directors/](https://www.kingslide.com/investor_manage_directors/)



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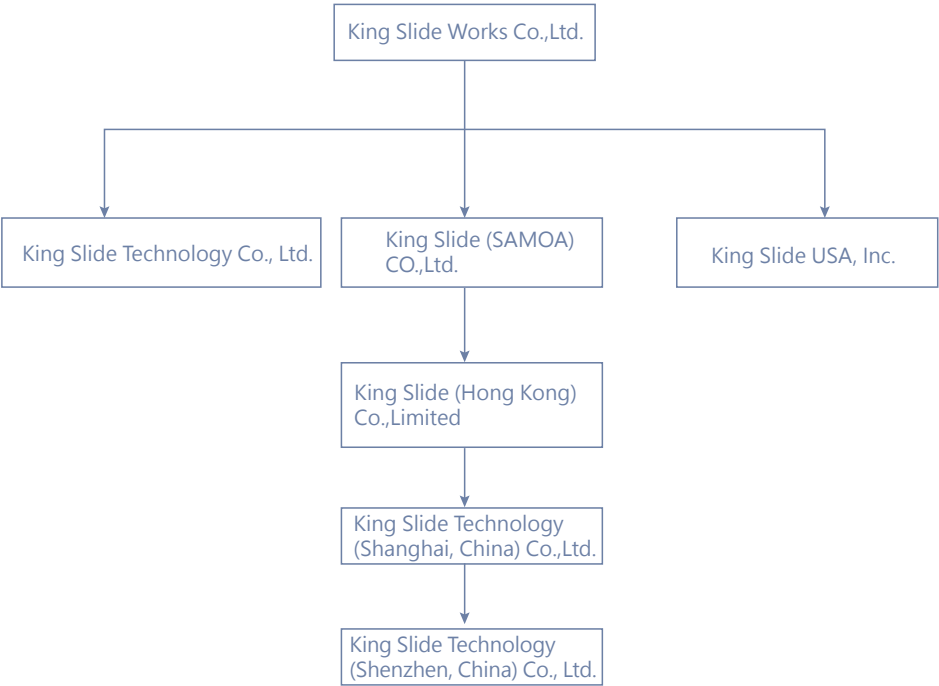
7. Pollution Prevention and Environmental Protection

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Nationality	Age distribution of Directors and Supervisors in 2020			
Age	<30	31~40	41~50	>51
ROC	0	0	0	9
Other	0	0	0	0

II. Description of affiliates of King Slide in 2020:

1. Organization chart of King Slide Group:



2. Name of Directors and Supervisors of King Slide Group in 2020:

Company name	Title	Name or representative
King Slide USA, Inc.	Chairman President	Lin Tsung-Chi Wang Chun-Chiang
King Slide Technology Co., Ltd.	Chairman	Lin Tsung-Chi
	Director	Lin Shu-Hui
	Director	Lin Shu-Chen
	Supervisor President	Zheng Yu-Ba Lin Shu-Chen
King Slide (Samoa) Co., Ltd.	Executive director	Lin Shu-Hui
King Slide (Hong Kong) Co., Limited	Executive director	Zheng Yu-Ba
King Slide Technology (China) Co., Ltd.	Executive Director and Supervisor	Lin Shu-Chen
		Wang Chun-Zhi
King Slide Technology (Shenzhen) Co., Ltd.	Executive Director and Manager	Wang Chun-Chiang



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### 3. Name of courses for new Directors and Directors in service:

1. Analysis of SFAS 10: "Accounting Principles for Inventories" (International Accounting Standard 2: "Inventory" (IAS2)).
2. Analysis of the Legal Responsibility, Countermeasures and Practical Cases of "Insider Trading"
3. Introduction to the Recent Amendments and Practical Developments of the Company Act, Securities and Exchange Act, and Business Mergers And Acquisitions Act.
4. Seminar on the Practical Legal Responsibility Regarding Company's Senior Executives on Insider Trading and Financial Reporting Fraud.
5. Common Problems and Legal Responsibilities of Financial Reports from the Perspective of Corporate Governance.
6. Analysis on SFAS 41 The Disclosure of Segment Reporting" and Comparison with IFRS8 "Operating Segments.
7. Practice Workshop for Directors and Supervisors (incl. Independent Directors)
8. Forum on Corporate Social Responsibility and Integrity Management of Listed Companies.
9. Discussion on the Identification of Subsidiaries (incl. Related Parties) and the Preparation of Consolidated Statements.
10. Discussion on the Latest Insider Trading Practice Cases from the Movie "Wall Street"
11. The Second In-service Training Course for the Southern Region Corporate Governance Workshop.
12. 2008 Forum for Persons in Charge of Listed Companies - Corporate Governance and Insider Trading Prevention
13. 2011 Briefing on Compliance with Laws Regarding Insider Equity Trading for Listed Companies
14. Forum on Integrity Management and Corporate Social Responsibility of Listed Companies
15. Corporate Governance Forum - How to Respond to Tax Reform.
16. 2016 Annual Corporate Governance Forum Series - Insider Trading and Corporate Social Responsibility
17. Briefing on Compliance with Laws Regarding Insider Equity Trading for Listed Companies
18. Enterprise Risk Management and the Status and Challenges of Taiwan Family Business Inheritance
19. Family Business Succession and Analysis of the Latest Tax Risk Management
20. Opportunities and Challenges of Global Tax Governance and New Business Models
21. Briefing on Compliance with Laws Regarding Insider Equity Trading
22. Seminar on the Three Major Codes and Practical Cases of Integrity Management, Corporate Governance and Corporate Social Responsibility
23. Governance Challenges arising from the Reengineering and Transformation of the Competitiveness of Corporate Value
24. Brand Renovation and Enterprise transformation - The Transformation of Taiwanese Enterprises and Brand Management based on Swiss Experience
25. Workshop on Corporate Governance and Business Sustainability
26. Seminar on Effective Use of Directors' Functions
27. 2019 Briefing on Compliance with Laws Regarding Insider Equity Trading
28. 2019 Annual Conference on Insider Trading Prevention
29. 2020 Annual Conference on Insider Equity Trading
30. 2020 Annual Conference on Corporate Governance and Ethical Management for Board of Directors and Supervisors



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### 3.1.2 Audit Committee

King Slide has not established an Audit Committee. The Supervisors currently serve the role of Audit Committee, and are invited to be present at the Board Meetings.

### 3.1.3 Remuneration Committee

The Remuneration Committee assists the Board of Directors in implementing and evaluating the Company's overall remuneration policy, the remuneration of directors, supervisors and managers. There are three members in the Remuneration Committee. A total of 2 meetings were held in 2020. Remuneration paid for professional services provided by the directors or supervisors shall not exceed the salary level stipulated in "Regulation Governing Employee Salary" and shall be paid, regardless of the financial result of the business operation. Remuneration paid to the directors and supervisors shall not be higher than 5% of net income before tax. Salaries and remunerations to the President and Vice Presidents were set according to "Regulation Governing Employee Salary." Bonuses were appropriated according to the Company's revenue and profitability, industry standard, and the performance of Corporate sustainability management (including employee safety and diversity, and environment, etc.), and were reviewed and resolved by the Remuneration Committee and the Board of Directors to minimize any possible risk to the Company's future.

### 3.1.4 Audit Office

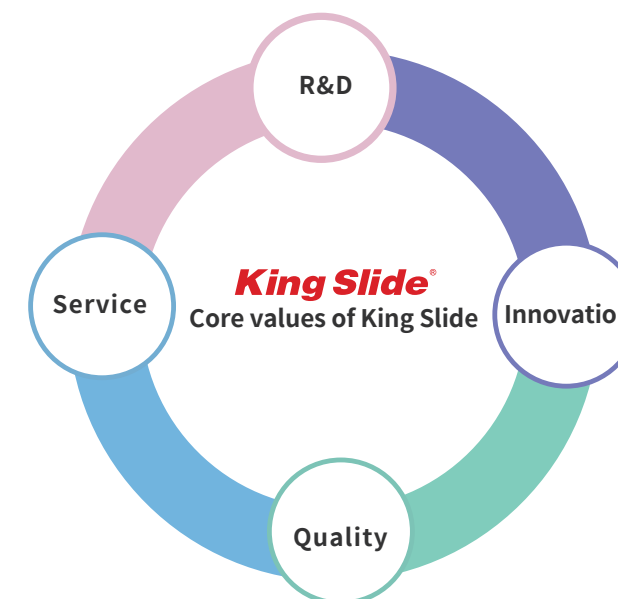
In order to ensure the effectiveness and efficiency of the business operation, the reliability of financial reporting and compliance with relevant laws and regulations, as well as to help the Board of Directors and the Management in fulfilling their responsibilities, King Slide promulgates a description of the internal control system since the date of the public offering. We have established a comprehensive control structure and defined control procedures at all levels to help the Board of Directors and managers ensure that their risk response can be implemented, including approval, authorization, verification, adjustment, review, regular inventory taking, record verification, division of functions, security of physical assets, and comparison between plans, budgets and previous performance, as well as supervision and management of subsidiaries. We also make sure these are indeed effectively implemented.

We have set up a rigorous accounting system and internal control system with dedicated accounting & finance units and internal audit units to carry out the daily internal control. All financial statements are certified and reviewed by the independent C.P.A. to ensure a fair presentation of the financial statements.

The audit office completes and provides an internal audit report to the Supervisors on a monthly basis and report the latest result of the internal audit during board meetings. In addition, supervisors have access to financial and business data at any time and shall communicate and provide suggestions to the relevant business units when necessary. In terms of communication with CPAs, the financial statements reviewed by the CPAs and other matters required by relevant laws and regulations are reported during Board Meetings. The supervisors may communicate with the CPA at any time if they have any questions about our finances, business, etc., and could guide the relevant units to make improvements.

## 3.2 Core Values

With "R&D, Innovation, Quality, and Service" as our core values, King Slide provides a full range of solutions for slide rails of servers, network communication applications, high-end cabinets and mechanical parts used in various industries. We have always insisted on promoting our brand King Slide on the global stage. Our excellent R&D and innovation capabilities, in combination with top-quality products, have earned us great trust among customers and led us to become the designated brand for leading international companies. We continue in making technological innovations and improving quality management every year, striving to enhance our core competitiveness and provide customers with more user-friendly, safe, convenient and high-quality products.





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## 3.3 Ethics and Business Behavior

King Slide is determined to take on employees with a high level of professional ethics, character and talent. When engaged in daily work and duties, employees should abide by the Code of Ethical Conduct and must be independent of all individual interests. We consider the employees' position at different departments as the basis to evaluate their moral threat scenarios, and conduct employee moral hazard assessments accordingly. During the reporting period, the six main considerations of moral threat items include improper gains such as personal gifts and bribes, personal leakage of company and customer confidentiality (intellectual property protection), individual's conflicts of interest, individual's insider trading, violations of fair transactions and information disclosure, and employees' deliberate sabotage. The Code of Ethical Conduct formulated by King Slide include:

**The above-mentioned code of ethics is not limited to the Company's Article of Incorporation. Compliance is based on personal self-discipline and self-judgment, in aim to be compliant with just and no contrary to common sense.**

In addition to the establishment of the Code of Ethical Conduct for internal employees, King Slide has not provided any financial or physical contribution to political groups, individuals or related government groups during the reporting period, and has not participated in the development and lobbying of public policies.

King Slide's products are mostly sold to suppliers, and we have no direct contact with the end-consumers; therefore, we make sure that all communication methods, including advertisement, promotion, sponsorship, etc., are compliant with the laws and regulations, without any false advertising and improper labeling. For our customers, we have set up a communication channel based on our "Procedure for Handling Customer Complaint", in order to make improvements to our products.

In the pursuit of sustainable business, King Slide not only implements and promotes related activities within the Company, but also joined the Responsible Business Alliance (RBA). In compliance with the RBA Code of Conduct and our "Measures for Business Partner Safety Management", we expect all employees to be good business ethics practitioners.

## 3.3.1 Recusal (of personnel) due to conflicts of interest

The stipulated "Rules of Procedure for Board of Directors Meetings" have a set of rules concerning Directors with conflicts of interest. In cases where the Directors or their legal persons have interest related to the Board Meeting proposals, and such interest may be harmful to the Company, the Directors may only state their opinions and answer inquiries, but shall not participate in discussions and voting. They shall not be present during discussions and voting or vote on other Director's behalf. When our employees and their related parties have interests or conflicts with the Company, they should proactively report to their supervisors to avoid conflicts of interest. The relevant requirements are included in the terms of the agreement contract signed by the employee upon joining the Company, all our employees are required to abide by the rules.

- ▶ Do not violate laws and regulations.
- ▶ Do not resort to trickery or fraud in accounting and financial reports.
- ▶ Do not pollute the environment.
- ▶ Do not lay off employees without justifiable reasons.



Certificate awarded by RBA

## 3.3.2 Gifts and business entertainment

All of our employees must abide by the Code of Ethical Conduct when dealing with suppliers, contractors, customers and other people related to our business (including government agencies). Our "Work Rules" stipulates that employees shall not engage in illegal acts such as rebates, fraud or embezzlement of public funds. In the hope of eliminating dishonest conduct, we have established an internal control audit office to investigate and audit possible bribery incidents.




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3.3.3 Training for Ethical Conduct


In order to promote and advocate ethical conduct, ethical standards are included in the training courses of new employees. This allows new employees to understand the Company’s commitment and determination to implement the code on their first day at King Slide. The training includes topics on ethical practices, avoidance of conflicts of interest, gifts and business entertainment, company assets, prevention of sexual harassment, information security and work rules, anti-bribery policies and other topics. The Code of Conduct is published on the internal website with easy access to all employees. Examples of the Code of Conduct for employees are listed as follows:




Do not involve in any form of corruption or bribery.




Maintain a healthy and work environment that is free of gender discrimination.




Employees must comply with copyright regulations.



Employees must protect intellectual property rights.



All company-related confidential information must be kept confidential.



Insider trading is prohibited.

3.3.4 Code of Ethical Conduct enforcement and punishments

All employees should remain vigilant for any violations of the Code of Ethical Conduct. When in doubt or discover any behavior that violates the Code, all employees are responsible for reporting to the supervisor. King Slide has set up an “Employee Suggestion Box” to receive employee complaints, which will be handled anonymously by designated personnel. Employees can also file complaints through the administrative system. The supervisors of all units shall deal with the response or instructions in a timely manner. If an employee is found to violate the Code, he/she will be punished according to the severity of the violation and the provisions of the work rules. When an employee reports a violation of the Code of Ethical Conduct and therefore participates in an investigation, we shall protect him/her from unfair retaliation or treatment. During the reporting period, King Slide did not violate the laws, relevant regulations, and was not subject to any major fines.

3.4 Risk Management

The Company’s major operating policies, investment proposals, endorsement guarantees, capital funding, and financing and other major proposals are evaluated by the competent departments and executed in accordance with the resolutions of the Board of Directors. The Company adopts a preventive policy toward risk management. In addition to an internal control system that is audited by the audit office, we have also purchased relevant assets insurance policies to avoid risks. Analysis on risk matters are as follows:

(1) Positive factors

© Rail kits :

King Slide’s Rail kits have received certification from IBM, HP, ORACLE, Fujitsu-Siemens, DELL and other international server brands. We directly obtain product requirements from the R&D departments of their head offices when they plan to launch new products, and simultaneously develop the latest consumer demand products. This is one of the major positive factors when we market products to system ODMs, network communication factories, chassis factories, and channel distributors, which further opens up new opportunities for other 3C products we developed.



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◎ Slide rails and hinges :

To cut costs, many internationally renowned furniture and kitchen cabinet companies have turned to S.E. Asia, seeking manufacturers and strategic alliances that have large economies of scale, various product offerings, short lead time, R&D capacity, stable quality and reasonable pricing. The trend has certainly benefited King Slide, allowing us to establish a reputation worldwide and ranked one of the top four brands in the U.S. traditional market. This has further encouraged major manufacturers' confidence in King Slide to transfer their orders to us. In the past few years, we have obtained orders from top U.S. suppliers in the furniture, kitchen cabinet and steel cabinet industry, and number two DIY furniture and kitchen cabinet suppliers from Japan. In the future, we will continue to develop both products in our brand name and customization capability based on customer requests to solidify our future advantages. All our products are the mainstream products in the market, therefore, we will continue to expand our global sales network. With our competitive advantage, we expect strong growth in both customized orders and retail channels in the future.

(2) Negative factors

Possible inflated production costs due to rising raw material prices.

(3) Countermeasures

- (a) Increase levels of automation production and outsource low value-added products to reduce labor costs and overall production costs.
- (b) Accelerate new market developments, enhance the after-sales technical service, select favorable product mix and customer groups, especially the electronic product suppliers who require customized R&D developments, so as to improve the business base, reduce the expense ratio and mitigate the adverse factors of rising material costs.

I. The financial risks and countermeasures faced by King Slide:

As a measure to deal with exchange rate changes under the current volatile trend, instead of financial instruments, King Slide adopted the natural hedging strategy by increasing foreign purchases to balance foreign exchange income and expenditure. In the short run, currency exchange fluctuations resulted in a significant amount of FX loss, but in the long run, as we keep rolling out new products, the adverse impact of exchange rate on the company's operating performance is limited.

King Slide has not engaged in high-risk investments, highly leveraged investments, loans to other parties, endorsements, and guarantees. Any derivative trading engaged by King Slide is for exchange rate hedging on the assets or liabilities held. The gains were generated through executing at a rate higher than the average rate of the net assets, a relatively low-risk way of hedging. In the future, we will continue to use hedging to deal with uncertainties.

II. The risks and countermeasures regarding supply chain management:

1. Risks of supplier concentration and countermeasures:

China Steel is King Slide's key supplier. To secure the delivery and supply, we sign quarterly purchase contracts with China Steel to make sure they meet our quality and deadlines. Our relation with China Steel is stable and long-term oriented; however, we still have created a supplier list to make adjustments to our supply to disperse the risk of supply concentration.

2. Risks of consumer concentration and countermeasures:

Customer A accounts for more than 10% of the Company's total yearly sales in the two most recent fiscal years. It is the designated manufacturer and trading hub for multiple major international server suppliers. The sales to Customer B, on the other hand, reached 10.6% in 2019 as they increased their number of projects. The above cases are both examples of industry characteristics. We are still actively seeking out new customers and implementing strategies to deliver a diverse range of new products to reduce the risk of high consumer concentration.



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**III. Climate change induced-financial activities, and their risks and opportunities:**

Problems of climate changes such as changes in frequencies of extreme rainfalls and droughts may interrupt our supplier's production capacity. In terms of risk of business impact, King Slide has established connections with various steel suppliers in different countries to effectively disperse the risk of buying from a single supplier. We are able to flexibly schedule our production among various plants to avoid the risk of concentrating in a single production unit.

Our ultimate goal is to maximize shareholders' interests. The industry we are engaged in is still at the growing stage, we will make necessary adjustments along with any changes in the industry environment and regulations in the future. Since incorporation, we have actively pursued innovation and business transformation to strengthen our competitiveness, and held a more cautious and conservative attitude in response to the changing environment. In addition to strictly implementing cost-saving and expense cutting strategies, we have invested more funds and resources to expand our markets in different industries in order to strengthen the popularity of the "King Slide" brand in the world. Also, we are actively broadening our global distribution network in order to achieve better business performance in the future.

**IV. Remuneration policies, standards/packages, procedures for determining remuneration, and its linkage to operating performance and future risk exposure:**

- (1) Remuneration policies of directors and supervisors were, through the authorization of shareholders' meeting, formulated by the Board of Directors with reference to the industry standard. Compensation paid for professional services provided by the directors or supervisors shall not exceed the salary level stipulated in "Regulation Governing Employee Salary" and shall be paid, regardless of the financial result of the business operation. And the remuneration appropriated to the directors and supervisors shall not be higher than 5% of profit before income tax.
- (2) Salaries and compensations to the president and vice president of the Company were set according to "Regulation Governing Employee Salary". Bonuses were appropriated according to the Company's revenue and profitability, industry standard, and the performance of Corporate sustainability management (including employee safety, diversity, and environment, etc.), and were reviewed and resolved by the Compensation Committee and the Board of Directors as well to minimize any possible risk to the Company's future.

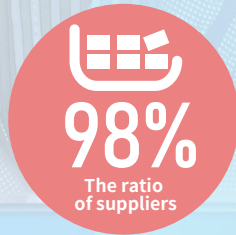


## 4. Identification and Communication with Stakeholders

The Company aims to gain a deeper understanding about the impacts of social responsibility on the stakeholders and the concerns of King Slide's management through questionnaire analysis. In order to help the company to gain a deeper understanding of the concerns of stakeholders to facilitate short, medium, and long-term improvement policies.



· Customer satisfaction  
98%



· The ratio of suppliers whom  
we have cooperated with  
for more than three years is  
about 98% of the total  
number of suppliers.



· 98% of total procurement  
comes from domestic  
suppliers.



· 100% completion rate of  
the audit evaluation from  
major suppliers.



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4.1 Communication and Identification

4.1.1 Identification of Stakeholders

King Slide has set up various communication and appeal channels, in order to fulfill its commitment to stakeholders, respect and protect their legitimate rights and interests. Also, it upholds the principle of integrity, timely and appropriate handling, and active responses. We discuss internally with all departments through the CSR promotion team, and identify six types of stakeholders with reference to the types of stakeholders identified in the industry.



Diagram of Stakeholders

4.1.2 Communication channels for Stakeholders

Stakeholders	Communication channels	Frequency	Stakeholders	Communication channels	Frequency
Employees	1. Report at the department meeting.	· Weekly	Government agencies	1. Actively participate in meetings organized by the competent authority.	· Immediately
	2. The proposition shall be made in writing using the official forms or proposals regarding to reward programs.	· Immediately		2. Operation of the management system, identification of regulations, and fines.	· Immediately
	3. Labor meetings are held on a regular basis through representatives elected by all employees.	· Quarterly		3. Official document exchanges, project seminars, and public information.	· Immediately
	4. Exams are taken on a voluntary basis, removing influence from a third party.	· Yearly		4. CSR questionnaire survey.	· Yearly
	5. New employee questionnaire.	· Monthly	Customers	1. Online service mailbox.	· Immediately
	6. Organize meetings for foreign workers on a regular basis.	· Twice a month		2. Customer satisfaction survey.	· Yearly
	7. Telephone, fax, e-mail, and suggestion box for complaints.	· Immediately		3. Customer visits by the sales department.	· Immediately
	8. Sexual Harassment Complaint Management Committee.	· Immediately		4. Customer RBA assessment.	· Once a year
	9. CSR questionnaire survey.	· Yearly		5. CSR questionnaire survey.	· Yearly



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Stakeholders	Communication channels	Frequency
Suppliers	1. CSR questionnaire survey.	· Yearly
	2. Supplier/contractor complaint hotline, fax, electronic communication platform, or e-mail.	· Immediately
	3. Supplier assessment and interviews.	· Immediately
Shareholders	1. Publication of the Group’s financial report.	· Quarterly
	2. Corporate briefings held by King Slide	· Immediately
	3. The Group hold shareholders' meetings on a regular basis.	· Yearly
	4. Investor Relations Mailbox of the Group (ir@kingslide.com).	· Immediately
	5. CSR questionnaire survey.	· Yearly

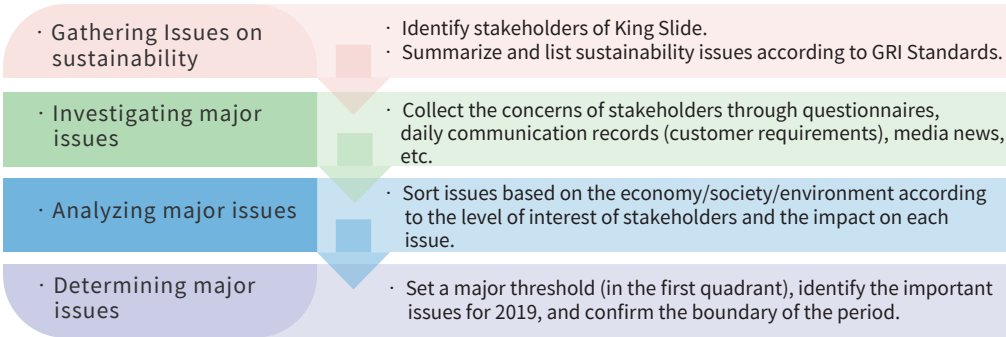
Stakeholders	Communication channels	Frequency
Community residents	1. Actively participate in various festivals, temple fairs, etc. to maintain a harmonious relationship with the community.	· Immediately
	2. CSR questionnaire survey.	· Yearly

4.1.3 Identification of major issues

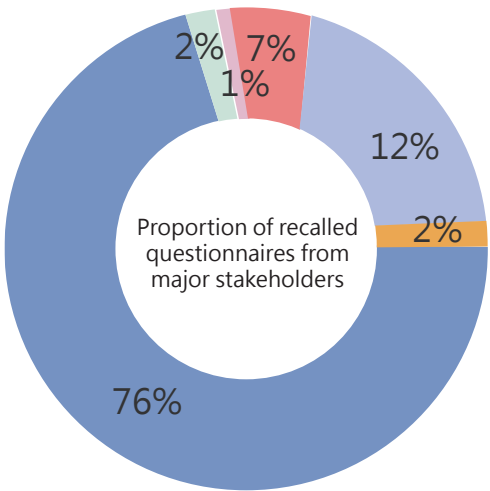
We collect the suggestions from various stakeholders in the daily operation from each unit, in order to adopt and take reference to the opinions and feedback from stakeholders. Through indirect and open channels, internal surveys and statistical analysis. We are able to identify the concerns of various stakeholders and present these issues in the report. With the goal of achieving effective negotiation

with stakeholders, it is necessary to identify the concerns of stakeholders through a systematic way. Therefore, the members of the CSR Report Implementation Committee identified the major issues of interest to stakeholders through the analysis process as the main content of the report information disclosure. In this report, a total of 25 sustainability issues were summarized for major issue analysis. The analysis process is as follows:

Process of identification of major issues



Identify the concerns of interested parties through surveys. The survey subjects are the major stakeholders of King Slide, including: Employees, Government agencies, Customers, Suppliers, Shareholders, and Community residents. In terms of employees, employee representatives from various departments are invited to fill out the questionnaires. In terms of external stakeholders, we invite representatives of organizations from each category to fill out the questionnaires. In order to extend the collection of stakeholders' concerns about King Slide's promotion of CSR. In 2020, we adopted an online questionnaire and invite stakeholders to fill out the questionnaire for further analysis. Among them, the external stakeholders accounted for 24% of the total responses.



- Community residents
- Suppliers/contractors
- Employees
- Customers
- Government agencies
- Shareholders



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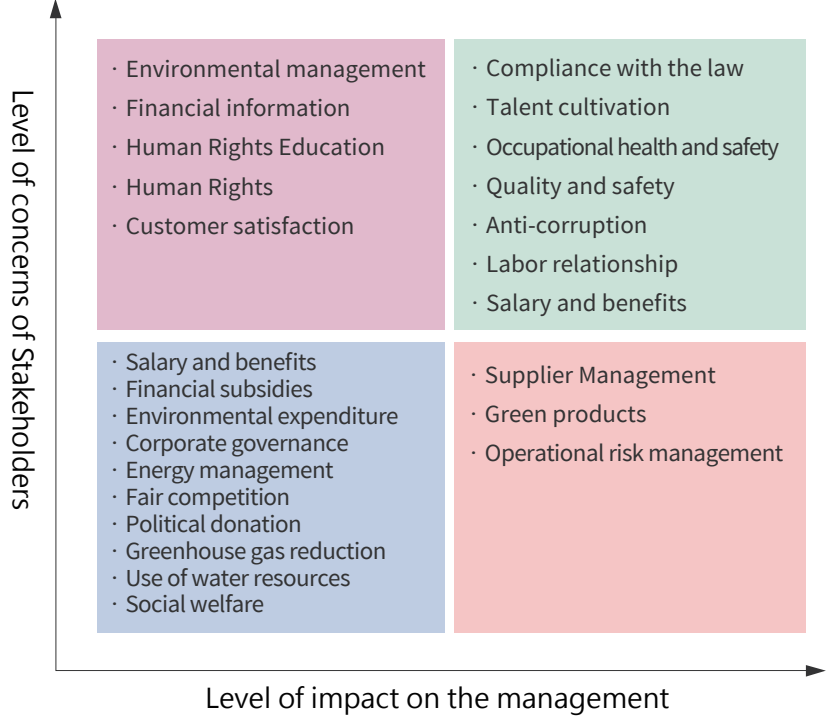
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From the questionnaire, King Slide has a deeper understanding in the extent of social stakeholders' understanding in King Slide. By collecting valuable information, King Slide can further consolidate the concept of sustainable management, and fulfill its due social responsibilities to ensure the support and practice of the Company's entire staff team.

Topics	Ranking of impact on the management	Ranking of the concerns of Stakeholders	Ranking of the concerns of Stakeholders
Sustainable economic growth	Corporate governance	11	24
	Operation risk management	4	16
	Compliance with the law	1	7
	Financial subsidies	23	23
	Financial information	11	9
	Supplier Management	7	20
Environmental sustainability	Greenhouse gas reduction	16	18
	Water usage	19	13
	Environmental management	11	12
	Environmental expenditure	19	17
	Energy management	16	19
	Green products	7	13
	Ecological conservation	22	13
Social sustainability	Salary and benefits	7	1
	Talent cultivation	4	5
	Labor relationship	3	2
	Human rights	11	3
	Human rights education	19	8
	Occupational health and safety	2	4
	Customer satisfaction	7	10
	Quality and safety	4	6
	Anti-corruption	11	10
	Social charity	23	21
	Political donation	25	25
	Fair competition	16	22

According to the analysis process of major issues, the issues of the Group's 2020 CSR report are as follows. In addition to the disclosure and response in the report, the Group will use this as the focus of communication and improvement. King Slide adopts the concept of PDCA to formulate the management policy, and regularly evaluates the effectiveness of the management policy.



4.1.4 Response to common concerns

In this 25-item questionnaire, we found that the stakeholders of social responsibility and King Slide share certain common concerns. The content response is as follows.



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Aspects	Major issues	Corresponding chapters	Name of the chapter	Reference Page
Economy	Compliance with the law	2.2.2	· Awards won by the Company	11
		3.1	· Current company governance	20
		4.3.6	· Signing of the Environmental Safety and Health Policy, RBA Guidelines, and Corporate Social Responsibility Commitment	38
		4.3.8	· Signing of an environmental certificate that guarantees no prohibited/restricted substance	38
Society	Talent cultivation	5.2	· Staff training and development	44
	Occupational health and safety	6	· Occupational safety and health, and health management	53
	Quality and safety	2.4	· Product safety and health	17
	Anti-corruption	3.3	· Moral values and professional behavior	25
	Labor relationship	5.1	· Employee relations	40
		5.3	· Employee benefits	47
	Salary and benefits	5.1	· Employee relations	40
		5.3	· Employee benefits	47

4.2 Sustainable Business with Customers  
Customer Service Management Policy



Significance for King Slide

- Over the 30 years of operation, King Slide has been continuously developing and innovating products and production technology. We combine our professionalism with customers' products, in order to increase product quality and enhance our brand impression and image.
- King Slide continues to grow and innovate. As we lay much emphasis on the customer dynamics in the market, we become strategic partners with customers. Based on this fundamental relationship, we acquire a deep understanding in customer and market demands. Meanwhile, the robustness of customers will simultaneously drive the growth of King Slide.
- King Slide takes great value in the feedback of customers, pays attention to all valuable opinions of theirs and makes corresponding improvements, as we believe customer satisfaction reflects their acknowledgement for King Slide. This is the reason why customers continue to choose King Slide as a business partner.



Policies and commitment

1. Protect intellectual property rights so that customers can enjoy the reliable products designed by King Slide.
2. Non-disclosure Agreements for confidential information on customer-related business privacy.
3. Obtained certifications from international organizations including RBA, AEO, ISO, OHSAS and QC080000. This confirms that King Slide has high-standard of production technology processes and quality management capabilities to ensure that the products delivered to customers contain stable quality and meet the delivery lead-time.
4. Arrange education training and planning to cultivate international professional talents to provide customers with professional product information and design.
5. With online information resources, we provide customers with 24/7 global customer service.



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Actions taken

1. King Slide regularly implements a [Customer Satisfaction Survey] on a semi-annual or annual basis. The survey includes:
  - The ranking of importance of quality, products, delivery lead-time, technology, and services for customers.
  - We conduct customers' satisfaction assessment on the quality, products, delivery lead-time, technology, and services, and collects replies of all aspects from customers to conduct analyses and reviews, in order to respond to and implement improvement measures to increase customer satisfaction.
2. Set up customer communication and quality maintenance system
3. Solve the customer's problems promptly and improve customer satisfaction according to the customer complaint handling procedure.



Goals and targets

1. We aim to strengthen our brand reputation in the market through the improvement of overall customer service satisfaction. Therefore, we consolidate our long-term business relationship with our customers and strive for opportunities to expand the business relationship with new customers.
2. We increase the overall customer satisfaction goals to 100%, covering service quality, customer service, delivery service and technical service.



2020 implementation results

2020 customer satisfaction: 98%

4.2.1 Customer satisfaction

King Slide has outstanding and precise product design and technical capabilities. We continue to research, develop, and challenge the industry's design technology, and continue to develop new products. King Slide also actively cultivates international-level professionals and provides 24/7 customer service. The certifications issued by international organizations such as RBA, AEO, ISO, OHSAS and QC080000 indicate that King Slide has substantial high-standard production technology and process capability and quality assurance. This proves that we have the ability to meet the requirements of customer in the stability of the products and quality. Meeting the needs of customers determines the key to long-term cooperation with customers.





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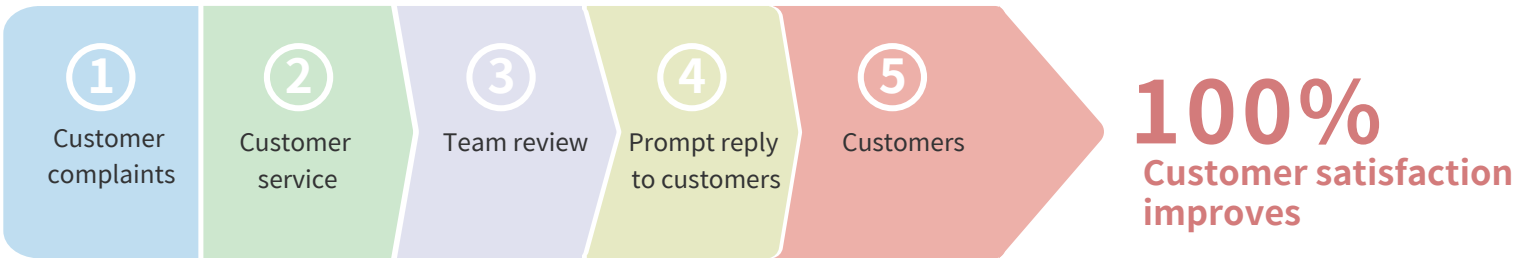
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4.2.2 Customer communication and quality maintenance system

Procedure for handling customer complaints



King Slide conducts surveys on customers of different quality issues in order to understand the concern of customers in different aspects, and to enhance improvement and increase customer satisfaction.



4.2.3 Customer privacy and confidentiality

King Slide values customer privacy and intellectual property rights. Both parties, King Slide and the customer, enter confidentiality agreements to protect customers' confidential information. In order to prevent the leakage of confidential information, the content of the contract clearly states the content, use, rights of the revealing party (including the collection, use, storage, correction, return, deletion, etc.) of the confidential information, the confidentiality period, the confidentiality method, and the third-party disclosure policy and ensure that King Slide's employees take their due responsibility in protecting the confidentiality of the customers when carrying out their business. In 2020, no use of customer information for secondary purposes, and no violation of customer privacy rights or loss of customer information that have harmed the rights and interests of customers.

4.2.4 Customer relations and external sales

In order to create a channel for direct face-to-face communication with customers and the public, the sales department regularly visits customers or participates in exhibition shows to increase exposure and demonstrate the competitiveness of Taiwan's industry. King Slide regularly participates in the United States (KBIS/AWFS/IWF), the United Kingdom (KBB), Interzum in Germany, China, Taiwan, Indonesia, Russia, Vietnam, Dubai and other regions related to building materials activities to develop and maintain customer relationships. In 2020, at KBIS in the United States, KBB in the United Kingdom, and Taipei Building Materials Exhibition, the key products we exhibited are the "SIMLEAD Series" drawer series, "9252 three-stage adjustable soft closing hinge", "U-Lead under-mounted soft closing drawer slide" 1J series, etc. Suitable for the needs of home life, commercial office, and medical space. The advantages and performance of the product can highlight its importance from the application of technology, life safety and fashion style. Leading the trend of world innovation and making consumers feel that they have King Slide products are a safe investment in hardware compatible technology. Knowing that drawer slides/hinge performance is better, King Slide must be designated to be used in cabinets. In response to the impact of the epidemic, we continue to operate official social platforms, increase product exposure and official website traffic through content sharing, and improve eService & business platform content, allowing customers to obtain information and services anytime, anywhere.





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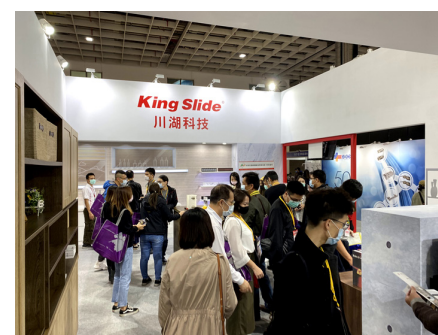
2020 UK KBB



2020 US KBIS



2020 Taipei building and material shows



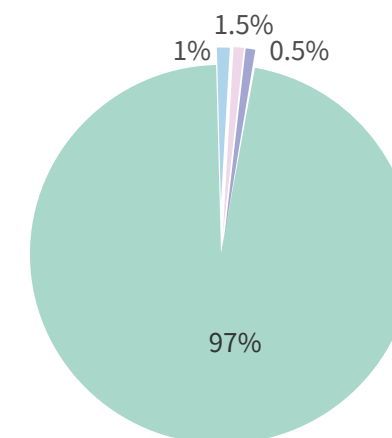
## 4.3 Partners

King Slide has always regarded suppliers as partners and is committed to maintain long-term cooperation with them. King Slide continues to cultivate long-term and stable cooperation with suppliers to jointly establish a sustainable supply chain. The proportion of suppliers of more than 3-year business dealings with the Company accounted for about 98% of the total number of suppliers in 2020.

We take into account the quality, delivery lead-time and cost of supplier products. In addition, we have also included environmental issues, human rights, RBA and other issues in the supplier's corporate social assessment, urging suppliers to improve in aspects including safety and health, human rights and friendly environment. We expect suppliers to perform their due social responsibility together with King Slide, as well as to continue the risk management and operation, combining the concept of green procurement in the future.

## Supply chain development strategy

1. Promote the integration of King Slide global suppliers to increase procurement efficiency
2. Incorporate human rights and environmental indicators through supplier management to build a green supply chain.
3. Reinforce local procurement to reduce the environmental footprint and to enhance local community economic development.



■ 1 year Below ■ 1~2 years ■ 2~3 years ■ over 3 years

【Proportion chart of 2020 suppliers】



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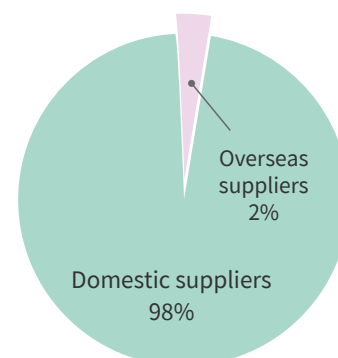
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## 4.3.1 Supply chain risk management

In 2020, our domestic purchase has exceeded 98%. In addition to continuously strengthening the proportion of local purchases, we have provided more domestic employment opportunities through localization. Moreover, we have committed to the communication and coordination of each business unit such as procurement, materials and quality. The Company holds discussions from time to time to reduce the risks of supply chain and enhance supply chain effectiveness. In order to formulate annual plans and to check quarterly implementation progress. Our audit team periodically inspects the business partner's safety mechanism in January every year in accordance with the "Regulations for Business Partner Safety Management." The team also keeps the "List of Business Partner" up to date to ensure that the written certification documents of the business partners are within the validity period. In addition, we have scheduled an annual audit plan based on the business partner's risk rating after evaluation. Through supplier evaluation, we constantly assist suppliers to improve in quality, delivery lead-time and environmental awareness, ensure compliance with laws and regulations, obtain certification and assure factory safety.

Supply chain risk management has always been a competitive part of King Slide. Under the trend of globalization, any major natural disaster or accident in the world may affect the Company. The supply chain vendor's risks that we take in to consideration includes requiring suppliers to provide various appropriate plans, procedures and activities, such as carrying out relevant audit operation plans, collecting industry information and market surveys, etc., and continuously looking for alternative suppliers and material sources, especially for natural or human threats including fires, earthquakes, typhoons, floods, leakage of hazardous substances, power outages, shortage of utility supplies, contamination of products, large returns from customers, shortage of key raw materials, strikes, intimidation or attack by violence, outbreaks of infectious diseases and the interruption of information services.



【Proportion of 2020 purchase amount】

## 4.3.2 Assists suppliers to improve on delivery lead-time and product quality

King Slide works closely with raw material suppliers to obtain inventory information, thus making the raw material supply inventory transparent. After the global economic recession, King Slide and suppliers reviewed the lack of flexibility and effectiveness in the supply chain, continuously improved, and gradually moved towards the goal of establishing a smart supply chain through system assistance. We work with suppliers to build a robust and lean supply chain, which not only reduces the risk of interruption of raw material supply, but also avoids excess production.

The supplier evaluation focuses mainly on delivery and product quality of the suppliers, and the results are sent to the suppliers. King Slide also works closely with suppliers to improve their shortcomings and holds meetings when necessary. In some special projects, through open communication meetings, suppliers can also receive special technical support from King Slide. In terms of accounts payable, King Slide has established good cooperation and trust between suppliers. According to the 2020 annual report of King Slide shareholders' meeting, the payment period for purchasing raw materials was 30 to 90 days. We have established financial risk management policies to ensure that all payables are paid off within the pre-agreed credit period. All payment schedules were carried out in accordance with the contract and trading conditions stipulated by both parties, and no payments were delayed.

## 4.3.3 Supplier evaluation team

In accordance with the provisions of the "Regulations for Subcontractors and Contractors Management," King Slide has established a supplier evaluation team from relevant departments such as procurement, quality assurance, environmental safety, general management, and supplier management. The team regularly manages the compliance of major suppliers and outsourced HR contractors with the RBA Code requirements.

## 4.3.4 Supplier evaluation

King Slide regularly reviews and formulates supplier audit plans, plans various labor human rights, health and safety, environmental, ethical and management system themes to carry out supplier audit evaluations. If a supplier is found to be in violation of the regulations, we will advise the supplier and assist its growth. In 2020, King Slide launched and completed the third major supplier audit evaluation. In addition to mandatory improvement within a specific period of time and follow-up checks, King Slide also provides consultation for suppliers and enhances suppliers' willingness to improve.



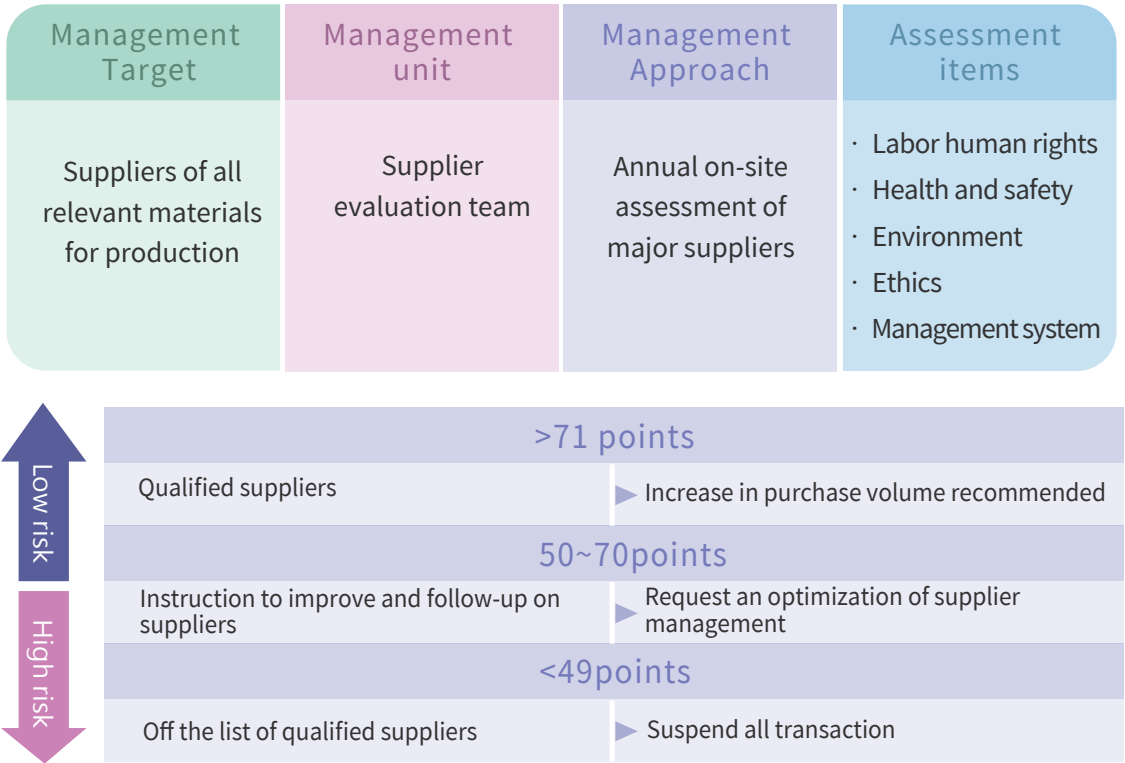
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[ RBA assessment mechanism for suppliers]



4.3.5 Suppliers Guidance and Audit management

King Slide emphasizes on a win-win situation with suppliers through mutual understanding and cooperation. Therefore, in terms of supplier management, we conduct a multi-evaluation for suppliers based on customer requirements, laws, regulations, and international trends, including supplier guidance, promotion, and auditing. In addition to the quality, cost, delivery lead-time, technical capabilities and services that are generally valued by the industry, with the growing importance of social responsibility, King Slide has extended the scope of assessment to green products and corporate social responsibility. The scope of the assessment corresponds to the requirements of King Slide for suppliers, including the establishment of management systems such as ISO 9001, ISO 14001, OHSAS 18001, RBA. Through multi-faceted assessments, we ensure that our suppliers can specifically respond to important supply chain issues, such as environmental friendly design of products, process that meets environmental conditions and operating requirements, restrictions on hazardous substances, child labor bans, protection of employees' rights, workplace safety, working hours, basic salary and non-discrimination etc.

In addition, King Slide ensures that suppliers do not violate employees' rights to freedom of association and collective bargaining, and prohibit child labor through supplier audit counseling. No violations were found in 2020.

4.3.6 Signing of the environmental safety and health policy, RBA guidelines, and corporate social responsibility commitment

In order to lay more emphasis on CSR, with regard to human rights and the environment, King Slide invites suppliers to work together to protect human dignity and basic human rights. When evaluating a supplier, we communicate with and require the supplier to comply with the Company's environmental safety and health policy, international environmental protection conventions, environmental safety and health laws and regulations, RBA guidelines and corporate social responsibility commitment. As of 2020, we had achieved 100% commitment.

4.3.7 Investigation on conflict minerals

For conflict mineral issues King Slide has developed a questionnaire, and requires suppliers to investigate the supply chain to ensure that gold (Au), tantalum (Ta), tungsten (W), cobalt (Co), and tin (Sn) were not obtained through anarchy, illegal groups, exploration in mining areas in the conflict zone of the Democratic Republic of Congo, and illegal smuggling.

4.3.8 Sign an environmental certificate that guarantee no prohibited/restricted substances

At the time of delivery, King Slide requires its suppliers to ensure that during the manufacturing, packaging, storage, transportation processes, all matters are compliant with the international environmental regulations and other controlled substances listed in the current domestic laws and regulations and the hazardous substance control standards listed in the Kind Slide specifications.



## 5. Employee Relations and Social Feedback

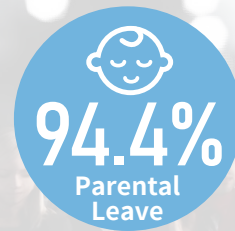
King Slide regards all employees as a family and the foundation for the Company's sustainable development. Under the principle of benefit-sharing, we provide competitive salary and benefits, welfare, and a friendly workplace for the entire staff.



- 0 cases of human rights violation, corruption, and discrimination



- The standard salary of entry-level employees is 1.04 times higher than the local minimum salary.



- The retention rate for those who applied for parental leave is 94.4%.



- More than 21,000 training hours in total.



- Donate books to local libraries.



- Industry-academy cooperation with schools nearby to cultivate talents.



- Donate "Food Boxes" to disadvantaged families every month.



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5.1 Employee Relations

Employee relations management policies



Significance for the Group

King Slide has excellent employees who go further and develop together. We regard employees as our most important asset and the cornerstone of our sustainable growth.



Policies and promises

- 1. We offer all employees a comprehensive remuneration system and welfare.
- 2. Diverse employee enrichment courses.
- 3. Smooth grievance mechanism
- 4. Friendly workplace.



Actions taken

- 1. The Remuneration Committee discusses the adjustment of minimum salary and the extent of adjustment every year based on economic indicators such as price index.
- 2. The Company arranges training according to personal career development, skill requirements, and performance evaluation results. The content of trainings includes personal rights, pre-employment/on-job training, occupational safety, labor laws, anti-corruption, anti-discrimination, respect for intellectual property rights, and prohibition of insider trading.
- 3. We have set up internal/external complaint hotlines and e-mail, and on-site suggestion boxes to hear our employees' suggestions. We also remind our employees where to find these sources.
- 4. King Slide strongly encourages employees to take parental leaves. After their returns, the employees will continue the old post in the same unit without differential treatment.



Goal and purpose

- 1. 0 cases of human rights violations and discrimination
- 2. Close all complaint cases, 100% resolved.



2020 performance

- 1. 0 cases of human rights violations, corruption, and discrimination in 2020.
- 2. 0 serious complaints in 2020.



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King Slide regards employees as our most important assets, and employees are the cornerstone of our sustainable growth. We offer them a comprehensive remuneration system, welfare, and a safe and healthy workplace environment. We discuss the adjustment of minimum salary and the extent of adjustment every year based on economic indicators such as price index, and let our committee decide if we should raise the minimum salary, to create a win-win situation for the Company and the employees.

[2020 King Slide’s minimum salary vs. local minimum salary]

	King Slide Works	King Slide Technology
The ratio of male employees’ minimum salaries vs. the local minimum salary	1.04	1.04
The ratio of female employees’ minimum salaries vs. the local minimum salary	1.04	1.04

[Ratio between 2020 average salary]

	King Slide Works		King Slide Technology	
	Male	Female	Male	Female
Management level	1.18	1	1.10	1
Direct employees	1.14	1	1.36	1
Indirect employees	1.19	1	1.22	1

The core value of King Slide's remuneration system is to ensure that employees can devote themselves to their professional duties on a stable basis. In line with the spirit of payment per the Labor Standards Law, after deduction of due taxes and statutory appropriations at the end of the year, if the Company has a surplus, we share the surplus with all employees with the concept of sharing with all employees. In addition, the salary of employees is determined by factors such as their experience, academic qualifications, and personal professional ability. There is no differentiated treatment due to differences in ethnicity, color, age, gender, sexual orientation, gender identity and expression, race or nationality, disability, pregnancy, belief, political position, group background, veteran status, protected genetic information, or marital status, etc.

The salary and working conditions of each employee are in full compliance with the labor-related laws and regulations and the standards of international human rights conventions. The standard starting salary of entry-level employees is higher than the local minimum wage, and the salary of men and women is equal. The salary rate is average without being abnormally high or low.

5.1.1 Employee structure and distribution

The employees of King Slide in 2020 are classified according to the employment contract. The majority are full-time employees accounting for more than 60%. To fulfill corporate social responsibility and cultivate more talents, we actively cooperate with many universities of science and technology and technical schools in the southern region, help students acquire practical skills, which are useful in their studies, as well as accumulate work experience. Considering the flexibility of business management, we sign short-term contracts with part of our direct labor. In 2020, our total number of employees was 1,374, which was a slight decrease compared with the previous years. 75 were at the management/supervisor level, accounting for about 5.5% of all employees. The total number of indirect employees was 236, accounting for about 17.2%. The total number of direct employees was 1,063, accounting for about 77.4%.

It can be seen from the age category in the table that most of our employees are under the age of 40. As a majority of our labor consists of intern students and short-term work-students, where the salary and requirements of theirs are not high, the age distribution of our employees leans toward younger employees.

[2020 Employee count and distribution]

	King Slide Works				King Slide Technology			
	Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
Full-time	214	35.7%	193	32.2%	240	31.0%	205	26.5%
Foreign workers	107	17.9%	0	0%	124	16.0%	0	0%
Industry-academic cooperation students	7	1.2%	0	0%	18	2.3%	1	0.1%
People with disabilities	5	0.8%	1	0.2%	2	0.3%	3	0.4%
Term contract	41	6.8%	31	5.2%	75	9.7%	107	13.8%



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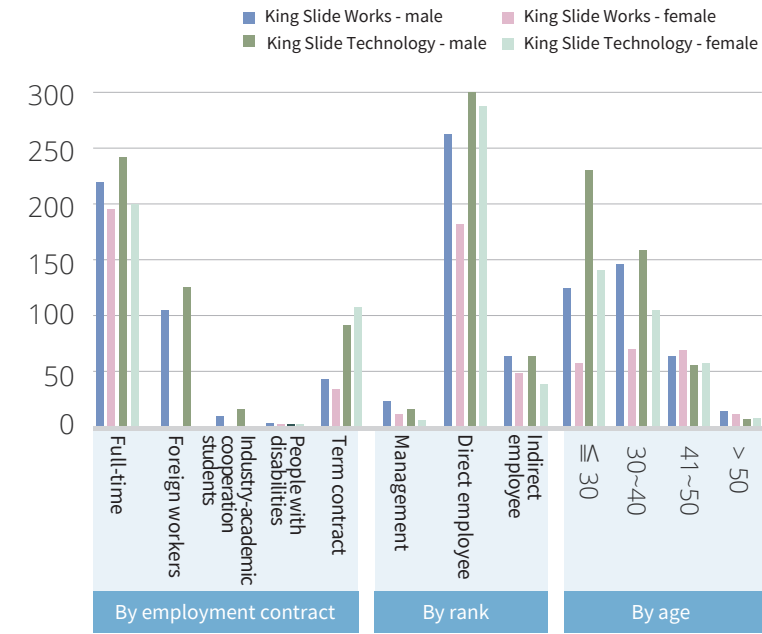
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		King Slide Works				King Slide Technology			
		Male	Percentage	Female	Percentage	Male	Percentage	Female	Percentage
By rank	Management	31	5.2%	11	1.8%	28	3.6%	5	0.6%
	Direct employee	267	44.6%	165	27.5%	356	45.9%	275	35.5%
	Indirect employee	76	12.7%	49	8.2%	75	9.7%	36	4.6%
By age	≤ 30	128	21.4%	51	8.5%	228	29.4%	134	17.3%
	31~40	146	24.4%	72	12.0%	159	20.5%	105	13.5%
	41~50	75	12.5%	80	13.4%	61	7.9%	64	8.3%
	>50	25	4.2%	22	3.7%	11	1.4%	13	1.7%
	All employees	374	62.4%	225	37.6%	459	59.2%	316	40.8%

[Bar Chart of 2020 Employee count]



[Bar Chart of 2020 Employee count]

Items	King Slide Works		King Slide Technology	
	Male (%)	Female (%)	Male (%)	Female (%)
Master and above	4.3	1.2	2.3	1.4
University (incl. Tech. College)	25.5	16.9	29.8	17.9
High school & Vocational school	30.6	14.4	26.7	16.4
Middle school and below	2.0	5.2	0.4	5.0

The above table shows that employees who hold a master’s degree accounts for 4.5% of all employees, college and bachelor’s degree accounts for 45.4%, and high school or below accounts for 50.1%. Most of our employees hold a bachelor’s degree (including technical colleges) partly because the university has gradually become the standard education level in Taiwan, and we require a higher standard for our management level and indirect employees. The second highest education level is high school and vocational school because it is not necessary for the production lines.

It is shown on the education level distribution that most employees are high school and vocational school graduates. Among all employees, those coming from a graduate school (or above) background account for about 4.5% of all employees, university graduates (include technical colleges but not master) account for about 44.8% of all employees, and high school or below account for about 50.7%.

5.1.2 Retention

Looking at retention rate with respect to age, we found out that older employees have higher stability, and turnover rate is, therefore, the highest among the employees aged under 40. The younger the employees, the higher the turnover rate. This is similar to many other businesses. The employee turnover rate in this report does not include employees who are employed for less than three months.

[ 2020 new employee age division ]

Items	King Slide Works		King Slide Technology	
	Male (%)	Female (%)	Male (%)	Female (%)
≤ 30	41.1	20.3	39.4	32.8
31~40	14.6	7.8	7.8	11.4
41~50	8.9	7.3	2.7	5.6
>50	0	0	0	0.2



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【 2020 age division of employees who left their work 】

Items	King Slide Works		King Slide Technology	
	Male (%)	Female (%)	Male (%)	Female (%)
≤ 30	39.3	25.6	47.1	25.5
31~40	17.9	6.8	12.5	8.7
41~50	3.4	6.0	1.4	3.8
>50	0.9	0	0.5	0.5



King Slide strongly encourages staff to take no-pay maternity leaves. Per the Act of Gender Equality in Employment and the implementation rules for no-pay maternity leaves, all employees, after the first six months of working, are eligible for applying the leave before their children reach the age of three for no more than two years. After returning, the employee will continue the old post in the same unit without differential treatment.

【 Status of maternity leave application 】

Items	King Slide Works					King Slide Technology				
	Male (%)	Female (%)	Male (%)	Female (%)	Subtotal	Male (%)	Female (%)	Male (%)	Female (%)	Subtotal
The actual number of employees applied for maternity leave in 2020	0	0.0	3	100.0	3	0	0.0	9	100.0	9
Expected number of reinstated employees after maternity leave in 2020	0	0.0	1	100.0	1	0	0.0	5	100.0	5
The actual number of reinstated employees after maternity leave in 2020	0	0.0	1	100.0	1	0	0.0	4	100.0	4
Number of reinstated employees worked for more than 1 year after maternity leave in 2019	1	50.0	1	50.0	2	0	0.0	5	100.0	5
Reinstatement rate (%)	-	-	-	100.0	-	-	-	-	80.0	-
Retention rate (%)	-	100.0	-	-	-	-	-	-	83.3	-

Description:

Reinstatement rate = Actual number of reinstated employees after maternity leave in 2020 / Expected number of reinstated employees after maternity leave in 2020 × 100%

Retention rate = Number of reinstated employees worked for more than 1 year after maternity leave in 2019 / Actual number of reinstated employees after maternity leave in 2019 × 100%



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5.2 Staff Training and Development

King Slide stresses the importance to talent developments, continuously strives to improve professional skills, and provides a systematic learning system, altogether promotes our employees to take learning initiative and encourages supervisors to provide assistance to simultaneously enhance our competitiveness and help our employees to develop. Career development is evaluated by the diverse learning courses, aided by on-the-job-training and different levels of learning, all covered by the performance management.



【Diagram of employee training】

5.2.1 Training

【Description of Employee Training Categories】

Type	Description
Supervisor training	The courses develop a training plan for the management and leadership skills required by section supervisors or above, in order to enhance the ability of leadership, to play the role of communication and coordination, to cultivate the ability of decision and strategy making. This includes basic level supervisor courses, middle and high-level supervisor courses, and other strategic leadership camps.
Expatriate training	The supervisors acknowledge and designate regular employees to participate in expatriate training or take a certification exam and to enhance the abilities related to job responsibilities.
Professional technical training	Courses are arranged in accordance with company policies, duty requirements, and career development demands of employees. The course includes various fields such as process, equipment, operations management, quality assurance, information, research and development, management, finance, human resources, etc. The Company hires external esteemed lecturers to deliver lectures in corporate classes to enhance professional knowledge and skills.
Direct employee training	The Company aims to help employees grow and possess the ability to face new challenges and promotions. The course enhances teamwork, interactive skills of interpersonal communication, environmental safety awareness and self-development, including work safety precautions, production line quality awareness, and proposal systems, emergency rescue and human injury prevention, and promotion and implementation of 5S in the factory. We also provide training and courses for on-site workers and instructors to cultivate the working abilities of team leaders.
New employee training	The courses provide systematic pre-employment training for newcomers to familiarize themselves with the basic knowledge and skills as soon as possible. These are completed 1 day to 1 month courses that cover the core values, future technology development, quality policy, environmental safety.



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5.2.2 Rich employee learning activities

King Slide arranges training according to personal career development and job needs, and performance evaluation results. The content of the training also includes human rights and such as self-rights, occupational safety, and labor laws. The focus of the training in 2019 is to carry out pre-employment and on-the-job training for new recruits in all units of the manufacturing department to strengthen our basic production functions and knowledge delivery and hopes that employees will apply the practical lessons learned to the production details. Our education and training are mainly specialized subjects in the skill category, with a focus on depth. Other types of general education courses, such as management and those that widen views, to cultivate management personnel and explore future potential management talent. Most courses are based on internal training, supplemented by necessary external training. In addition, newcomers receive training that

emphasizes on the first day of new pre-employment training that multi-faceted courses also promote anti-corruption, respect for intellectual property rights, and prohibit insider trading. As of the publication of this report, there are no cases of corruption or bribery.

In 2020, a total of 21,000 training hours was conducted by King Slide, a slight decrease compared to previous year. But if we look into the detail, the average of training hours an employee got was 2.23 hours in which each direct employee received 2.11 hour, each indirect employee received 2.88 hours, and each management level employee received 2.86 hours. And because of the COVID-19 pandemic, many training programs were postponed or cancelled.

[2020 number of participants and training hours of King Slide Works]

Items	Gender	Number of participants		Training hours (hr)	
		2020	2019	2020	2019
Management	Male	160	68	454.5	253.5
	Female	28	13	146	103.5
	Total	188	81	600.5	357
Indirect employee	Male	291	175	1050.5	729.5
	Female	140	81	377.5	592.5
	Total	431	256	1428	1322
Direct employee	Male	3047	2372	5702.5	4642
	Female	719	425	2187	2069.5
	Total	3766	2797	7889.5	6711.5
Total	Male	3498	2615	7207.5	5625
	Female	887	519	2710.5	2765.5
	Total	4385	3134	9918	8390.5

[2020 number of participants and training hours of King Slide Technology]

Items	Gender	Number of participants		Training hours (hr)	
			2019	2020	2019
Management	Male	195	123	223	389.5
	Female	15	18	50	54.5
	Total	210	141	273	1028.5
Indirect employee	Male	466	196	268	545
	Female	179	69	97	147.5
	Total	645	265	365	1864.5
Direct employee	Male	2978	3609	2163	8800
	Female	1636	1803	1485	5859
	Total	4614	5412	3648	10395
Total	Male	3639	3928	2654	9734.5
	Female	1830	1890	1632	6061
	Total	5469	5818	4286	15795.5

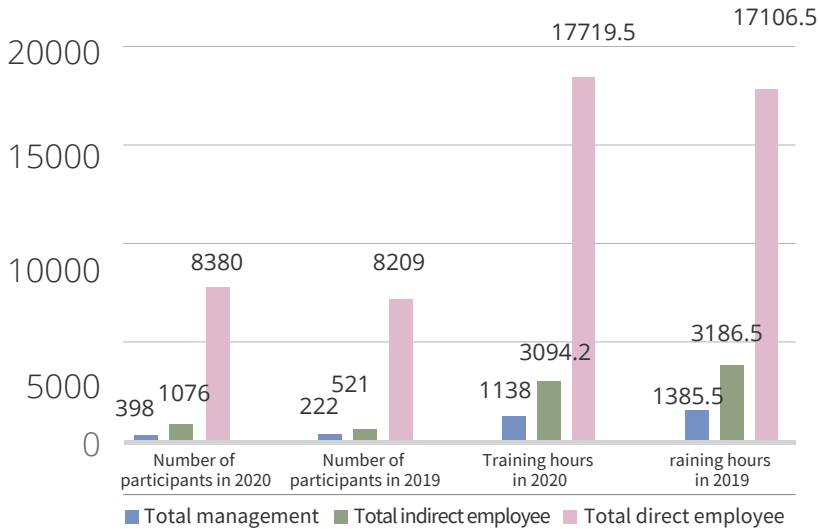


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[2020 number of participants and training hours of King Slide Works]



1	2	1-2. Management level training: ISO45001 policies explained and practice
3	4	3-4. Professional technique training: machine vision technique and application
5	5	5. New employee training: Mentor's evaluation



Teacher's Day electronic greeting cards delivered each year



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5.2.3 Continuous improvement on training performance

We use post-training questionnaires, summary reports, or quizzes to evaluate the effectiveness of the courses and give feedback to the lecturer. At the same time, we also improve the shortcomings of the course, so as to better utilize the software and hardware of the course and amplify the teaching effectiveness. King Slide conducts various types of training satisfaction surveys after classes, reviews and improves the courses based on the feedback from the students. The improvement includes the hardware environment, the content of the lectures, the quality of the teaching materials, the effectiveness of the lecturers, and learning aspects, so as to achieve the win-win goal of improving the employees' ability and improving the overall competitiveness of the Company.

5.3 Employee Benefits

5.3.1 Employee relation and development

With the spirit of caring for employees, we actively promote good employee relations. Through a series of employee relationship programs, including measures such as labor relations and incentives, employee benefits and activities, employee communication, employee assistance, we aim to create a supportive environment for employee relations, the balance of work and life, and to promote productivity and job performance.

[Communication channels between the Company and our employees]

Labor relations and rewards

- Regular labor-management meeting
- Labor dispute
- Employee suggestion channel
- Rewards and penalties
- Commendation to senior employees
- Proposal Improvement Committee

Employee activities

- Family day
- Gift vouchers for holiday bonuses and birthday
- Employee travel
- Subsidy for department dinner
- Employee health check-up
- Diverse hobby clubs
- Health promotion activities

Employee communication

- Confidential communication and compliant channel
- Intra-department communication

Employee assistance

- Structured on-the-job training and mentor mechanism
- Various consulting services
- Emergency relief
- Wedding and funeral subsidy
- Nursing room/medical room
- Prayer's room and Muslim prayer's room



Muslim prayer's room



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5.3.2 Employee relations and employment rights protection

King Slide attaches great importance to two-way communication and is committed to strengthening open and transparent communication channels between supervisors and their co-workers to promote the harmony between labor and management to create a win-win situation for both the Company and employees. The rights of all our regular employees are covered by the labor contract of both parties. To protect their rights to work, we follow accordingly to the government regulations. For occurrence that may affect our business operation, in turn affect our employees’ right to work, such events will be immediately announced on our internal webpage to ensure that the information is published. All necessary procedures and legal labor conditions are stated in the labor contract. In this 2019 report, there are no labor disputes.

· Prohibition of child labor	King Slide complies with government labor laws and hires employees, regardless of race, age, gender, religion, nationality, and other factors. We have never hired child labor and will require manufacturers working with us to comply with the ban on child labor.
· Regular labor-management meetings	The meetings are held every three months, and special meetings may be held if necessary. When signing the relevant labor contracts, the employees will be given a review period, and only provide the signed labor contract on the first day of work, and the same shall apply for a job transfer. In case of a notice period where a large number of employees are laid off, King Slide’s stipulations regarding severance also fully comply with the Labor Standards Act. As of the publication of the report, our operations are in good condition and there is no relevant matter.
· Salary assurance	King Slide attaches great importance to the salary and benefits of employees. Each year, we report relevant salaries to the Remuneration Committee through the market salary survey to evaluate the necessary salary adjustment amount and range. In addition to the operating status of the Company, the overall economic indicators and social aspects are also taken into consideration. The overall salary is higher than the legal minimum salary.
· Employee complaint channel	Employee opinion platform, employee relationship authority unit, employee suggestion boxes at each factory, e-mail mailbox for senior employees, are all conducted confidentially to ensure employee rights.
· Intra-department communication meetings	The meetings encourage that the heads of each unit should lay emphasis on the management of their teams, and make appropriate explanations to resolve unnecessary misunderstandings. If there are good suggestions or opinions, the opinions should also be reflected to the supervisors. The meetings are aimed to serve as a bridge for two-way communication.
· Annual performance meeting	The Company conducts a performance assessment on its indirect employees every six months and direct staff once a month. In addition to self-examination of the progress and suitability of employees, department heads can also provide guidance or advice in a timely manner to achieve a win-win situation.
· Complaint mailbox	Each factory has physical suggestion and complaint boxes and email boxes. When employees submit suggestions or complaints directly to senior management, the process is fully confidential. However, it is advised that the complainant should provide his or her name to facilitate the overall investigation of the complaint. If employees have comments or suggestions, this can also serve as a platform for reflection and communication. During the reporting period, the Company had no complaints.
· Human rights emphasis	All new employees receive human rights education and training on the first day of work. King Slide prohibits discrimination based on age, disability, ethnicity, gender, marital status, nationality, political appearance, race, religion, sexual orientation, gender identity, union membership status, etc. The security personnel is outsourced personnel stationed in the Company. However, they are also requested to receive training in human rights. In addition to being required to comply with the Labor Standards Act, all employees must not violate human rights when performing duties. This is basic pre-employment training. As of the date of this report, there are no cases of human rights violations and human rights violations reported through official channels. At the same time, the working hours of all employees of the Company are subject to the upper limit set by law. We have formulated working rules in accordance with relevant Labor Standard Act and regulations, and have been approved by the competent authority, and announced to the employees. In addition to complying with local government laws and regulations, we also promise to abide by the RBA guidelines and the related policies, including the policy of no “conflict minerals.” In addition to prohibiting any type of discrimination, King Slide also provides an employment guarantee for people with disabilities.



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[Flow chart of sexual harassment reporting]



· Electronic bulletin board	Information is announced through the internal website and is available for inquiry. Information includes Company order announcements, personnel announcements, environmental safety announcements, education and training resources, and other types of employee supply stations.
· Recruitment	<p>In addition to the on-going recruitment of talents through the 104 Human Resource and 1111 Human Resource that possess the largest market share, King Slide also participates in school or regional employment expo. We have now appropriate talent reserves from R&amp;D and manufacturing professionals to marketing specialists. We also commission external human resource agencies for additional manpower for greater flexibility and for timely needs.</p> <p>Employees of King Slide raise their opinions through internal and external channels. As of the end of 2020, there were no responses or questions on the issue of human rights. Similar employee issues were also answered and resolved within 2 weeks, and all the cases were closed.</p>

5.3.3 employee activities

Welfare measures of the Welfare Committee: The Welfare Committee organizes various activities every year, including the year-end party, family day, department dinner, employee travel, etc., so that employees can relieve their work pressure through these diverse and rich activities, and that employees can be acquainted with each other better, in order to promote loyalty to the Company. At the same time, the Welfare Committee also welcomes employee assemblies in accordance with the articles of the committee. We do not give unfavorable punishment for employees participating in associations. As long as it is beneficial to the body and mind of the community, the Welfare Committee welcomes the proposals of all kinds. In 2020, due to the COVID-19 pandemic that the CDC had limited the number of crowd gathering, the Welfare Committee cancelled all the activities and gave out vouchers instead.



2020 Online Year-end Bonus Draw



2020 Children's scholarships



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5.3.4 Catering

In order to meet the needs of employee meals, in addition to providing rice warmer and microwave, for employees who bring their food to the Company. The employee canteen also provides nutritional, balanced, and diverse buffets every day through outsourced catering services that meet the certification standards. Because of the 2020 COVID-19 pandemic that had to reduce the chance of droplet infection, the original buffet style was changed to delicious bento boxes prepared by the central kitchen. The order that employees have lunch was also specially arranged: indirect employees would have lunch at their own desks and direct employees would take turn, with plastic plates blocking each side of the table, all to reduce the chance of contact. For vegetarians or those who prefer light meals, we also provide meals that are compliant and varied to meet the multiple taste enjoyment of employees.



Employee restaurant

5.3.5 Convenience

The King Slide Works Plant is located at Houxiang Industrial Zone, Shun'an Road, Luzhu District. King Slide Technology is located in Kaohsiung Park, Southern Taiwan Science Park, Luzhu District, Kaohsiung City. The factory sites are next to Sun Yat-sen Freeway for convenient commuting to the north or the south. The two factories are very close to each other and are conveniently located. Coin-operated vending machines are set up in the public area of the factory area. At a preferential price lower than the market price, we provide employees with drinks or snacks to refresh them during their break time. The staff dining room is also equipped with rice warmer and a microwave oven, for our staff to store or heat their meals at any time. Commuting employees may apply for bicycle, motorcycle or car parking spaces. King Slide Technology factory spans over 46 hectares of land and has sufficient room for parking spaces. Thus we can meet the various needs of our employees. Employees who love sports may ride bicycles, enjoy the spacious roads and greenery in the factory areas, or they can take shuttle bus offered by the Kaohsiung Science Park of Southern Taiwan Science Park for free, and then just take a short walk to our location. Exercise, save energy and reduce carbon at the same time. Employees may drive to work on rainy days or if they live far away. The parking lot is large and is enough for cars. Non-local employees may apply for accommodation from the Kaohsiung Science Park of Southern Taiwan Science Park near the factory

area. Less than one km away from the factory stand three new dormitory buildings, and employees can quickly return to their quiet and comfortable accommodation within five to ten minutes after work. The majority of employees in the park apply for a single room dormitory, which is about 7.5 pings (or 24.8 m2), which is fully furnished with furniture, televisions and refrigerators, and other living facilities. The monthly rent is about NT\$ 5000. If employees wish to stay with their families, they can also choose a four-bedroom and two-living room dormitory with a total area of 36.6 pings (121 m2), which is fully furnished with a monthly rent of about NT\$ 13,000. This new accommodation building is very popular among employees.



- |   |   |   |
|---|---|---|
| 1 | 2 | 1-4. Spacious parking lot                               |
| 3 | 4 | 5. Large vending machines with preferred employee price |
| 5 | 6 | 6. Shuttle Bus of Kaohsiung Science Park                |



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Brand-new dormitory at Luzhu Science Park

## 5.3.6 Enrichment

We organize internal and external training courses when necessary. We also provide bright and spacious training classrooms for employees to improve themselves. There is also a stepped audiovisual classroom with 100-people capacity in the office building of the factory so that employees can enhance their new knowledge in a comfortable environment.



Stepped audiovisual classroom in the office building

## 5.4 Social Feedback and Participation

## 5.4.1 Public welfare participation

“Taken from society, give back to society” is the core value of King Slide’s public welfare activities to give back to society.

## 【Book donation】

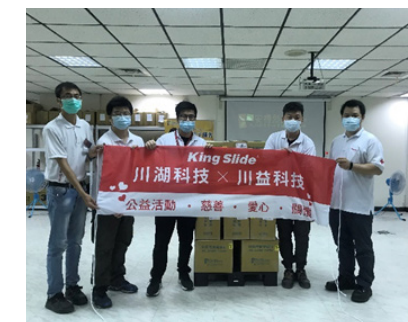
In order to attain book resource sharing, environmental protection, and love for the earth, we sincerely invite all employees of the Company to share good books they have at home with more people to extend the life of the book. A total of about 100 books packaged in 4 large boxes are donated to the local library.



One of the social contributions: Donate books to local libraries

## 【Donations】

King Slide donates 20 “Food Boxes” jointly with Andrew Charity Association every month. The donation is mainly aimed at the growth and development needs of children aged 4-15. The “Food Boxes,” which can be stored at regular room temperature, contain staple food (white rice, noodles), non-staple food (milk powder, meat floss, canned meat and conditioning packages, cereals, brewing packages, preserved milk, nutrition biscuits) and inspirational publications, to care for children in poverty and hunger, hoping to help them pull through the difficult times.



One of our charity events: donated commodities to disadvantaged families; employees voluntarily joined the community group to help packaging



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One of our charity events: donated commodities to disadvantaged families; employees voluntarily joined the community group to help packaging



### 【Donating face masks】

At the beginning of the COVID-19 pandemic, considering it was not easy to buy masks, the Company decided to buy one washable fabric mask for each employee as well as the clients overseas.



Donating face masks

### 5.4.2 Industry-academy cooperation and business visits

In order to give back to society, King Slide guarantees certain job openings for students, which is written in corporate culture. In addition to cultivating potential talents, we also provide job opportunities for high-quality students. This is a win-win strategy. To familiarize the students with the workplace environment, we are open to applications for company-visits for students under industry-academy cooperation. Before starting work at the Company, students can understand the environment better and understand what they can learn and contribute. If there are too many applications, we can also send the heads of various units to provide briefings at the schools.



Chung Shan Industrial & Commercial School visiting King Slide Technology



## 6. Occupational Safety and Health Management

The Company actively establishes a safe and healthy working environment and always pursues improvement, in order to ensure the safety and health of all working partners in the Company.



· No colleagues cause occupational disease due to work, the occupational disease rate is 0.



· A total of 1,124 employees participated in the health screening



· 1,670 counts of participants in health promotion activities



· Participants in the weight loss class lost an average of 1.56 kg



· Excellence Award Winner of Southern Taiwan Science Park, from the Ministry of Science and Technology in "Promoting Workplace Equalization".



· Obtained the "Healthy Workplace Certification and Health Promotion Label Badge" from Taiwan National Ministry of Health and Welfare Administration, Taiwan National Health agency the Health Promotion Administration, Ministry of Health and Welfare.





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6.1 Occupational Safety Management

Occupational safety management guidance



Significance for the King Slide Group

We uphold the concept of “we are all one big family” and set up a special management unit in accordance with the law to plan and supervise all occupational safety and health management measures inside and outside the plant to prevent occupational hazards from occurring, in order to guarantee the safety and health for all our employees.



Policies and commitment

We comply with domestic occupational safety and health regulations and actively establish a safe and healthy working environment. We have also obtained the ISO 45001 : 2018 management system verification, and strive to improve our environmental and occupational safety where the health management system can be in line with the international management system.

Our environmental safety and health policies are as follows:

- Reduce waste Reduce costs, Cherish resources
- Green products, Care for the environment
- Risk management, Hazards prevention
- Compliance with regulations, Continuous improvement



Guidelines

We promise to follow the following guidelines to develop our company's environmental safety and health management system:

1. Continue to introduce cleaner production technology, make full and effective use of energy (resources), and strive to the promise of industrial waste reduction and pollution prevention.
2. Committed to the research and development of green products. From the design stage, follow environmental design guidelines such as "easy recycling, low pollution, resource saving, and energy saving" to reduce the possible impact of future products on the environment.
3. Arrange appropriate education, training and communication channels to communicate the company's "Environment, Safety and Health" policies, measures and other requirements to employees, contractors, subcontractors and stakeholders to strengthen environmental safety awareness. Let each of the individual understands environmental, safety and health responsibilities, and ensure that workers and worker representatives are in consultation and participation.
4. Comply with environmental protection and occupational safety and health laws and other requirements, construct and maintain the effective operation of the "environmental and occupational safety and health management system", and work together to continuously promote improvement measures to improve the environmental safety and health of the working environment. Effective risk controls on activities, products or service processes to eliminate hazards and reduce occupational safety and health risks, hence prevent accidents from happening, and create a safe and comfortable working environment to promote the health and well-being of employees.



Goals and targets

We aim at zero occupational hazards. We set the occupational safety and health management goals for both King Slide Works and King Slide Technology facilities with zero occupational hazards each quarter.



2020 implementation results

In 2020, King Slide Group facilities have reached the goal of zero occupational disasters every quarter for a consecutive eight quarters.



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2021 Prospects

Looking forward to 2021, we will continue with the occupational hazards reduction and action measures launched in 2020. We hope that employees' safety and health awareness will be further enhanced and that more potential risks will be eliminated or reduced, so that the two factory sites King Slide Technology and King Slide Works can learn and compete with each other to enhance the safety and health concepts of the two plants and achieve their annual hazards reduction goals.



ISO 45001 : 2018 certification of King Slide Works Co., Ltd.  
Issuing organization: DNV.GL  
Effective date: 2020/09/26 ~ 2023/09/26  
Certification code: 244933-2017-ASA-RGC-RvA



ISO 45001 : 2018 certification of King Slide Technology Co., Ltd.  
Issuing organization: DNV.GL  
Effective date: 2020/09/26 ~ 2023/09/26  
Certification code: 244933CC1-2017-ASA-RGC-RvA

6.1.1 Occupational Safety and Health Committee

We follow the occupational safety and health management measures and have established the Occupational Safety and Health Committee. The committee is chaired by the President. In 2020, the number of labor representatives in the committee members accounted for more than one-third of all committee members, which is in compliance with the law. In order to enable workers to express opinions and participate in discussions on safety and health issues related to their rights and interests, we hold occupational safety and health committee meetings quarterly to handle the following matters:



Occupational Safety and Health Committee in 2020

- |   |
|---|
| 1. Make suggestions to the occupational safety and health policies formulated by the employer.              |
| 2. Coordinate and make suggestions to the occupational safety and health management plans.                  |
| 3. Review the safety and health educational training implementation plan                                    |
| 4. Review the operating environment monitoring plan, monitoring results, and implementation measures.       |
| 5. Examine health management, occupational disease prevention, and health promotion matters.                |
| 6. Review various safety and health proposals.  |
| 7. Review autonomous checks and safety and health audit items in the business units.                        |
| 8. Examine the hazards preventive measures in the machinery, equipment or raw materials and the substances. |
| 9. Review the occupational hazards investigation report.  |
| 10. Assessment of the on-site safety and health management performance.                                     |
| 11. Review safety and health management matters of the business..   |
| 12. Other matters related to occupational safety and health management.                                     |



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6.1.2 Statistics on occupational safety and health

In order to reduce the occurrence of occupational disasters, work safety management units, accident-occurring units, production technology units, and R&D units collaboratively conduct accident investigations, analyze the causes of accidents, propose improvement countermeasures, and carry out improvement measures at the same level among various departments to minimize the probability of occurrence. In the quarterly meeting of the Occupational Safety and Health Committee, each unit reports the accident investigation, improvement measures, and preventive measures to prevent the recurrence of similar situations to the President and the members participating in the meeting.

In 2019, the goal of both King Slide Works and King Slide Technology facilities were to set zero occupational hazards as the target, and the goal was achieved in all total 8 quarterly assessments. In 2020, no employees have occupational disease caused by work, thus the occupational disease rate was 0.

The statistical results of male and female absence rates and occupational injuries at the King Slide Works and King Slide Technology facilities are as follows:

【King Slide Works】				【King Slide Technology】			
Items	All employees	Male	Female	Items	All employees	Male	Female
Absence rate (AR)	0.01	0.01	0.02	Absence rate (AR)	0.01	0.01	0.01
Disabling Injury Frequency Rate (FR)	0	0	0	Disabling Injury Frequency Rate (FR)	0	0	0
Disabling Injury Severity Rate (SR)	0	0	0	Disabling Injury Severity Rate (SR)	0	0	0
Occupation disease rate (ODR)	0	0	0	Occupation disease rate (ODR)	0	0	0
Total deaths caused by work	0	0	0	Total deaths caused by work	0	0	0

\*Occupational safety and health statistics, the data is calculated until December 31st, 2020

\*Definition of absence: An employee not only leaves the job due to work injury or occupational disease, but also loses his/her work ability. Including leave categories such as: sick leave, work injury leave, personal leave, absenteeism.

Calculation formula: the Absentee Rate (AR) of male (female) employees = Total absent hours of male (female) employees / Total working hours of male (female) employees X 100%

\*Sick leave does not include menstrual leave when calculating the absence rate of female employees.

\*Disability Injury Frequency Rate (FR) refers to the number of disability injuries per million total working hours.

Calculation formula: Disability injury frequency rate of male (female) employees = number of male (female) injuries X106 / total working hours of male (female) employees

\*Disability Injury Severity Rate (SR) refers to the number of days lost by disability injuries per million total working hours.

Calculation formula: Disability injury severity rate of male (female) employees = Number of days male (female) lost to injuries X106 / total working hours of hours of male (female) employees

\*Occupation Disease Rate (ODR) = Total number of occupation disease cases / total working hours X 200,000\* (\*calculated based on 50 weeks per year, 40 working hours per week at the rate of 100 employees)

6.2 Employee Safety

6.2.1 Promoting safety and health culture

In order to improve the work safety of our employees and establish a good safety and health culture, we plan work hazard mitigation strategies in different directions every year, from improving the safety protection performance of high-risk equipment, reduce the risk level of high-risk operation items, and to the proposal to promote employee's independent safety and health. With the support of senior executives and the collaborative efforts of various departments and industrial safety management units, the resources of two factories within the group

are integrated, and the method of mutual cooperation is adopted to set five major themes to promote measures: 1. Goal setting. 2. Elimination of unacceptable risks. 3. Strengthen security inspections and audits. 4. Improve autonomous management and false alarm accident proposals, 5. Quantify indicators and review them regularly. In addition to the continuous cyclical promotion of these five themes, we have also combined the RCI (Rapid Continuous Improvement) competition between the two plants through cross-departmental cooperation to incorporate the improvement of safety and health autonomous management proposals into positive performance bonus indicators to help promote safety and health improvement. The unit has achieved excellent results in the competition appraisal.



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In order to prevent occupational accidents, we promote the proposal mechanism of autonomous management and false alarm accidents, encourage employees to independently report and participate in the improvement of occupational safety and health-related autonomous management improvement projects, and allow front-line employees to cooperate with the management team to brainstorm ideas and work together to eliminate or to reduce the potential risks of various operations. Where the improvement case is verified that is effective to reduce the risk and work hazards, we will offer rewards and encouragement to the team participating in the improvement, so as to all employees' attention and actively participate in the policy and commitment to achieve sustainable improvement. In 2020, 56 employees have been awarded credits for submitting their own proposals for safety and health and participated in safety and health improvement projects.

The occupational hazard management after accidents, we follow the occupational safety and health management methods and King Slide Group emergency response management procedures, implement the notification mechanism, investigate the cause of the accident in detail, propose feasible preventive measures and implement them, in order to effectively prevent the recurrence of the same type of accident.

Therefore, in the promotion of safety and health culture, we have changed from the passive management model of reviewing how to improve after occupational disasters in the past, Transform into a cross-departmental collaboration, identify potential operational risks, and implement improvement measures to reduce the risk of harm to the safety and health autonomous management model, From 2019 to 2020, both King Slide Works and King Slide Technology have achieved zero disability for two consecutive years. (Remarks: Does not include traffic accident cases)

6.2.2 Contractor management

The proportion of contractor personnel in the plant is very small. However, when they enter the plant for construction, repair, and maintenance, they may cause occupational hazards due to their unfamiliarity with the on-site environment and the safety and health regulations. Therefore, we have established contractor construction management procedures for the contractors, strengthened the notification of contractor hazards, established an auditing system and contractor performance management indicators, including selected high-performing qualified contractors to enter the plant.

After the contractor entered a contract with the Company, they must accept the “Contractor’s Work Safety and Health Code of Practice and Hazard Notification”, comply with the Company’s environmental safety and health policies, international environmental protection conventions, environmental safety, and health laws and RBA guidelines. We strictly manage each link to ensure the safety of personnel and property during the operation.

6.2.3 Emergency response

In order to improve the emergency response capability of employees in emergency incidents, to respond to emergencies and to reduce personal injury, property loss, and environmental impacts, we execute fire safety drills every six months, and organize emergency response education training on different situation and topics every year; target to increase employees' awareness of crisis response.

On July 23, 2020, King Slide Technology, Southern Science Park Administration Technology Ministry, Kaohsiung City Government Fire Department, Water Supply Company, Electric Power Company, Security Police Second Division, Kaohsiung City Fire Department Fifth Division, Brigade, The first squad, the seven sub-units under its jurisdiction, the Ruilong Sub-unit, the Luzhu audit Sub-unit and other related units, with a total of about 120 personnel, conducted fire rescue drills in King Slide Technology Plant, simulating fire rescue response in high-tech factory buildings, from actual drills In order to improve the fire-fighting response capacity and strengthen the communication and coordination ability of the factory area with the science park and the fire-fighting unit.



- |   |   |
|---|---|
| 1 | 2 |
| 3 | 4 |
- 1.Group photo of high-tech facility fire rescue response drill
  - 2.High-tech facility fire rescue response drill
  - 3.Certificate of Appreciation for Fire Rescue and Response Drill in High-Tech Facility.
  - 4. On-site fire fighting training



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1 | 2

1-2. Implement the evacuation drill for the entire plant in 2020

6.2.4 Operating environment monitoring

We conduct operational environmental monitoring of all plant areas every six months, and commission qualified monitoring agencies to perform the monitoring operation. In addition, before the implementation, the work safety units, department heads, labor representatives and the monitoring organization will collaboratively evaluate and plan for the work of the operation environment monitoring and confirm that the instruments used for testing are all calibrated. All units will review the environmental monitoring result and formulates improvement measures of the monitoring quarter ,and report to the Safety and Health Committee , lastly, announces relevant information to inform all employees. The written report shall be filed and retained by the work safety unit as the basis for the follow-up labor special medical examination and the reference of the work dispatch by the supervisors of each unit to prevent the occurrence of occupational diseases in the plant.



Work environment monitoring plan meeting

6.3 Employee Health Management

6.3.1 Care to employee health and solicitude

King Slide Group provides health screening services that are superior to the regulatory in terms of screening items and frequency. A total of 1,124 employees participated in the 2020 employee health screening. Taking care of the health of employees as an important part of health management, and the statistical results of the health screening are used as a health promotion activity. Directions, such as weight loss competitions, health lectures, nutrition and exercise courses, and smoking cessation, as well as on-site health services with professional medical specialists, health interviews for employees with abnormal health check results, regular tracking of employees' health conditions, and workplace motherhood Consultation and health education related to protection and human factors musculoskeletal and provide comprehensive care to employees' health and solicitude.

In addition, we have greatly improved the care for pregnant female employees. We have arranged a clean and warm breastfeeding room, provided parking spaces for pregnant women, and they pink work aprons for identification. For a total of 18 pregnant women in 2020, Occupational doctors conduct work safety assessments and health management during pregnancy. In 2020, pregnant female employees will be given pregnancy gift kits. To create a work environment that is balanced and safe in life and work, from 2018 to 2020, we participated in the selection of "Promoting Work Equality in the Workplace" organized by the Southern Science Park Administration of the Ministry of Science and Technology for three consecutive years, and King Slide is the Excellence Award Winner.



- |   |   |   |   |
|---|---|---|---|
| 1 | 2 | 3 | 1. Nursery Room   |
| 4 | 5 | 6 | 2. Annual employee health check                                       |
| 7 |   |   | 3. Interviews with occupational doctors for pregnant female employees |
|   |   |   | 4. Special operation health check                                     |
|   |   |   | 5. Sounthern Taiwan Science Park Workplace Equality Award             |
|   |   |   | 6-7.Pregnancy Gifts Bag   |



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## 6.3.2 Employee health promotion activities

In order to maintain the physical and mental health of employees, and to enhance the health awareness among colleagues and create a healthy atmosphere at the workplace; King Slide actively promotes a series of health enhancing activities as well encouraging the employees to participate in series of health promotion activities. According to the statistics, in 2020, the total number of employees actively participated in the activities had reached 1670.

## (1) Smoke Quitting Session to protect love ones.

We cooperated with the local Luzhu Health Center to offer subsidized courses for small-class smoking cessation classes. The courses lasted six weeks, once a week, to encourage the company's employees who intend to quit smoking to participate in small-class smoking cessation classes, reduce the number of employees smoking, and jointly maintain a good smoke-free environment. After the end of the smoking cessation class, we tracked the effectiveness of the colleagues who participated in the smoking cessation class for half a year. According to statistics, the success rate of the colleagues who participated in the smoking cessation class to maintain smoking cessation status reached more than 50% of the number of participants.

## (2) Weight loss activities:

In the weight loss activities, we introduced a new self-management method of weight loss. During the five-month period, we planned weight loss lectures and arranged a series of weight loss activities such as sharing experience with colleagues on successful weight loss. According to statistics, in average weight loss participants in the 2020 lost 1.56 kilograms per person.



Weight Loss Session



Smoking cessation classes



2020 Weight Loss Achievement Awards



## (3) Prevention of infectious diseases:

King Slide Group regards a healthy workplace as one of the important cornerstones. Only with a healthy workplace environment can the company's overall operations continue to be on the right track. The prevention of infectious diseases must start with self-prevention by each individual. Through mutual cooperation with local health centers and government authorities, the prevention of infectious diseases such as dengue and pandemic influenza and knowledge education are provided. Employees of high-risk groups receive influenza vaccination to achieve prevention is always better than cure.



Flu vaccination

## (4) Physical and mental health:

Employees are the keys to successful enterprise development. Therefore, we hold health education sessions at different aspects when required. Such sessions include emotional management, stress relief sessions. We encourage employees to participate in sports such as the Community Sports Competition of Southern Taiwan Science Park, Night Running of Kaohsiung Science Park, through which the employees may relieve from work or family pressure and convert it into positive mentality, and care about their physical and mental state of family members or their coworkers to create a happy workplace environment and increase the cohesiveness to the Company.



Community Sports Competition of Southern Taiwan Science Park



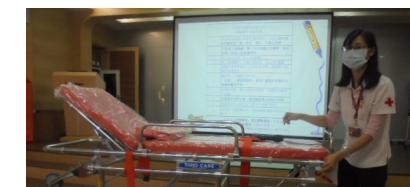
Stress Relief Sessions

## (5) Emergency rescue:

Improve the visibility of first-aid personnel and first aid kits in the factory. Regularly let the Basic ERT personnel to receive ambulance classes training on trauma treatment, wound wrap up, wounded personnel transportation, stretcher use and handling precautions.



Factory first aid kit



Education and training on the use of emergency stretchers



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6.3.3 Healthy Workplace Certification

King Slide Group is committed to promoting healthy workplace certification from the National Health Agency. The two factory nurses proactively plan, and continue to communicate and cooperate with various departments. We have established a workplace free of second-hand smoke exposure and promoted a number of workplace health promotion activities. The two plants in King Slide Works and King Slide Technology were successfully awarded the "Healthy Workplace Certification and Health Promotion Badge" issued by the National Health Administration of the Ministry of Health and Welfare in 2018.



King Slide Works Co., LTD  
Healthy Workplace Certification and Health Promotion Badge  
Issuing institute: Taiwan National Ministry of Health and Welfare Administration, Taiwan National Health agency  
Effective date: 2019/01/01 ~2021/12/31  
Certificate No.: HPAA1071218



King Slide Technology Co., LTD  
Healthy Workplace Certification and Health Promotion Badge  
Issuing institute: Taiwan National Ministry of Health and Welfare Administration, Taiwan National Health agency  
Effective date: 2019/01/01 ~2021/12/31  
Certificate No.: HPAA1071219

6.4 (COVID-19) Epidemic Prevention Measures

In response to the (COVID-19) epidemic, King Slide Group President sets up an epidemic prevention and response team, through measures such as body temperature measurement, manufacturer and visitor control, alcohol sanitizing, maintaining safe social distance, etc., And cooperate with the latest epidemic prevention command of the Central Epidemic Command Center, not only makes the most immediate response in the factory, but also shares epidemic prevention information with King Slide Group suppliers to avoid the impact of the epidemic to the company.

(COVID-19) Epidemic prevention measures

1. Follow the most up to date epidemic information and promote various epidemic prevention measures and health education.
2. Added a new body temperature sensing and face recognition clock in system to improve the accuracy and convenience of body temperature measurement.
3. Anti-epidemic control measures to visitors and vendors at the entrance.
4. Anti-epidemic materials preparation and distribution of anti-epidemic washable mask cover
5. The key areas are regularly sanitized and equipped with alcohol spray bottle.
6. Increase the spacing of scattered sitting arrangement in the rest areas of the factory.
7. A partition is added to the staff dining table.
8. The lunch service in the staff cafeteria has been changed to packaged lunch box.
9. The smoking area adopts fence and color spray to mark the safe social distancing
10. Promote a new elevator anti-epidemic measures for epidemic prevention.
11. Share epidemic prevention information with suppliers.
12. Build a cloud virtual desktop to work from home and online video conference system.



5. Scattered sitting arrangement in the Educational training room
6. Provision of anti-epidemic washable mask cover to all employees
7. Added partitions for staff dining tables



# 7. Pollution Prevention and Environmental Protection

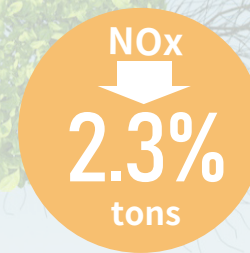
King Slide is constantly improving to meet environmental protection regulations. The company provides training to enhance the understanding of employees and staff representative of the Company's environmental policies. Our goals are to reduce air pollution, sewage, wastes, and minimize environmental impact.



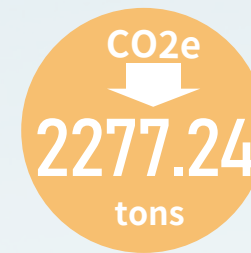
- A total of NT\$ 5.991 million was invested in environmental protection.



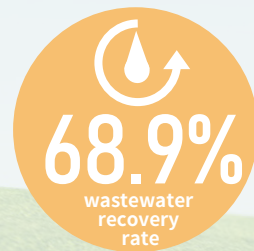
- The waste recycling rates increased on average by 0.15% from 2019.



- The annual emissions of nitrogen oxides, decreased by 2.3% compared to 2019.



- CO2e emission was 2277.24 tons less than expected



- The wastewater recovery rate of the King Slide Works production process is about 68.9%.



- Solid wastes were 1.45 kg / thousand product sets less compared to 2019.



- Water quality testing is compliant with the control regulations of water pollution prevention.



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7.1 Environmental Policy

King Slide Works generated numerous pollutants from fixed pollution sources that will have an impact on the environment, such as domestic sewage, business discharge sewage, waste, and waste gas. We have promoted an environmental management system since 1998, through education training letting our employee representatives familiarize themselves with the Company's environmental policies. We aim to reduce air pollution, sewage, and waste and minimize environmental impact through constant improvement to meet the requirements of environmental protection regulations. Due to these efforts, King Slide Works was certified by the ISO14001 environmental management system in 1999; King Slide Technology was certified by ISO14001 in 2008. This system is then executed by the environmental safety and health implementation team and to the dedicated personnel of each department internally.



ISO 14001: 2015 certification of King Slide Works  
Issuing organization: DNV.GL  
Effective date: 2017/09/23 - 2020/09/23  
Certification code: 1439-1999-AE-RGC-RvA



ISO 14001: 2015 certification of King Slide Technology  
Issuing organization: DNV.GL  
Effective date: 2017/09/23 - 2020/09/23  
Verification code: 1439CC1-1999-AE-RGC-RvA

7.1.1 Current situation of pollution prevention

We have insisted on a legal operation, conducting compliance assessments against the standards of various environmental regulations, and adopt improvement measures if the pollution level is at the risk of exceeding the requirement. In terms of waste management, we has no leaks in 2020 and in order to reduce waste disposal costs, we have lowered the final incineration and landfill rate to increase the actual income through waste recycling and raise the waste recycling rate year by year.

The waste recycling rates of King Slide Works and King Slide Technology have reached 93.7% and 97.51% respectively, with an average increase of 0.15% comparing to 2019. Non-recyclable waste (domestic garbage) is sent for incineration and then to a landfill. While the prevention control on air and water pollution, the emission levels have met the standards of the Environmental Protection Administration. In the past four fiscal years, the company has not paid any major fines (>\$10,000) related to environmental or ecological issues.

7.1.2 Environmental protection expenditure

In order to achieve the goals of complying with environmental protection regulations in reducing environmental pollution and sustainable environmental management. We have invested funds in environmental-related matters including environmental protection equipment, pollution treatment, management systems, and testing costs. In 2020, King Slide Works and King Slide Technology invested approximately NT\$3.85 million in environmental protection. Also, to fulfill social responsibility, we invest even more on the environmental expenditure to show how we value environmental protection.

[Historical amounts of environmental expenditure of King Slide Works]

Type	2018	2019	2020
Air pollution control	3	51	33
Water pollution control	117	75	516
Waste cleaning (general)	1,298	1,064	1,025
Waste cleaning (hazardous)	662	775	1,050
Environmental protection-related testing	177	158	247
Environmental protection-related equipment maintenance	395	624	2,235
Total	2,652	2,748	5,106

Unit: NT\$ (thousand)

[Historical amounts of environmental expenditure of King Slide Technology]

Type	2018	2019	2020
Water pollution control	222	324	410
Waste cleaning (general)	368	450	419
Environmental protection-related testing	90	13	11
Environmental protection-related equipment maintenance	16	43	45
Total	696	830	885



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7.2 Energy Management

Guideline for energy saving management



Significance for King Slide

King Slide’s operations have grown year by year, and its dependency on energy resources has continued to increase. Therefore, to reduce greenhouse gas emissions, achieving the goals of green products, and being environmentally friendly we have improved the effectiveness of energy use and constantly replacing non-green energy-saving equipment.



External training

We have actively promoted energy-saving and carbon reduction improvements, continuously improved the efficiency of energy use in production, and reduced the impact of operations on the environment.



Actions taken

1. The electroplating line B rectifier of King Slide Works Plant is replaced with a high-efficiency machine to save electricity.
2. The motors of several stamping equipment in King Slide Works Plant were replaced with variable frequency control motors to save electricity.
3. The punching machine of King Slide Works Plant is changed to a 100hp frequency converter, which can effectively save energy.
4. The lighting energy-saving improvement of the 2nd district of the molding section on the 1F of King Slide Technology Factory, the 69 sets of 500W composite metal lamps were replaced with 80W LED patio lights, the wattage is reduced to meet the lighting regulations and can save energy.
5. King Slide Technology Factory’s punch presses have been improved to save electricity, and 15 new 15T punch presses have been purchased without power saving devices.  
When the machine is not turned off during the rest time, it is easy to cause energy waste. Add internals to the punch program by yourself When the timer is not operated for 10 minutes, it will automatically cut off the power of the hydraulic fan and motor.
6. The area lighting of the King Slide Technology factory production line was improved, and the area lighting of the production line with 5 conveyors on the 2F was 4 feet 20W.  
270 sets of dual-tube LED lighting, replaced with 90 sets of LED 80W patio lights.
7. The lighting in the arcade area of the office building of King Slide Technology Factory was improved, and the 6 sets of 100W halogen bulb lights were replaced with 20W.  
The LED lamp is equipped with a light source microwave sensor, and the power is automatically turned off within 90 seconds to save electricity.
8. The cooling and energy saving improvement of the ice water main engine system in the King Slide Technology plant building. The ice water main engine system 4 sets of 400W cooling fans, originally operated at 24HR a day, added a timer to control the daily 7HR operation time to save electricity.



Goals and targets

1. King Slide Works is expected to reduce its emissions of CO2e by 55.632 tons.
2. King Slide Technology is expected to reduce its emissions of CO2e by 132.45 tons.
3. The target of water consumption is expected to be reduced to 16.99 L / m2 for King Slide Works
4. King Slide Works sewage aims to reduce by 511.32 L / person.
5. Water quality testing is compliant with the Water Pollution Control Act.
6. Aims to reduce solid waste to 15.99 kg / thousand product sets.



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Implementation results

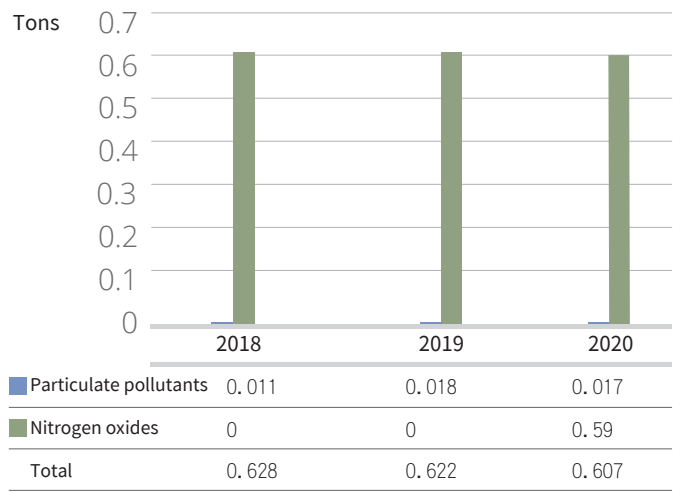
- 1. King Slide Works actual emission of CO2e was 2,817.65 metric tons, which was 2,511.582 tons less than the original estimation of 5,329.23 metric tons.
- 2. King Slide Technology's actual emission of CO2e was 3,693.18 metric tons, which was 1571.93 tons less than the original estimation of 5,265.11 metric tons.
- 3. King Slide Works actual amount of water consumption for the production process was 16.98 L / m2.
- 4. King Slide Works actual amount of sewage was 453.69 L / person.
- 5. The water quality testing by the government and certified authority both are compliant with the Water Pollution Control Act.
- 6. The actual amount of solid waste was 14.98 kg / thousand product sets.

7.2.1 Air pollution management

The air pollutants in the King Slide Works Plant come from gas-fired boiler combustion and process exhaust emissions, and the pollutants are mainly nitrogen oxides (NOx) and particulate pollutants. Air-conditioning refrigerants are substances that deplete the ozone layer (Ozone Depleting Substances, ODS), which are sealed in the air-conditioning equipment to circulate, so there is no doubt about destroying the ozone layer.

King Slide Technology Plant has no fixed pollution source, and no ODS is used in the production process. Only the air-conditioning refrigerant belongs to ODS, but the use process is sealed in the air-conditioning equipment, and there is no leakage when it is recycled. Therefore, there is no doubt about damaging the ozone layer and no sulfur oxidation. Pollutants, nitrogen oxides and other fixed source pollutants.

[Amount of fixed source pollutants emission of King Slide Works in the last three years]



7.2.2 Greenhouse gas management

The Intergovernmental Panel on Climate Change (IPCC) indicated in one of the reports from the 1990s, that climate change and global warming is mainly caused by greenhouse gas emissions. The Low Carbon Economy has become the mainstream of the economy and investment to fight against this global issue. Greenhouse gas reduction stands out to be the pivotal rule. King Slide has adopted this principle in the procurement department to require our suppliers to comply in order to meet the environmental standards in either their use of materials or their production process. When selecting suppliers, local suppliers are a priority in order to significantly reduce the impact of raw material transportation on the environment. In addition, we have encouraged our employees to take more stairs than elevators, and also recruit more local employees to reduce the influence of personnel transportation on the environment.

Greenhouse gas emissions can be divided into direct and indirect emissions. In 2020, King Slide Works' direct greenhouse gas emission from official vehicles was 0.05 metric tons of CO2e. The carbon emission of natural gas was 693.89 metric tons of CO2e. The annual indirect carbon emission of purchased electricity and outsourcing hydropower was 3867.8 and 62.21 metric tons of CO2e. A total of 4623.95 metric tons of CO2e was emitted, and there were no other indirect greenhouse gas emissions during the reporting period. In 2020, due to the impact of the epidemic, the production capacity will be reduced and the utilization rate will be reduced. As a result, the total greenhouse gas emissions will be reduced by 4.56%. The expected emission reduction target has been achieved. 2019.

The estimated greenhouse gas emission of King Slide Works in 2020 was 5329.23 tons, which is 10% more than the previous year. This is due to the expected 10% growth of the Company's operation, and the increase in equipment utilization rate. However, in 2020, King Slide Works continues with the plan of greenhouse gas emission reduction and sets a reduction target of 1.04%. Also, planning to replace one electroplating rectifier to a high-efficiency rectifier, four 10HP inverters, two 15HP inverter and the punching machine is set to a 100 hp frequency converter, to reach an expected reduction of 55.632 metric tons of CO2e emissions.



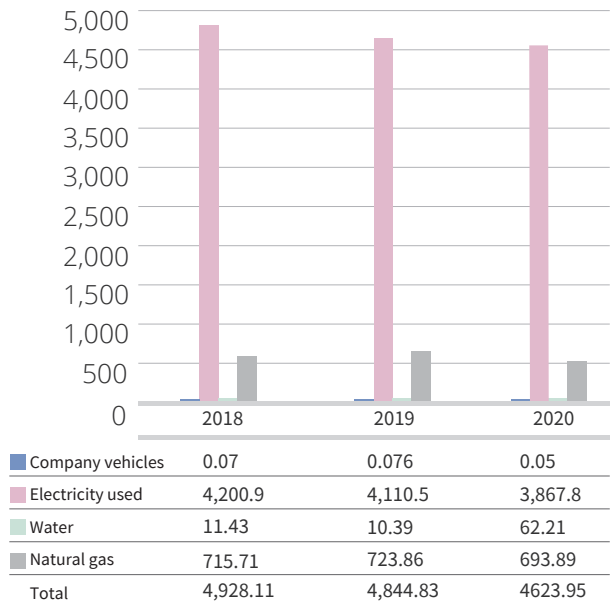
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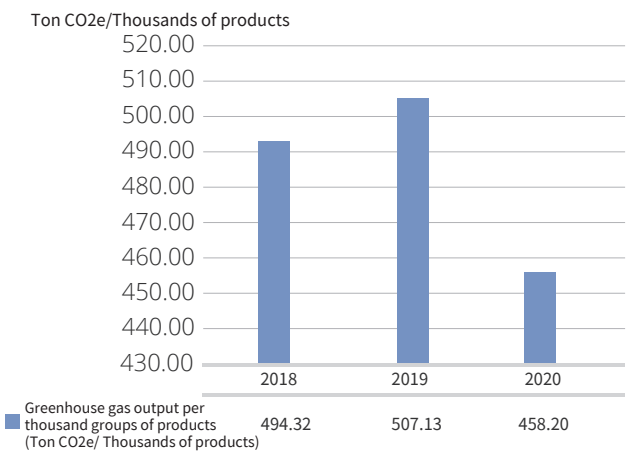
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【Result of the investigation of greenhouse gas emissions of King Slide Works in the last 3 years】



【The weight of greenhouse gas produced per thousand groups of products in King Slide Works Plant in the past 3 years】

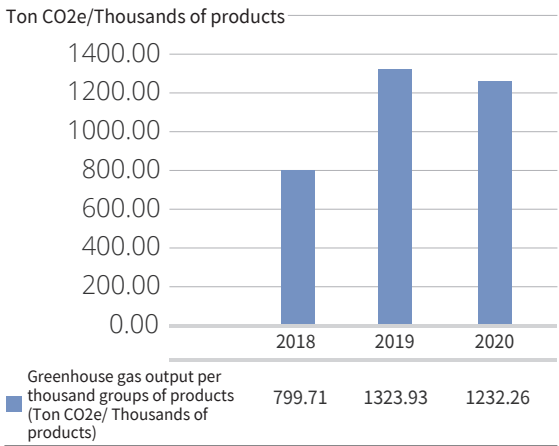


King Slide Technology’s direct greenhouse gas emission from official vehicles in 2019 was 3.77 metric tons of CO2e. The annual carbon indirect emission of purchased electricity and outsourcing hydropower was 3504.87 and 1.45 metric tons of

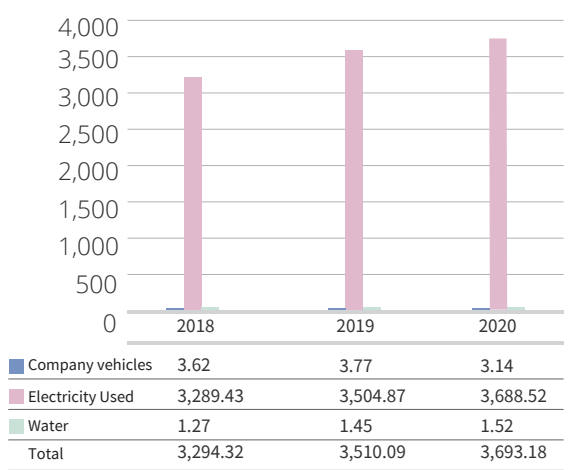
CO2e. A total of 3510.09 metric tons of CO2e was emitted, and there were no other indirect greenhouse gas emissions during the reporting period. Since the reduction target has been achieved by the target of 4.17% of the original estimated emissions of 4,941.50 metric tons of CO2e from the increased production capacity during 2019.

King Slide Technology’s estimated greenhouse gas emission in 2020 is 5265.11 metric tons, with a target reduction of 2.52%. In order to achieve this goal, we plan to carry out energy saving of lighting in the second zone of the 1F Forming Section, improvement of power saving of the newly purchased 15T

【Result of the investigation of greenhouse gas emissions of King Slide Technology in the last 3 years】



【Inventory results of greenhouse gas emissions from King Slide Technology Plant in the past three years】



punch machine, lighting of the areas of 5 conveyors for production assembly lines on 2F and the office building. Moreover, an improvement in heat dissipation and energy saving of the ice machine. With these improvements, the CO2e emission is expected to decrease 132.85 metric tons.

Note: Converted into observations based on the weight of greenhouse gases produced per thousand groups of products, it is also a significant reduction.

Note: From 2018 to 2020, the King Slide Technology Plant will increase its carbon emissions due to its capacity expansion.



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7.2.3 Energy reduction

King Slide Works and King Slide Technology have executed several energy-saving improvement measures in 2020, in order to implement the energy reduction strategy.

[King Slide Works emission reduction measures]

Category of energy saving	Description	Energy-saving and carbon emission	Pictures
The electroplated B-line rectifier is replaced with a high-efficiency machine	The original rectifier is a general-efficiency equipment, replaced with a HPS high-efficiency power rectifier that has high-current low voltage with DC/AC fast exchange	Save 401280 kWh of electricity throughout the year and reduce carbon emissions 401280 x 0.533=213.882 metric tons of CO2e. °	
The stamping equipment motor of the forming section was replaced with a frequency conversion control motor	There are 5 motor which are replaced with a frequency conversion control 15HP motors, which can effectively save energy by 40%.	Save 55,800 degrees of electricity throughout the year and reduce carbon emissions 55800 x 0.533=29.741metric tons of CO2e °	
The 315T punching machine in the forming class was changed to a 100hp inverter	A motor is replaced with an inverter controlled 75HP motor, which can effectively save energy by 40%.	The annual electricity saving was 4938 kWh, and the carbon emission was reduced by 4938 x 0.533=2.632 metric tons of CO2e. °	

[King Slide Technology emission reduction measures]

Category of energy saving	Description	Energy-saving and carbon emission	Pictures
Improvement of lighting energy saving in Section 2 of 1F Molding Course	Replacing 69 sets of 500W composite metal lamps in Section 2 of 1F Manufacture Forming Section with 80W LED patio lamps. The reduced wattage meets the lighting regulations and save energy.	Save 231,434 degrees of electricity throughout the year. Reduce carbon emissions by 231434 x 0.509/1000=117.80 metric tons of CO2e.	
Purchased a brand new 15T punch press to save electricity and improve	15 punch presses have no power saving device. When the product is switched on standby and the power is not turned off during the rest period, causing energy waste. Therefore, additional internal timer is added to the punch program. Cutting off the power of the hydraulic fan and motor when it is not operated for 10 minutes.	Save 25313 degrees of electricity throughout the year. Reduce carbon emissions by 25313 x 0.509/1000=12.88 metric tons of CO2e.	
improvement on the lighting area of 5 conveyor from 2F assembly production line.	270 sets of 4 feet 20W dual-tube LED lighting for area lighting of 5 conveyors from production lines in 2F are replaced with 90 sets of LEDS 80W patio lights.	Save 11880 kWh of electricity throughout the year. Reduce carbon emissions by 11880 x 0.509/1000=6.05 metric tons of CO2e.	



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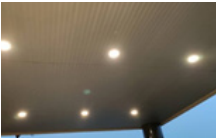

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Lighting improvement in the arcade area of the office building	In the arcade area of the office building, 6 sets of 100W halogen downlights were replaced with 20W LED downlights, and a light source microwave sensor was installed to automatically cut off the power within 90 seconds to save electricity.	Save 847 degrees of electricity throughout the year. Reduce carbon emissions by 847 x 0.506/1000=0.43 metric tons of CO2e.	
Improvement of heat dissipation and energy saving for the main cool water engine system of the factory building	There are 4 cooling fans with 400W in the ice water host system of the factory building. The original daily operation is 24HR, and a timer is added to control the daily operation time of 7HR to save electricity.	Save 9792 kWh of electricity throughout the year. Reduce carbon emissions 9792 x 0.509/1000=4.98 metric tons of CO2e.	

7.3 Water Resources Management

How to effectively use water resources is a major issue in the 21st century. This issue spans across economic, social, natural, humanistic development and energy supply, etc. Each country regards it as the most important part of national construction. As "Water" affects economic development and the quality of our daily life. King Slide Works and King Slide Technology use 100% of tap water only to avoid the impact of geological subsidence from groundwater extraction.

Plant	Source of water	Discharge site	Relevant regulations and standards
King Slide Works	Pingding Water Purification Plant, Number 7 Management Office, Water Corporation	Agongdian River	Water Pollution Prevention Regulations
King Slide Technology	Pingding Water Purification Plant, Number 7 Management Office, Water Corporation	Kaohsiung Park Sewage Treatment Plant, Southern Taiwan Science Park Administration	Accommodation and Fee-charging Standards of Wastewater Treatment and Sewage System in the Tainan and Kaohsiung Park of Southern Taiwan Science Park

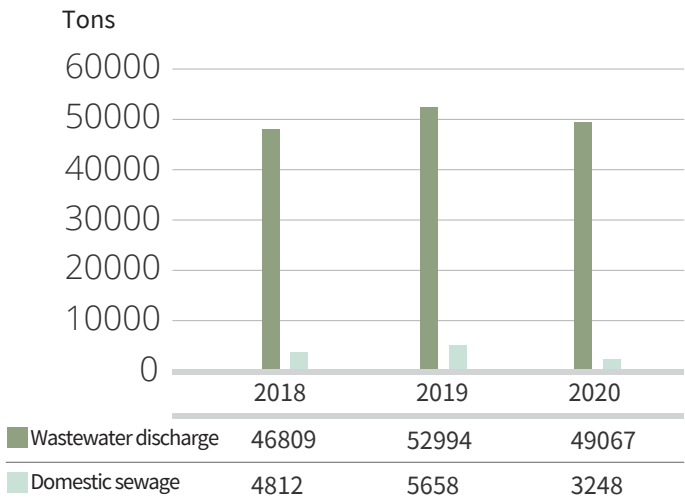
7.3.1 Sewage management

The wastewater discharge of King Slide Works includes wastewater from the production process and employee domestic sewage. Nearly 70% of the wastewater from the production process is reused in the production process through the water resource recovery system. About 30% of the wastewater is processed by the wastewater treatment system until it meets the standard of regulations. The wastewater is then discharged into the sea through the channels of the Water Resources Bureau.

[2020 amount of sewage discharge]

Factory	Control items	Tons / year
King Slide Works	Production Process sewage	49,067
	Domestic sewage	3248
King Slide Technology	Domestic sewage	6,940.402

[Process and domestic sewage of King Slide Works in the last 3 years]





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The Company entrusts a certified authority recognized by the Environmental Protection Agency to sample and test the water every six months. Water quality is also test and data recorded every day by a laboratory to monitor the changes in water quality, in order to comply with the regulations regarding water pollution prevention. Therefore, the discharge of wastewater from King Slide Works will not have any impacts on water bodies and biodiversity.

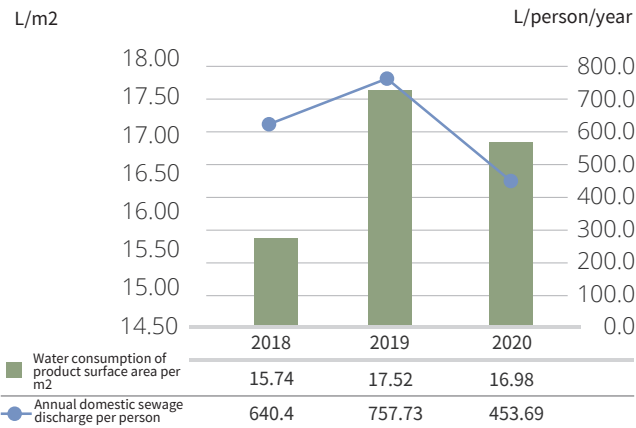
[ 2020 water quality testing of King Slide Works]

Items	Water temperature (OC)	pH	SS (mg/L)	COD (mg/L)	Zn (mg/L)
Required standards	35	6~9	30	100	5
Test Results	30-31.7	7.7-8.4	14-24.7	28.4-42.9	0.37-0.56
Compliant (Yes/No)	Yes	Yes	Yes	Yes	Yes

In 2020, King Slide Works targeting to reduce the water consumption from the production process with the expectation of 16.99L/M2 of the product surface area. Where the actual production process of water consumption was 16.98 L / m2. The main measure to achieve the goal of water consumption reduction in the process is to regularly replace the RO membranes of the two RO units to maintain the best water removal rate and recovery rate.

The actual domestic sewage volume of King Slide Works in 2020 was 453.69 L / person, which meet the targeted volume of 750.15 L / person. These reduction targets are achieved based on the continuously strengthen the education of employees on the concept of water saving, and to reduce the water pressure of the local water supply in the plant area to reduce domestic sewage discharge.

[Water consumption from the production process of King Slide Works in the last three years and the annual domestic sewage discharge per person]



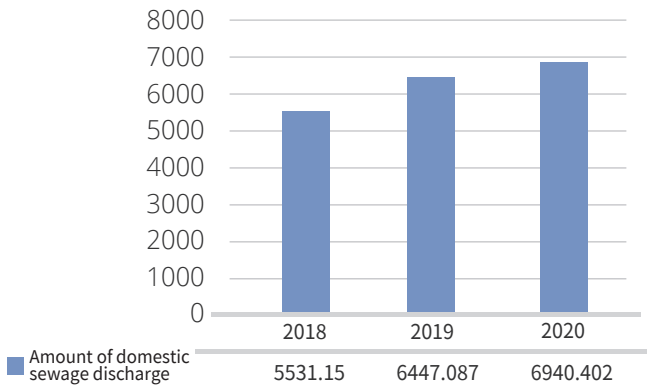
480 metric tons of RC wastewater adjustment system

In 2020, King Slide Works targeting to reduce the water consumption from the production process with the expectation of 16.99L/M2 of the product surface area. Where the actual production process of water consumption was 16.98 L / m2. The main measure to achieve the goal of water consumption reduction in the process is to regularly replace the RO membranes of the two RO units to maintain the best water removal rate and recovery rate.

The actual domestic sewage volume of King Slide Works in 2020 was 453.69 L / person, which meet the targeted volume of 750.15 L / person. These reduction targets are achieved based on the continuously strengthen the education of employees on the concept of water saving, and to reduce the water pressure of the local water supply in the plant area to reduce domestic sewage discharge.

[Domestic sewage of King Slide Technology in the last 3 years]

Unit:Tons





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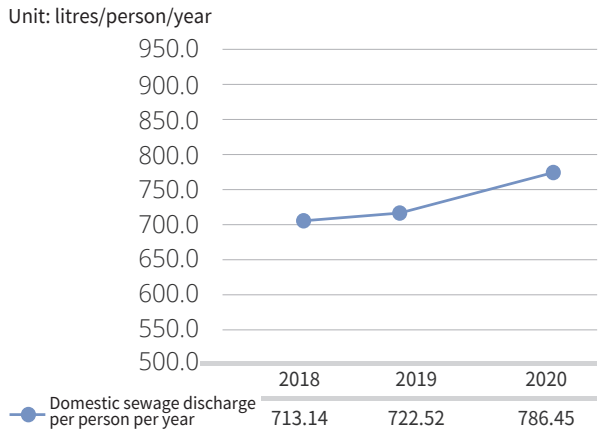
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[2020 water quality testing of King Slide Technology factory]

Items	Water temperature (OC)	pH	SS(mg/L)	COD(mg/L)	BOD(mg/L)
Required standards	35	5~10	<250	<450	<250
Results	22.6~31.9	7.5~8.1	5.8~29.0	77.9~188	34.1~62.6
Compliant (Yes/No)	Yes	Yes	Yes	Yes	Yes

In 2020, the annual domestic sewage output per person of the King Slide Technology Plant is 715.29 liters, and the actual domestic sewage production is 786.40 liters/person/year. The target value was not met is because of the COVID-19 epidemic, the press of Central Epidemic Command Center standardized and strengthened the cleaning and disinfection of the factory area, employees are forced to used hand sanitizer and soap for washing hands and other epidemic prevention measures, resulting in an increase in the volume of sewage water. In order to achieve the 2021 target of 778.53 liters of domestic sewage output per person, the corresponding measures are first implemented water-saving education and training every half year, and second, strengthen the inspection of water equipment such as faucet valves for leaks and automatic flushing of toilets. Whether the water system is abnormal, etc., to reduce unnecessary sewage output.

[The annual domestic sewage discharge per person of King Slide Technology in the last three years]



7.3.2 Reuse of water resource

Continuing the policy of ISO 14001, to reduce waste and costs and cherish resources. King Slide Works set up a water recycling system to recycle the wastewater generated during the production process back to the production line.

This drastically reduces the use of tap water and efficiently reuses water resources. The recovery rate of processed wastewater through the RO reverse osmosis system in 2020 was approximately 68.9%. A landscaped pond is built in the King Slide Technology factory to collect rainwater and irrigate turfs to optimize water resources utilization.

[2020 water recovery rate of King Slide Works]

Factory	Control items	Tons / year
King Slide Works	Wastewater discharge	49,067
	Domestic sewage discharge	3,248
	Amount of recovered pure water	115,286

Factory	Control items	Percentage (%)
King Slide Works	Water recovery rate*	68.9

Note: Water recovery rate (%) = (Amount of recovered pure water / process wastewater recovered for treatment) \* 100%



- 1

2

3
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5
1. Fiber filter system

2. RO-1 reverse osmosis system

3. Sludge drying equipment

4. Sludge drying equipment

5. Landscape pond of King Slide Technology factory



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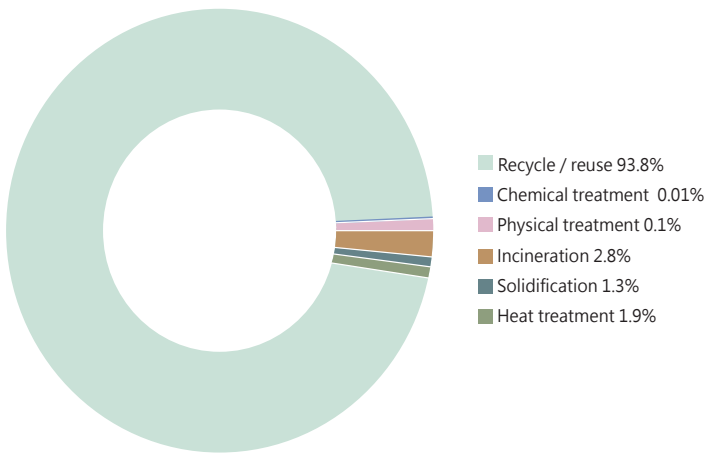
7.4 Waste Management

King Slide takes into consideration all potential waste produced during the production process while the procurement of raw material. Making sure all material does not contain any hazardous wastes specified in the Basel Convention. There are three types of main sources of waste at King Slide Works such as employee domestic waste, general and hazardous industrial waste. At King Slide Technology, the source of waste is divided into two categories. These are employee’s domestic waste and packaging materials waste from outsourced components. In order to implement waste management and encourage employees to implement recyclable waste classification. We have promoted it through employee education training, and convey the concept of waste reduction. We appointed qualified waste removal agencies for all types of waste removal and transportation per environmental protection regulations. Domestic waste is incinerated through designated plants. The recycled items are segregated according to classification and then handed over to recycling agencies for further processing.

[Statistic of Business waste output and processing]

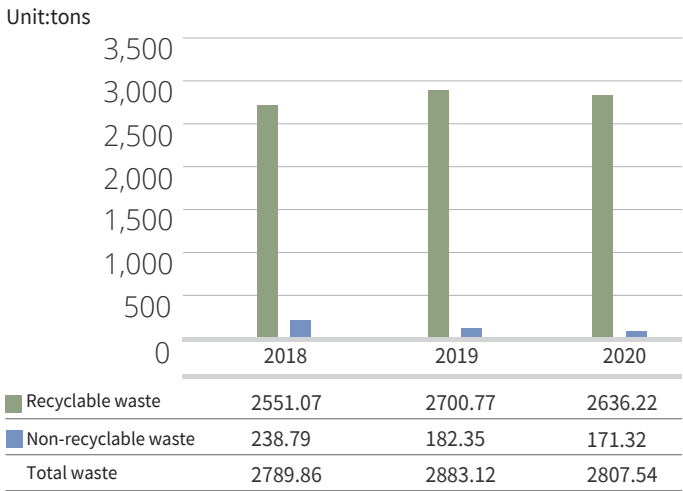
Hazardous substances (ton)		Non-hazardous substances (ton)	
Action taken	Weight	Action taken	Weight
Solidification Treatment	36.87	Incineration	79.1
Chemical treatment	0.22	Physical treatment	2.03
Subtotal	40.98	Heat treatment	53.1
		Recycle / reuse	2636.22
		Subtotal	2770.45

[Proportion of each waste treatments]



In 2020, the total output of King Slide Works’ waste was 2,807.54 metric tons. Non-recyclable waste was 171.32 metric tons, accounting for 6.1% of the overall waste. The total amount of recyclable waste was 2636.22 metric tons, accounting for 93.9% of the overall waste. The main recycled items are scrap steel and galvanized steel, which accounts for more than 97% of the overall recyclable wastes. As the stamping process is the main production of King Slide Works plant, with the main raw material being steel. The rest, such as waste paper, plastics film, plastic and wood pallets are below 1.0%. In the future, we will continue to improve the yield rate of the production process, reduce the output of scrap metal to achieve the industrial waste reduction goal.

[Volume of Waste treatment of King Slide Works in the last 3 years]



The Group’s 2020 solid waste reduction target is reduced to 15.99 kg / thousand product sets, while the actual solid waste was 14.98 kg / thousand product sets. Which had met the actual annual target. If analyzing the two plants separately, the actual solid waste volume of King Slide work Plant is 16.16 kg/thousand groups of products, and the actual solid waste volume of King Slide Technology Plant is 12.39 kg/thousand groups of products; The target of material reduction for 2021 King Slide group’s is that the actual performance in 2020 will drop by 0.5% to 14.91 kg/ thousand groups of products.

A great reduction in the moisture content of sludge allowing the target of decreasing the solid waste to be achieved in 2020. This was accomplished mainly because the existing sludge dryer in King Slide Works has been renovated and a new set of sludge dryers has been added. To reduce the volume of non-recyclable waste being produced, we continue to educate our employees on waste recycling. In addition, inspect solid waste before removal to reduce the proportion of recyclable waste being misjudged as non-recyclable waste.



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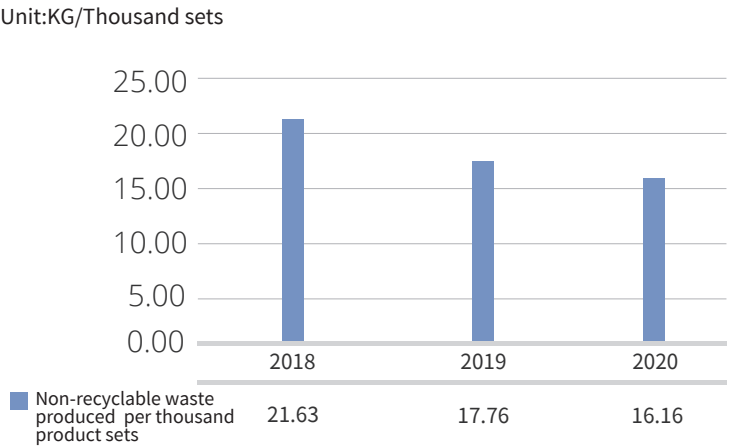
6. Occupational Safety and Health Management

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- 7.1 Environmental Policy
- 7.2 Energy Management
- 7.3 Water Resources Management
- 7.4 Waste Management

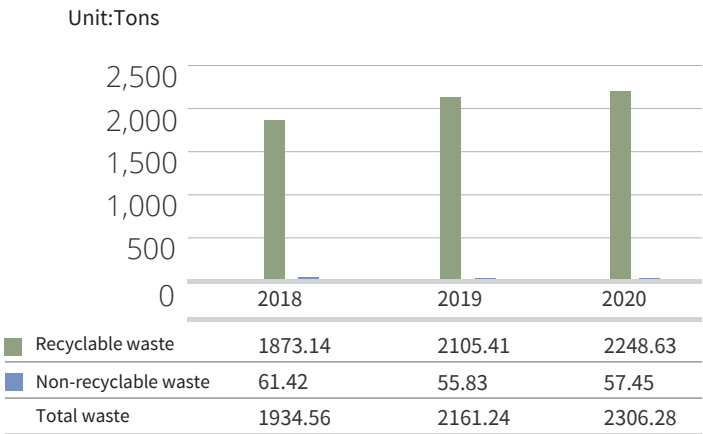
Appendix

[Weight of non-recyclable waste produced per thousand sets of product by King Slide Works in the last 3 years]



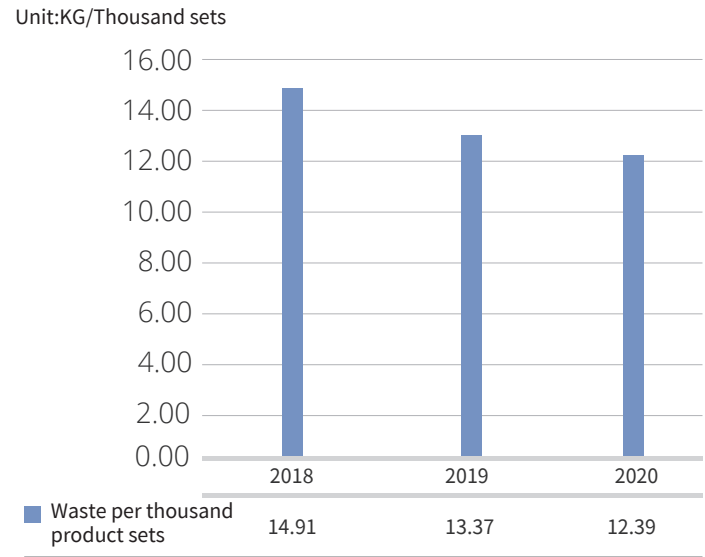
The amount of 2020 recycled waste of King Slide Technology increased by 0.09%, while the total amount of recyclable waste produced was 2,248.63 metric tons. Accounting around 97.51% of the overall waste. As the production process is similar to King Slide Works, the main recycled items are scrap steel and scrap galvanized steel, which accounts for more than 96.41% of the overall recycled waste. Waste paper and plastic film are accounted for around 1.78% and 0.47% respectively. Moreover, the rest of the waste such as plastic, wood pallets, domestic recycled items are accounted for around 1.34%.

[Volume of Waste treatment of King Slide Technology in the last 3 years]



According to the proportion of Group's annual solid waste, the actual amount from King Slide Technology in 2020 was 12.39 kg / thousand product sets, which has reached the year reduction target of 13.22 kg / thousand product sets. In order to reduce the amount of solid waste to 12.33 kg / thousand product sets in 2020. Action 1, Change the production line production report to electronic to reduce paper filling, and 2, Conduct waste classification education and training every half year to strengthen the concept of resource and non-resource waste classification to reduce the output of solid waste.

[Weight of non-recyclable waste per thousand product sets of King Slide Technology in the last 3 years]





# Appendix

...the first time I saw him, I was  
...with him to Rebel. I couldn't believe  
...was, and why he was here.  
...now who he was.  
...the shirt right off his back.  
...we could hear him laughing  
...and faded and was gone.  
...said. "Go on, then!"  
...thought. A piece and half  
...held an open Bible as big as my

375

391

407



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GRI Guidelines	GRI code	Reveal items	Correspondence chapters	Pages
1. Organization overview				
General disclosure	102-1	Name of association	2. Company overview	8
General disclosure	102-2	Activities, brands, products and services	2. Company overview	8
General disclosure	102-3	Headquarters location	2. Company overview	8
General disclosure	102-4	Location of operating activities	2. Company overview	8
General disclosure	102-5	Ownership and legal form	2. Company overview	8
General disclosure	102-6	Service market	2. Company overview	8
General disclosure	102-7	Organization size	2. Company overview	8
General disclosure	102-8	Information of employees and other workers	5.1 Employee relationship	40
General disclosure	102-9	Supply Chain	4.3 Partners	36
General disclosure	102-10	Major changes to the organization and its supply chain	No major changes in 2020	NA
General disclosure	102-11	Early warning principle or policy	3.1 Corporate governance 3.4 Risk management	20 26
General disclosure	102-12	External initiative	1. Overview	3
General disclosure	102-13	Membership of the Public Association	2. Company overview	8
General disclosure				
General disclosure	102-14	Statement from Decision Maker's	1.1 Message from the chairman 1.2 Message from the general manager	4 5
General disclosure	102-15	Critical impact, risk and opportunity	4.1 Communication and identification	30
General disclosure				
General disclosure	102-16	Values, principles, standards and codes of conduct	3.3 Ethics and business behavior	25
General disclosure	102-17	The mechanism of ethical suggestions and concerns	3.3 Ethics and business behavior	25



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General disclosure				
General disclosure	102-18	Governance structure	2.2.3 Company organizing system	14
General disclosure	102-19	Appointing authority	2.2.3 Company organizing system	14
General disclosure	102-20	Management level is responsible for economic, environmental and social topics	2.2.3 Company organizing system	14
General disclosure	102-21	Consult with stakeholders on economic, environmental and social topics	4.1 Communication and identification	30
General disclosure	102-22	The composition of the highest governance unit and its committee	3.1.1 Board of Directors	21
General disclosure	102-23	Chairman of the highest governance unit	3.1.1 Board of Directors	21
General disclosure	102-24	Nomination and selection from the highest governance unit	3.1.1 Board of Directors	21
General disclosure	102-25	Conflict of interest	3.1.1 Board of Directors 3.1.4 Audit 3.3.1 Avoid conflicts of interest	21 24 25
General disclosure	102-26	The role of the highest governance unit in the establishment of purpose, values and strategies	3.1 Current status of corporate governance	20
General disclosure	102-27	Group of intelligence from the highest governance unit	3.1 Current status of corporate governance	20
General disclosure	102-28	Performance evaluation from the highest governance unit	3.1 Current status of corporate governance	20
General disclosure	102-29	Identify and manage economic, environmental and social impact	4.1 Communication and identification	30
General disclosure	102-30	Effectiveness of risk management procedures	4.1 Communication and identification	30
General disclosure	102-31	Review the economic, environmental and social topics	4.1 Communication and identification	30
General disclosure	102-32	The role of the highest governance unit in sustainability reporting	2.2.3 Company organizing system 4.1 Communication and identification	14 30
General disclosure	102-33	Communication on important issues	4.1 Communication and identification	30
General disclosure	102-34	The attribute and total number of key issues	4.1.3 Identification of crucial issues	31
General disclosure	102-35	Salary policy	3.1.3 Compensation Committee	24
General disclosure	102-36	Salary decision process	3.1.3 Compensation Committee	24



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General disclosure				
General disclosure	102-40	Stakeholder’s group	4.1.1 Stakeholder identification 4.1.2 Communication channel for stakeholders	30 30
General disclosure	102-41	Group agreement	5.1 Employee relationship	40
General disclosure	102-42	Identification and selection of stakeholders	4.1.1Stakeholder identification	30
General disclosure	102-43	Policy of communication with stakeholders	4.1.2 Communication channel for stakeholders	30
General disclosure	102-44	Propose key schemes and concerns	4.1.3 Identification of crucial issues 4.1.4 Responses to issues of mutual concern	31 32
General disclosure				
General disclosure	102-45	Entities included in the consolidated financial statements	About this report	2
General disclosure	102-46	Define the report contents and subject boundary	About this report 4.1.3 Identification of crucial issues	2 31
General disclosure	102-47	List of major topics	About this report 4.1.3 Identification of crucial issues	2 31
General disclosure	102-48	Information reorganization	No major changes	NA
General disclosure	102-49	Report changes	No major changes	NA
General disclosure	102-50	Reporting times	About this report	2
General disclosure	102-51	Date of last report	About this report	2
General disclosure	102-52	Reporting period	About this report	2
General disclosure	102-53	Contact person who can answer questions related to the report	About this report	2
General disclosure	102-54	Announcement of reporting in accordance with GRI standards	About this report	2
General disclosure	102-55	GRI Index	About this report	2
General disclosure	102-56	External assurance/confirmation	About this report	2



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Economic				
Economic Performance	201-1	Direct economic value generated and distributed by the organization	2.2.4 2020 Operation Report	14
	201-2	The financial impacts and other risks that caused by climate change	3.4 Risk management	26
	201-3	Define benefit plan obligations and other retirement plans	5.3 Employee's benefit	47
	201-4	Financial subsidy from the government	2.2.4 Operation report	14
Market Share	202-1	The ratio of the standard salary of grassroots personnel of different genders to the local minimum salary	5.1 Employee relationship	40
	202-2	Proportion of employing local residents as senior management	5.1.1 Staff structure and distribution	41
Indirect Economic Impact	203-1	Development and impact of infrastructure investment and support services	5.4 Social feedback and participation	51
Purchase Practice	204-1	Proportion of procurement expenditure from local suppliers	4.3 Partners	36
Anti-corruption	205-1	Operational bases that have undergone a corruption risk assessment	3.3 Ethics and business behavior	25
	205-2	Communication and training on anti-corruption policies and procedures	3.3 Ethics and business behavior	25
	205-3	Confirmed corruption incidents and actions taken	No violations	NA
Anti-competition	206-1	Anti-competitive, antitrust and monopolistic actions	No violations	NA
Environment				
Energy	GRI 103	Management policy	7.2 Energy management	63
	302-1	Energy consumption within the organization	7.2 Energy management	63
	302-3	Reduce energy consumption	7.2.3 Reduction on energy	66
Water	303-1	Water withdrawal by source	7.3 Water resources management	67
	303-2	Water sources that are significantly affected by water intake	7.3 Water resources management	67
	303-3	Water being reused and recycled	7.3 Water resources management	67
Emission	305-1	Direct (Scope 1) Greenhouse Gas Emissions	7.2.2 Greenhouse gas management	64
	305-2	Energy indirect (Scope 2) greenhouse gas emissions	7.2.2 Greenhouse gas management	64
	305-4	Intensity of Greenhouse gas emission	7.2.2 Greenhouse gas management	64



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	305-5	Reduction on Greenhouse gas emission	7.2.2 Greenhouse gas management	64
	305-6	Emissions of Ozone Depleting Substances (ODS)	7.2.1 Air pollution management	64
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other major gas emissions	7.2.1 Air pollution management	64
Discharged Water and Waste	306-1	Discharged water volume according to water quality and discharge destination	7.3 Water resources management	67
	306-2	Categorize waste and disposal method	7.4Waste management	70
	306-3	Serious leakage	No Violation	NA
	306-5	Water bodies affected by discharge water and/or surface runoff	7.3 Water resources management	67
Environment-related Policies	307-1	Violation of environmental regulations	7.1.1 Current status of pollution prevention	62
Supplier Worksite Evaluation	308-1	Select new suppliers using environmental standards	4.3 Partners	36
	308-2	The negative impact of the supply chain on the environment and the actions taken	4.3 Partners	36
Labor-employer Relation	GRI 103	Management policy	5.1 Partners	40
	401-1	New employees and former employees	5.1.2 Employee retention	42
	401-2	Benefits provided to full-time employees (excluding temporary or part-time employees)	5.3 Employee’s benefit	47
	401-3	Parental leave	5.1.2 Employee retention	42
Labor and management Relation	402-1	The shortest notice period for operational changes	5.3.2 Employee relationship and employment rights protection	48
Occupational Safety and Sanitation	GRI 103	Management policy	6.1 Occupational Safety Management	54
	403-1	Workers' representatives in a formal safety and health committee formed by labor and management	6.1.1 Occupational Safety Committee	55
	403-2	Injury category, rate of injury, occupational disease, number of lost days, absenteeism, etc., and number of work-related deaths	6.1.2 Statistic of occupational safety	56
Training and Education	404-1	Average number of training hours per employee per year	5.2 Staff training and development	44
	404-2	Enhance staff functions and transition assistance programs	5.2 Staff training and development	44



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Employee Diversity and Opportunity Equality	405-1	Diversity of governance units and employees	5.1 Employee relationship	40
	405-2	The ratio of female to male basic salary plus salary	5.1 Employee relationship	40
Non-discrimination	406-1	Discrimination incidents and improvement actions taken by the organization	No Violation	NA
Freedom of Parties	407-1	Operating bases or suppliers that may face risks of freedom of association and group negotiation	No Violation	NA
Child labor	408-1	Significant risks of using child labor in operating locations and suppliers	5.3.2 Employee relationship and employment rights protection 4.3 Partners	48 36
Forced Labor	409-1	Operating bases and suppliers with significant risks of forced and compulsory labor incidents	5.3.2 Employee relationship and employment rights protection 4.3 Partners	48 36
Rights of Indigenous People	411-1	Incidents involving violations of the rights of indigenous peoples	No Violation	NA
Human Rights Evaluation	412-2	Employee training for human rights policies or procedures	5.2 Staff training and development	44
	412-3	Important investment agreements and contracts that contain human rights clauses or have undergone human rights review	4.3 Partners	36
Social				
Supplier Selection	414-1	New suppliers selected using social criteria	4.3 Partners	36
Customers Health and Safety	416-1	Assess the impact of product and service categories on health and safety	2.4 Product safety and health	17
	416-2	Violation of health and safety regulations related to products and services	No Violation	NA
Marketing and Labelling	417-2	Failure to comply with the information and labeling regulations of products and services	No Violation	NA
	417-3	Failure to comply with relevant laws and regulations on marketing communications	No Violation	NA
Client Privacy	418-1	Complaints of confirmed violations of customer privacy or loss of customer information	No Violation	NA
Social Economic Policies	419-1	Violation of laws and regulations in the social and economic fields	No Violation	NA



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Item	Provisions	Corresponding chapter	Pages
1. Organizational governance			
1.1	System that implements and make decision when organization execute the targets	2.2.3 Company organization system	14
2. Human rights			
2.1	Comply with laws and regulations and avoid risks caused by human rights issues	3.1.4 Audit	24
2.2	Risk situation of Human rights	5.3.1 Employee relationship and development	47
2.3	Avoid accomplices - directness, interest and silence forms of conspiracy	3.3 Ethics and business behavior	25
2.4	Resolve grievances	5.3.1 Employee relationship and development	47
2.5	Discrimination and disadvantaged groups	5.3.1 Employee relationship and development	47
2.6	Civil and political rights	5.3.1 Employee relationship and development	47
2.7	Economic, social and cultural rights	5. Employee relationship and social feedback	34
2.8	Basic right of work	5. Employee relationship and social feedback	34
3. Labor practices			
3.1	Employment and related relationship	5.1 Employee relationship	40
3.2	Working conditions and social protection	5.1 Employee relationship	40
3.3	Social communication	4.1.2 Communication channel for stakeholders 5.4 Social feedback and participation	30 51
3.4	Health and safety at work	6. Occupational Safety and Health Management	53
3.5	Labor development and training	5.2 Staff training and development	44
4. Environment			
4.1	Pollution prevention	7.1 Environmental policy	62
4.2	Sustainable resource utilization	7.3.2 Water reuse	69
4.3	Climate change mitigation and adaptation	7.2 Energy management	63



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4.4	Environmental protection, biodiversity and natural habitat restoration	7.1 Environmental policy	62
5. Fair business practices			
5.1	Anti-corruption	3.3 Ethics and business behavior	25
5.2	Responsible political participation	3.1 Current status of corporate governance	20
5.3	Fair competition	3.3 Ethics and business behavior	25
5.4	Promote social responsibility within the scope of influence	4.3 Partners	36
5.5	Respect intellectual property rights	3.3.3 Ethics training	26
6. Consumer issues			
6.1	Fair marketing, information and contract practices	2.4 Product safety and health	17
6.2	Protect the health and safety of consumers	2.4 Product safety and health	17
6.3	Sustainable consumption	2.4 Product safety and health	17
		4.2 King Slide's sustainable business relationship with customers	33
6.4	Consumer service, support, complaint and dispute resolution	4.2 King Slide's sustainable business relationship with customers	33
6.5	Consumer data protection and privacy	4.2 King Slide's sustainable business relationship with customers	33
6.6	Provide necessary services	2.4 Product safety and health	17
6.7	Education and Cognition	2.4 Product safety and health	17
7. Community involvement and development			
7.1	Community Involvement	5.4 Social feedback and participation	51
7.2	Education and culture	5.4 Social feedback and participation	51
7.3	Increase employment and technological development	2.2 Operation Overview	9
7.4	Technology development	2.2 Operation Overview	9
7.5	Create wealth and income	2.2 Operation Overview	9
7.6	Health	5.3 Employee's benefits	47
		6.3 Employee health management	58
7.7	Social investment	5.4 Social feedback and participation	51



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Item	Provisions	Corresponding chapter	Pages
Human rights section			
1	Support and respect international human rights within the scope of cooperation influence	5.3.2 Protection of labor-management relations and employment rights	48
2	Enterprise should ensure that human rights are not violated within the company	5.3.2 Protection of Labor-management relations and employment rights	48
Labor part			
3	Guarantee the freedom of labor assembly and association, and effectively recognize the right to collective bargaining	5.3.1 Employee relationship and development	47
4	Eliminate all forms of forced labor	5.1 Employee relationship	40
5	Effectively abolish child labor	5.3.2 Labor-management relations and employment rights protection	48
6	Eliminate discrimination in employment and occupation	5.3.2 Labor-management relations and employment rights protection	48
Environmental part			
7	Support preventive measures against environmental challenges	2.4.6 Environmental Management Policy 7.2 Energy management	18 63
8	Adopt more corporate environmental responsibility practices	2.4.6 Environmental Management Policy 7.1 Energy management	18 62
9	Encourage R&D and expand of environmental friendly technologies	2.4 Product safety and health	17
Society part			
10	Companies should commit to anti-corruption activities, including extortion and bribery	3.3 Ethics and business behavior	25